OCC Proposal Introduces Comprehensive Framework for Stablecoin Issuers Under GENIUS Act

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The Office of the Comptroller of the Currency (OCC) issued a Notice of Proposed Rulemaking on February 25, 2026, to implement large portions of the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act. Unlike the Federal Deposit Insurance Corporation's (FDIC) December 2025 proposal, which focused narrowly on application mechanics for subsidiaries of insured depository institutions, the OCC's proposal establishes a robust regulatory framework for entities subject to OCC supervision that intend to issue payment stablecoins.

The result is the most detailed federal guidance to date on how payment stablecoin issuers will be chartered, supervised, and examined. This article highlights the key aspects of the OCC proposal that materially expand upon the FDIC's narrower application-focused rulemaking.

Framework and Scope

The GENIUS Act, enacted in July 2025, establishes a federal licensing and oversight structure governing the issuance and sale of "payment stablecoins" (digital assets designed to maintain stable value relative to fiat currency and redeemable for a fixed amount of monetary value). It restricts lawful issuance to permitted payment stablecoin issuers (PPSIs) and assigns primary regulatory authority based on issuer type.

Under this framework, the OCC is positioned to supervise the majority of domestic issuers, including national banks, federal savings associations, certain subsidiaries, and qualifying state-chartered PPSIs. The OCC's proposal provides insight concerning future federal oversight of PPSIs.

Key Elements of the OCC Proposal

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While the FDIC focused on the application process for PPSI designation, the OCC proposal goes further, contemplating a regulatory regime for stablecoin issuers. What follows is a summary of the most significant areas where the OCC proposal breaks new ground.

- **Creation of a new regulatory framework:** The OCC proposal introduces 12 C.F.R. Part 15, a dedicated regulatory regime governing payment stablecoin issuance. Part 15 clarifies:
  - What constitutes a "payment stablecoin";
  - What entities qualify as PPSIs; and
  - How these assets differ from deposits, securities, and other digital assets.

  This definitional clarity was *not* addressed in the FDIC's rule, which instead relied on statutory definitions without providing regulatory interpretation or supervisory boundaries.

- **Substantive prudential requirements (capital, liquidity, reserves):** Whereas the FDIC "kicked the can" in proposing specific requirements related to capital, liquidity and reserves, opting for requirements related to those items to be issued at a later date, the OCC sets forth mandatory standards, including:
  - *Minimum capital floor:* The OCC proposes a $5 million minimum capital requirement for de novo stablecoin issuers, marking the first time a federal regulator has specified capital minimums for PPSIs.
  - *Reserve and liquidity requirements:* The OCC proposal details expectations for reserve composition, liquidity buffers, and operational controls, filling gaps left open by the GENIUS Act and not presently discussed in the FDIC's application-based framework.

  These provisions represent the OCC's effort to construct a framework analogous to bank supervision but tailored to the stablecoin model.

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- **Anti-interest rules and Anti-evasion presumption:** The GENIUS Act prohibits the payment of interest or yield on payment stablecoins. The FDIC currently does not address this portion of the statute; however, the OCC proposal tackles it head-on. The OCC establishes a rebuttable presumption of evasion when:
    - A PPSI has an arrangement with an affiliate or third party to provide yield; and
    - That affiliate or third party pays yield to stablecoin holders.

  The OCC warns that additional arrangements may also violate the prohibition and will be evaluated case by case. This represents the first federal interpretation of the interest ban and provides critical initial operational guidance for exchanges, wallet providers, and related service platforms.

- **Federal supervision of certain non-bank stablecoin issuers:** Perhaps the most consequential aspect of the OCC's proposed rule is expanding the perimeter of entities supervised by the OCC to include certain non-bank entities, such as state-licensed or state-chartered issuers that meet PPSI criteria. The FDIC rule contains no comparable expansion; it applies solely to subsidiaries of FDIC-supervised insured depository institutions.

- **Operational risk management and custodial standards:** The OCC proposal addresses operational risk, cybersecurity expectations, governance standards, and permissible custody arrangements for PPSI-related activities conducted by OCC-supervised entities. These topics were not covered in the FDIC proposal, deferring substantive compliance requirements to future rulemakings.

- **Forward-looking regulatory evolution:** The OCC acknowledges that stablecoin markets evolve rapidly and states explicitly that implementing regulations will require periodic updates to keep pace with technological and market developments. This signals the OCC's intent to maintain a

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dynamic regulatory regime.

Key Takeaways

The OCC goes beyond application mechanics and offers detailed requirements on capital, liquidity, reserve assets, interest prohibitions, supervisory reach, and operational risk management, making it the most comprehensive regulatory guidance on payment stablecoins issued to date.

As federal agencies continue coordinating rulemaking under the GENIUS Act, the OCC's proposal is likely to influence future regulations issued by the Federal Reserve, FDIC, and National Credit Union Administration (NCUA). Entities contemplating stablecoin issuance or related services should evaluate the OCC proposal closely and consider submitting comments during the 60-day period following its publication in the Federal Register.

For more information about the GENIUS Act and the evolving regulatory framework for stablecoin issuers, please contact the authors or any attorney with the firm's Data, Digital Assets, & Technology practice group.

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