

Five Rulemakings in Ten Weeks: Inside the Genius Act Implementation Sprint

Executive Summary

Within the last two months, federal regulators issued five proposed rules implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act (the “GENIUS Act”).¹ The Office of the Comptroller of the Currency (“OCC”), Federal Deposit Insurance Corporation (“FDIC”), National Credit Union Administration (“NCUA”), Department of the Treasury (“Treasury”), and the Financial Crimes Enforcement Network/Office of Foreign Asset Control (“FinCEN/OFAC”) converted a six-month-old statute into a substantially complete proposed regulatory regime.² The pace is statutorily driven; the GENIUS Act requires final implementing rules by July 18, 2026.

The OCC’s proposal has become the gravitational center of the federal stablecoin framework: the FDIC has expressly aligned its proposal with the OCC’s, Treasury has used the OCC framework as the baseline against which state regimes will be measured, and the NCUA has built on a parallel architecture.

This alert is an update to our previous client alert “U.S. Bank Regulators Accelerate Integration of Crypto Assets into the Banking System,” available [here](#). That alert remains the principal reference for the 2025 regulatory reset across the OCC, the Federal Reserve, and the FDIC. This update concentrates on the GENIUS Act implementing

¹ Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025 (GENIUS Act), Pub. L. No. 119–27, 139 Stat. 419 (codified at 12 U.S.C. §§ 5901–5916). The Act directs the primary federal payment stablecoin regulators to issue implementing regulations not later than one year after the date of enactment. *Id.* § 13(a) (12 U.S.C. § 5913(a)).

² Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency, 91 Fed. Reg. 10,202 (proposed Mar. 2, 2026) (to be codified at 12 C.F.R. pts. 3, 6, 8, 15, 19) [hereinafter OCC NPRM]; GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions, 91 Fed. Reg. 18,534 (proposed Apr. 10, 2026) (to be codified at 12 C.F.R. pts. 324, 330, 350) [hereinafter FDIC Standards NPRM]; Investments in and Licensing of Permitted Payment Stablecoins Issuers, 91 Fed. Reg. 6,531 (proposed Feb. 12, 2026) (to be codified at 12 C.F.R. pt. 706) [hereinafter NCUA NPRM]; GENIUS Act Broad-Based Principles for Determining Whether a State-Level Regulatory Regime Is Substantially Similar to the Federal Regulatory Framework, 91 Fed. Reg. 16,844 (proposed Apr. 3, 2026) (to be codified at 12 C.F.R. ch. XV) [hereinafter Treasury Substantial Similarity NPRM]; Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism Program and Sanctions Compliance Program Requirements, 91 Fed. Reg. 18,582 (proposed Apr. 10, 2026) (to be codified at 31 C.F.R. pts. 502, 1010, 1033) [hereinafter FinCEN/OFAC NPRM].

rulemakings issued within the last few weeks and on related developments most relevant to banks, crypto-native firms, and state-chartered institutions.

Why This Matters and What To Do Now

- *Five proposed rules in ten weeks.* Three of the four primary federal payment stablecoin regulators (the OCC, FDIC, and NCUA) have issued notices of proposed rulemaking (“NPRMs”) implementing the GENIUS Act. Treasury has issued a separate NPRM on state regimes and a joint FinCEN/OFAC NPRM on AML/CFT and sanctions program requirements for permitted payment stablecoin issuers (“PPSIs”). The Federal Reserve, the fourth primary federal payment stablecoin regulator, has not yet issued its proposal.
- *The OCC has emerged as the gravitational center.* The OCC’s proposal is the most expansive of the agency rules, and — by Treasury’s express choice — functions as the baseline against which state regimes will be measured for “substantial similarity.” The FDIC has explicitly stated that it has “endeavored, in many areas, to align this proposed rule with the OCC’s proposed rule, to the extent relevant.”³ Diligence on the OCC proposal informs the analysis of every other framework, including the state pathway.
- *AML/CFT and sanctions compliance are being codified for stablecoin issuers with, for apparently the first time, a prescriptive sanctions compliance program instead of a voluntary framework.* The FinCEN/OFAC joint NPRM would treat PPSIs as financial institutions for Bank Secrecy Act purposes.⁴ For what appears to be the first time, the proposal explicitly mandates maintaining an effective sanctions compliance program instead of relying on the general OFAC framework and adoption of voluntary guidelines.
- *The statutory clock is running.* Final implementing regulations are due no later than July 18, 2026, and the Act becomes effective on the earlier of: (1) 120 days after final regulations are issued; and (2) January 18, 2027. Final rules are likely to be published on a compressed timeline.⁵
- *Comment deadlines (action items).* The open NPRMs are Treasury’s state substantial similarity NPRM (June 2, 2026); the FDIC requirements and standards NPRM (June 9, 2026); and the FinCEN/OFAC AML/sanctions NPRM (June 9, 2026).⁶
- *Federal versus state pathway analysis is now actionable.* Treasury has proposed a two-tier framework distinguishing “uniform” requirements (which state regimes must match) from “state-calibrated” requirements (where state approaches may diverge if the underlying level of protection is equivalent). Because Treasury benchmarks state regimes against the OCC’s detailed proposal, state supervision is unlikely to provide a materially less burdensome regulatory experience in the prudential domain. Several states (including New York, Texas, and Wyoming) have existing virtual-currency or stablecoin frameworks that may form the basis of substantial-similarity certifications, and California’s Digital Financial Assets Law takes effect on July 1, 2026.⁷

³ FDIC Standards NPRM, 91 Fed. Reg. at 18,536.

⁴ See FinCEN/OFAC NPRM, 91 Fed. Reg. at 18,582; see also 12 U.S.C. § 5903(a)(5).

⁵ GENIUS Act § 20, 139 Stat. at 466 (codified at 12 U.S.C. § 5901 note).

⁶ Treasury Substantial Similarity NPRM, 91 Fed. Reg. at 16,844; FDIC Standards NPRM, 91 Fed. Reg. at 18,534; FinCEN/OFAC NPRM, 91 Fed. Reg. at 18,582.

⁷ See, e.g., N.Y. Comp. Codes R. & Regs. tit. 23, pt. 200 (New York Department of Financial Services virtual currency framework, including BitLicense regime); Tex. Fin. Code Ann. ch. 152 (Money Services Modernization Act) & ch. 160 (digital asset service provider provisions); Wyo. Stat. Ann. §§ 13-12-101 to -126 (Special Purpose

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- *National trust bank momentum continues.* Following the December 2025 conditional approvals (Circle, Ripple, BitGo, Paxos and Fidelity Digital Assets), the OCC in early 2026 conditionally approved additional applications (including Bridge, Protego, Crypto.com, and Coinbase) and affirmed that national trust banks may engage in non-fiduciary activities. Applications from Morgan Stanley, Payoneer, and Zerohash, among others, remain pending.⁸
 - *Watch the Federal Reserve and Congress.* The Federal Reserve has not yet issued either its GENIUS Act NPRM for state member bank PPSIs or any follow-up to its December 2025 “payment account” RFI; both are expected before the July 18 deadline. The Digital Asset Market Clarity Act remains under negotiation in the Senate following a tentative compromise on stablecoin yield, with key issues unresolved.

Anatomy of the Sprint

Five proposed rules in ten weeks is a striking pace. The OCC’s proposal is the most expansive and technically detailed, partly because of the breadth of OCC jurisdiction: the agency is the primary federal payment stablecoin regulator for the broadest range of institutions.

But the OCC’s leading role is also visible in how the other regulators have positioned their proposals. The FDIC has expressly aligned its proposal with the OCC’s and invited comment on the appropriate scope of further inter-agency convergence. Treasury has designated the OCC framework as the “baseline for comparison” for state regimes, on the rationale that: (1) nonbank state-qualified issuers transition to OCC oversight at the \$10 billion threshold; (2) any state-chartered depository institution issuer must be an uninsured state bank closely analogous to OCC-regulated uninsured national banks; and (3) the FRB, FDIC, and NCUA frameworks are predominantly calibrated to subsidiaries of insured institutions that are categorically ineligible to be state-qualified PPSIs.⁹ The NCUA has adopted a broadly compatible architecture. The OCC proposal looks to be, in effect, a foreshadowing of what will be the regulatory perimeter for every category of PPSI.

The agencies are converging more than diverging. The remaining differences include the OCC’s elaborate set of automatic consequences for breach, its prior-notice requirement for any change of control of a PPSI, and its broader and more presumption-laden interest/yield prohibition. These may drive pathway selection and are shaping comment letters.

The Federal Application and Licensing Framework

OCC NPRM: The Anchor Proposal

The OCC’s NPRM is the broadest proposal because the OCC is the primary federal regulator for three categories of entities: (1) subsidiaries of national banks and federal savings associations approved to issue payment stablecoins; (2) federal qualified payment stablecoin issuers (nonbanks, uninsured national banks, and federal branches); and (3)

Depository Institutions); Wyo. Stat. Ann. §§ 40-31-101 to -110 (Wyoming Stable Token Act); Cal. Fin. Code §§ 3101–3905 (Digital Financial Assets Law) (effective July 1, 2026).

⁸ See National Bank Chartering, 91 Fed. Reg. 9,977 (Mar. 2, 2026) (to be codified at 12 C.F.R. § 5.20); Press Release, OCC, OCC Announces Conditional Approvals for Five National Trust Bank Charter Applications (Dec. 12, 2025), <https://occ.gov/news-issuances/news-releases/2025/nr-occ-2025-125.html>.

⁹ See Treasury Substantial Similarity NPRM, 91 Fed. Reg. at 16,846 (designating the OCC’s “interpretations and regulations published in the Federal Register” as the “baseline for comparison” against which state-level regulatory regimes will be measured).

certain state-qualified PPSIs whose outstanding issuance crosses the \$10 billion threshold. Comments were due May 1, 2026.¹⁰ Notable features that go beyond the statutory text include:

- Counterparty concentration limits on reserves beyond what the statute requires.
- A lifecycle-based capital framework anchored in common equity tier 1 (“CET1”) plus additional tier 1, supplemented by an operational backstop sized to a specified period of operating expenses, with OCC authority to impose individual additional requirements.
- A prior-notice requirement for any change of control of a PPSI.
- A presumptive prohibition (with limited rebuttal opportunity) against payment of interest or yield “solely in connection with the holding, use, or retention” of a payment stablecoin, including arrangements involving affiliates or related third parties.
- Mandatory consequences for breach of certain prudential requirements, including a prohibition on issuing new payment stablecoins, mandatory liquidation of reserve assets, or extension of redemption periods. Liquidation would proceed in parallel with mandatory at-par redemption (without fees), running through the existing two-business-day redemption clock with an automatic seven-day extension if redemption demands exceed 10% of outstanding issuance in any 24-hour period. Significant operational questions are left unaddressed, including the treatment of unredeemed stablecoins held by deceased or unreachable holders, stablecoins stranded in lost wallets, and the application of state escheatment regimes to assets whose holders are identifiable only by a public address.

FDIC NPRM: Aligned, with Calibrated Differences

The FDIC’s April NPRM¹¹ follows its December 2025 NPRM on the application process¹² and addresses requirements applicable to FDIC-supervised PPSIs (which must be subsidiaries of FDIC-supervised IDIs) and to FDIC-supervised institutions providing custody and safekeeping services for stablecoin reserves and collateral. Comments are due June 9, 2026. Areas of alignment with the OCC include: (1) permissible activities; (2) reserve composition consistent with the statutory list; (3) a two-business-day redemption requirement; (4) comparable risk management and audit expectations; and (5) a tier-1-only capital framework (CET1 plus additional tier 1, with no tier 2 capital element) supplemented by an operational backstop.

The principal divergences are: (1) less prescriptive reserve diversification beyond a 40 percent counterparty concentration limit; (2) reliance on supervisory discretion rather than the OCC’s automatic-consequence regime; and (3) no stand-alone PPSI control filing requirement. We expect convergence to increase between the proposed and final stages.

NCUA NPRM: Licensing First, Standards to Follow

The NCUA’s NPRM¹³ addresses the licensing process for federally insured credit union (“FICU”) subsidiaries that seek to become PPSIs and limits FICU investment to NCUA-licensed PPSIs. The comment period closed April 13, 2026. Two credit-union-specific features are notable: a joint application requirement (the prospective PPSI must apply jointly with its FICU parent) and the NCUA’s assumption that PPSIs might be jointly held by multiple FICUs through a

¹⁰ OCC NPRM, 91 Fed. Reg. at 10,202.

¹¹ FDIC Standards NPRM, 91 Fed. Reg. at 18,534.

¹² Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Insured Depository Institutions, 90 Fed. Reg. 59,409 (proposed Dec. 19, 2025) (to be codified at 12 C.F.R. pt. 303).

¹³ NCUA NPRM, 91 Fed. Reg. at 6,531.

credit union service organization. The NCUA has indicated that a forthcoming proposal will address substantive prudential standards for FICU-affiliated PPSIs.

Federal Reserve: Still Outstanding

The Federal Reserve, the primary federal payment stablecoin regulator for subsidiaries of state member banks, has not yet issued an NPRM. Industry expectations are that its proposal will broadly track the OCC and FDIC frameworks.

State Substantial Similarity: Treasury Picks the Baseline

In April 2026, Treasury published an NPRM¹⁴ establishing principles for determining whether a state-level regulatory regime is “substantially similar” to the federal framework under the GENIUS Act. Under the Act, a state-qualified PPSI with consolidated outstanding issuance of \$10 billion or less may opt for state regulation, provided the Stablecoin Certification Review Committee (the “SCRC,” comprised of the Secretary of the Treasury, the Chair of the FDIC, and the Chair of the Federal Reserve or the Vice Chair for Supervision) unanimously determines that the state regime meets or exceeds the primary GENIUS Act requirements.¹⁵ Comments are due June 2, 2026.

The proposal divides federal requirements into two categories. “Uniform requirements” (reserve asset categories, the prohibition on rehypothecation, and the prohibition on payment of interest or yield, among others) must apply identically under state and federal law. “State-calibrated requirements” (reserve composition above the statutory floor, redemption mechanics, capital, and the operational backstop) permit some state flexibility, provided the level of protection is equivalent.

The most consequential drafting choice is Treasury’s express designation of the OCC framework as the comparative baseline. States may permit reserve assets beyond those enumerated in the GENIUS Act¹⁶ only to the extent the OCC has approved them as “similarly liquid Federal Government-issued assets.”¹⁷ States may, of course, be more conservative than the OCC in this regard.

State capital regimes must be anchored in high-quality capital (CET1 plus additional tier 1) tailored to the issuer’s business model and state regimes must impose an operational backstop at levels at least as strong as under OCC rules. Treasury also proposes to define “Federal regulatory framework” to include the implementing regulations of the primary federal payment stablecoin regulators, Treasury BSA and sanctions regulations, and Federal Reserve anti-typing rules, with the practical effect that the OCC’s rulemaking choices, as they evolve, will continue to shape the federal benchmark.¹⁸

For state-chartered nonbank issuers, state supervision is therefore unlikely to provide a materially less burdensome regulatory experience in the prudential domain, although it may offer differences in process, examination frequency, and supervisory style. The \$10 billion threshold imposes a hard ceiling. An issuer approaching that level should plan for federal transition. The proposal does not address how Treasury will monitor state regimes over time or under what conditions certifications may be revisited.

¹⁴ Treasury Substantial Similarity NPRM, 91 Fed. Reg. at 16,844.

¹⁵ Treasury Substantial Similarity NPRM, 91 Fed. Reg. at 16,844; see 12 U.S.C. § 5903(c); *id.* § 5901(27) (defining the Stablecoin Certification Review Committee). The primary GENIUS Act requirements are those in section 4(a).

¹⁶ 12 U.S.C. § 5903(a)(1)(A) (enumerating permissible reserve assets, including U.S. coins and currency, demand deposits at insured depository institutions, short-dated Treasury bills, certain repurchase and reverse-repurchase agreements collateralized by Treasury securities, government money-market funds, and central bank reserves).

¹⁷ *Id.* § 5903(a)(1)(A)(vii) (catch-all category covering other similarly liquid Federal Government-issued assets approved by the primary Federal payment stablecoin regulators).

¹⁸ Treasury Substantial Similarity NPRM, 91 Fed. Reg. at 16,855–57.

AML/CFT and Sanctions: The FinCEN/OFAC Joint NPRM

In April 2026, FinCEN and OFAC jointly issued an NPRM¹⁹ implementing the GENIUS Act's directive to treat PPSIs as financial institutions under the Bank Secrecy Act and to require effective sanctions compliance programs.²⁰ Comments are due June 9, 2026. This is the one corner of the federal framework where the OCC is *not* the gravitational center: the substantive standards are FinCEN's and OFAC's, although the prudential regulators retain primary day-to-day supervision and a consultation role.

The proposal would subject PPSIs to a BSA-required AML/CFT program with the standard four pillars of: (1) a designated BSA/AML compliance officer; (2) internal policies, procedures, and controls; (3) ongoing employee training; and (4) independent testing of the program; supplemented by customer identification, customer due diligence, suspicious activity reporting, currency transaction reporting where applicable, and recordkeeping. The OFAC components would require an effective sanctions compliance program tracking the five elements of OFAC's 2019 Framework for OFAC Compliance Commitments: (1) management commitment; (2) risk assessment; (3) internal controls; (4) testing and auditing; and (5) training. The proposal represents what appears to be the first time federal law has explicitly mandated that a particular U.S. person maintain an effective sanctions compliance program. While all U.S. persons have long been subject to substantive sanctions prohibitions under the International Emergency Economic Powers Act and OFAC's implementing regulations, no prior federal statute had imposed a freestanding programmatic obligation to maintain a sanctions compliance program; OFAC's 2019 Framework for OFAC Compliance Commitments has, until now, served as voluntary guidance to which compliance was strongly encouraged but not legally required.²¹ Sophisticated issuers may already maintain similar programs voluntarily, but the proposal converts those expectations into binding regulatory requirements with examination and enforcement consequences.

The proposal is notable for its detailed engagement with the operational realities of stablecoin issuance on topics such as smart contract control of secondary-market transactions, blockchain analytics, geolocation tools, transaction freezing, and the obligation to block stablecoins held by sanctioned persons by exercising issuer control over the smart contract. Issuers will, in many cases, need real-time on-chain screening and the technical ability to freeze or block specific addresses, particularly for jurisdictions subject to comprehensive sanctions.

Other Notable Developments

OCC final rule on national trust bank chartering. In March, the OCC finalized an amendment confirming that national trust banks may engage in non-fiduciary activities, including digital asset custody.²² The amendment is intended to remove ambiguity that could be exploited in a textual challenge to the OCC's charter approvals. The Conference of State Bank Supervisors and others have raised legal concerns about the OCC's use of the trust bank charter for primarily non-fiduciary activities; those concerns may form the basis of future litigation.

Additional OCC charter approvals. Following the December 2025 approvals for Circle, Ripple, BitGo, Fidelity Digital Assets, and Paxos, the OCC granted further conditional approvals in early 2026, including Bridge (Stripe's stablecoin

¹⁹ FinCEN/OFAC NPRM, 91 Fed. Reg. at 18,582.

²⁰ FinCEN/OFAC NPRM, 91 Fed. Reg. at 18,582; see 12 U.S.C. § 5903(a)(5).

²¹ See FinCEN/OFAC NPRM, 91 Fed. Reg. at 18,582–83; see *generally* Off. of Foreign Assets Control, U.S. Dep't of the Treasury, A Framework for OFAC Compliance Commitments (May 2, 2019), <https://ofac.treasury.gov/media/16331/download>.

²² National Bank Chartering, 91 Fed. Reg. 9,977 (Mar. 2, 2026) (to be codified at 12 C.F.R. § 5.20).

infrastructure subsidiary), Protego, Crypto.com (Foris Dax), and Coinbase National Trust Company (April 2, 2026).²³ Applications from Morgan Stanley, Payoneer, and Zerohash, among others, remain pending. National trust banks remain limited-purpose and generally do not have access to FDIC insurance, deposit-taking, or principal lending.

Federal Reserve payment account RFI. The comment period on the Federal Reserve's December 2025 RFI on a "payment account" prototype closed on February 6, 2026. The Federal Reserve has not yet announced next steps.²⁴

Clarity Act. The bill, which passed the House in July 2025 and cleared the Senate Agriculture Committee in January 2026,²⁵ has stalled in the Senate Banking Committee over stablecoin yield.²⁶ Senators Tillis and Alsobrooks reportedly reached an agreement in principle in March 2026 banning passive yield while permitting narrowly defined activity-based rewards, with the SEC, CFTC, and Treasury directed to define permissible programs within twelve months of enactment. Formal text remains in negotiation, the late-April Senate Banking markup has slipped, and DeFi treatment and the scope of activity-based rewards remain unresolved.

Conclusion

Five proposed rules in ten weeks have transformed the GENIUS Act from a statute on paper into a substantially complete (though still proposed) operational regime, with the OCC at the center. The OCC operates as the de facto baseline regulator for federal qualified PPSIs, as the benchmark against which state regimes are measured, and as the framework with which the FDIC has explicitly chosen to align. Several questions will shape the final regime: (1) whether and how the Federal Reserve's forthcoming proposal will diverge for uninsured state member banks; (2) whether Congress, through the Clarity Act or otherwise, will revise the prohibition on stablecoin interest and yield; (3) whether the OCC's use of the trust bank charter for primarily non-fiduciary activities will withstand legal challenge; and (4) the degree of inter-agency convergence in the final rules. Market participants should engage in the comment process and prepare to operationalize the framework on a compressed timeline given the July 18, 2026 statutory deadline and the January 18, 2027 effective-date backstop.

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If you have any questions about the issues addressed in this alert, or if you would like a copy of any of the materials referenced in it, please do not hesitate to contact Gary Kalbaugh (Partner) at 212-701-3505 or gkalbaugh@cahill.com, Lewis Rinaudo Cohen (Partner) at 212-701-3758 or lrcohen@cahill.com.

²³ See Press Release, OCC, OCC Announces Conditional Approvals for Five National Trust Bank Charter Applications (Dec. 12, 2025), <https://occ.gov/news-issuances/news-releases/2025/nr-occ-2025-125.html>; Press Release, OCC, Conditional Approval for Coinbase National Trust Company (Apr. 2, 2026).

²⁴ Request for Information and Comment on Reserve Bank Payment Account Prototype, 90 Fed. Reg. 60,096 (Dec. 23, 2025) (Docket No. OP-1877). The comment period closed on February 6, 2026.

²⁵ The House version is known as the "CLARITY Act" while the Senate version is known as the "Clarity Act."

²⁶ Digital Asset Market Clarity Act of 2025, H.R. 3633, 119th Cong. (passed House July 17, 2025).