

Stablecoin Legislation: An Overview of S. 1582, GENIUS Act of 2025

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On July 17, 2025, the House passed S. 1582, the Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025, or GENIUS Act, without amendment. An overview of key policy issues can be found [here](#). The bill would establish a regime to regulate U.S. payment [stablecoins](#), as described below.

Requirements for Issuing Payment Stablecoins

S. 1582 would define *payment stablecoin* as a digital asset issued for payment or settlement and redeemable at a predetermined fixed amount (e.g., \$1). Issuers would be required to hold at least one dollar of permitted reserves for every one dollar of stablecoins issued. The bill would limit permitted reserves to coins and currency, deposits held at insured banks and credit unions, short-dated [Treasury bills, repurchase agreements](#) (“repos”) and reverse repos backed by Treasury bills, [government money market funds](#), central bank reserves, and any other similar government-issued asset approved by regulators. Issuers would be restricted to using reserve assets for certain activities, including to redeem stablecoins and serve as collateral in repos and reverse repos. The bill would require federal and state regulators to issue tailored capital, liquidity, and risk management rules for federal and state stablecoin issuers, but it exempts stablecoin issuers from the regulatory capital standards applied to traditional banks.

Issuers would be required to establish and disclose stablecoin [redemption procedures](#) and to issue periodic reports of outstanding stablecoins and reserve composition, which would be certified by executives and “[examined](#)” by registered public accounting firms. Issuers with more than [\\$50 billion](#) in stablecoins outstanding would be required to submit [audited](#) annual financial statements. Issuers would be prohibited from paying [interest](#) to stablecoin holders.

Issuers would be [subject to the Bank Secrecy Act](#), and the Financial Crimes Enforcement Network (FinCEN) would be required to write tailored anti-money-laundering (AML) rules. S. 1582 would require that FinCEN facilitate “novel methods ... to detect illicit activity involving digital assets.” S. 1582 would require issuers to certify that they have implemented AML and sanctions compliance programs. The bill would prohibit anyone who has been convicted of certain financial crimes of being an officer or director of an issuer.

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Stablecoins could be issued by banks and credit unions (through subsidiaries) or nonbanks. Nonbanks would be [restricted to financial firms](#) unless the Treasury Secretary and chairs of the Federal Reserve (Fed) and the Federal Deposit Insurance Corporation (FDIC)—referred to as the Stablecoin Certification Review Committee (SCRC)—unanimously [find](#) they do not pose risks to the banking or financial system and will comply with certain requirements. Banks and nonbanks that opt for the federal regime would be required to apply with the relevant federal banking regulator. Applications would be evaluated on whether the stablecoin issuers can meet the baseline requirements (described above). An application not acted on within 120 days would be deemed approved. Regulators would have to justify denials and permit applicants to appeal.

The bill would create a state regulatory option for nonbank issuers with [fewer than \\$10 billion](#) in outstanding stablecoins—provided the state regulatory regime is “substantially similar” to its federal counterpart as determined by the SCRC.

Federal Regime Supervision and Enforcement

Any bank or nonbank issuer that opts for the federal regime or has more than \$10 billion in issuance would be supervised by the same regulator as that of the bank or credit union—or by the Office of the Comptroller of the Currency (OCC) in the case of nonbanks—which would evaluate issuers’ financial condition, risks to firm and financial system safety and soundness, and risk management systems.

All stablecoin issuers under the federal regime would be required to file reports with—and may be subject to exams by—their primary federal regulators.

A regulator would be authorized to stop a permitted issuer from issuing stablecoins or issue other enforcement actions if the regulator were to determine that the issuer violated the requirements of the bill or any written condition imposed by the regulator.

State Regime

The bill would permit a nonbank issuer with under \$10 billion in outstanding stablecoins to opt in to a state regulatory regime and operate nationally. A nonbank that grows above that threshold would need to transition to the federal regime, which is administered jointly by federal and state regulators unless granted a waiver by the federal regulator.

Supervision and Enforcement

State regulators would “have supervisory, examination, and enforcement authority over all” state issuers. The bill would allow state regulators to [cede](#) these authorities to the Fed. The bill would also allow the Fed or OCC to take enforcement actions against state issuers in “[unusual and exigent](#) circumstances.”

Foreign Issuers

The bill would establish requirements for the issuance of payment stablecoins by foreign issuers and the secondary trading of foreign payment stablecoins by digital asset service providers (DASPs; e.g., exchanges) in the United States, subject to certain exemptions and waivers.

Treasury would be permitted to establish “[reciprocal arrangements](#)” with jurisdictions with regulatory regimes “comparable” to those of the United States. DASPs could offer only foreign stablecoins that complied with lawful orders and “any” reciprocal arrangement.

Other Provisions

The bill would establish rules for stablecoin asset and reserve custodians, which could be issuers or non-issuers, provided they are regulated by federal or state banking regulators, the Securities and Exchange Commission, or the Commodity Futures Trading Commission. It would prohibit custodians from comingling their own funds with customers' funds, with exceptions. The bill would permit banks to hold stablecoins and reserves in custody, use blockchains, and issue tokenized deposits.

The bill would grant stablecoin holders [priority](#) over all other claims against the issuer in bankruptcy and would allow a bankruptcy court to issue automatic stays on stablecoin redemptions.

The bill would clarify that payment stablecoins are [not securities or commodities](#) and are not federally insured.

S. 1582 would [prohibit](#) making the issuance of stablecoins contingent on some other purchase and would prevent an issuer from [using names](#) that create the perception that a stablecoin is issued or guaranteed by the U.S. government.

S. 1582 would require that the President, Vice President, and other executive branch employees [report stablecoin holdings](#) larger than \$5,000.

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