

## **DLx News Alert: FDIC Proposes GENIUS Act Rule on Stablecoin Reserves, Yield Restrictions, and Tokenized Deposits**

*Friday, April 10, 2026*

On April 7, 2026, the Federal Deposit Insurance Corporation (the “FDIC”) issued a Notice of Proposed Rulemaking (the “NPRM”)<sup>1</sup> under the Guiding and Establishing National Innovation for U.S. Stablecoins Act (the “GENIUS Act”)<sup>2</sup> that would establish requirements for permitted payment stablecoin issuers (“PPSIs”) and insured depository institutions (“IDIs”) subject to FDIC supervision. The NPRM would establish standards relating to reserve assets, capital, liquidity, risk management, and payment stablecoin-related custodial and safekeeping services, and would also clarify the deposit insurance treatment of reserve deposits and the treatment of tokenized deposits. The FDIC’s NPRM aligns closely<sup>3</sup> with the Office of the Comptroller of the Currency’s proposed rule setting prudential standards for supervised stablecoin issuers, which was published in the Federal Register on March 2, 2026.<sup>4</sup>

Industry participants and other interested stakeholders should consider submitting comments. The comment period will remain open for 60 days after the NPRM is published in the Federal Register.

### **FDIC Insurance Coverage**

The NPRM clarifies that while a PPSI’s reserve assets held at an IDI would be entitled to the FDIC’s corporate deposit coverage,<sup>5</sup> stablecoin holders would not be treated as “depositors” and would be ineligible for pass-through deposit insurance coverage in the event of an IDI’s failure.<sup>6</sup> The NPRM explains that because the GENIUS Act expressly prohibits stablecoins from the

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<sup>1</sup> 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), available at <https://www.fdic.gov/board/federal-register-notice-genius-act-requirements-and-standards-fdic-supervised-permitted> [hereinafter FDIC NPRM].

<sup>2</sup> Guiding and Establishing National Innovation for U.S. Stablecoins Act, 12 U.S.C. §§ 5901–5916.

<sup>3</sup> See FDIC NPRM at 6 (“Although the OCC’s proposed rule is more expansive than this proposed rule because the OCC is the primary Federal payment stablecoin regulator for subsidiaries of national banks and Federal qualified payment stablecoin issuers—including nonbank entities—approved to issue payment stablecoins, the FDIC has endeavored, in many areas, to align this proposed rule with the OCC’s proposed rule, to the extent relevant”).

<sup>4</sup> 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 (Mar. 2, 2026) [hereinafter OCC NPRM]. For an analysis of the OCC’s proposed rule, see DLx News Alert: OCC Proposes Prudential Framework for Stablecoin Issuers Under the GENIUS Act, DLX LAW (Feb. 27, 2026), <https://dlxlaw.com/news-events-blog/dlx-news-alert-occ-proposes-prudential-framework-for-stablecoin-issuers-under-the-genius-act/>.

<sup>5</sup> See FDIC NPRM at 102-103.

<sup>6</sup> *Id.* at 102-15.

protections of deposit insurance,<sup>7</sup> extending pass-through coverage, which allows funds placed at an IDI by a third party to receive FDIC insurance coverage as if the third party had deposited directly, would be inconsistent with the statute.<sup>8</sup>

## Tokenized Deposits

The NPRM explains that the FDIC is “using this proposed rule as a vehicle to clarify the treatment of tokenized deposits under the [Federal Deposit Insurance] Act.”<sup>9</sup> The GENIUS Act itself only mentions tokenized deposits in the definition of “payment stablecoin,” which excludes any digital asset that is a deposit, including those “recorded using distributed ledger technology”.<sup>10</sup> The NPRM explains that the Federal Deposit Insurance Act’s definition of “deposit” is “technologically neutral, and therefore, tokenized forms of deposits are not a separate [statutory] category” merely because of the technology used to credit an account, evidence a deposit liability, or record or transfer a deposit.<sup>11</sup> The NPRM explains that tokenized deposits will be “entitled to the same benefits” as standard bank deposits, including deposit insurance.<sup>12</sup> The FDIC also requests comment on how existing pass-through insurance requirements, including recordkeeping, account-titling, and ownership-identification rules, should apply to tokenized-deposit arrangements.<sup>13</sup> The NPRM makes clear that there may be tokenized bank liabilities that do not fit within the definition of “deposit.” The FDIC states that IDIs should ensure that the nature of a particular product aligns with the Federal Deposit Insurance Act’s definition of “deposit” at issuance and throughout the product’s lifecycle, including as product features or smart-contract functionality evolve.<sup>14</sup>

## Prohibitions on Yield and Providing Credit

The GENIUS Act prohibits stablecoin issuers from paying yield,<sup>15</sup> but whether that prohibition reaches rewards programs and similar incentive agreements has been an ongoing debate in Congress and beyond.<sup>16</sup> The FDIC’s proposal would take a broad view of that restriction by

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<sup>7</sup> See 12 U.S.C. 5903(e)(1) (“Payment stablecoins shall not be backed by the full faith and credit of the United States, guaranteed by the United States Government, subject to deposit insurance by the Federal Deposit Insurance Corporation, or subject to share insurance by the National Credit Union Administration.”).

<sup>8</sup> See FDIC NPRM at 104 (“Treating payment stablecoin holders as the insured depositors on a pass-through basis seems inconsistent with the GENIUS Act’s prohibition on payment stablecoins being ‘subject to Federal deposit insurance’”).

<sup>9</sup> FDIC NPRM at 108.

<sup>10</sup> 12 U.S.C. 5901(22)(b)(ii).

<sup>11</sup> FDIC NPRM at 108.

<sup>12</sup> *Id.* at 109.

<sup>13</sup> *Id.* at 110.

<sup>14</sup> *Id.* at 109-110.

<sup>15</sup> 12 U.S.C. § 5903(a)(11).

<sup>16</sup> For a discussion about the debate, see Marc Labonte & Paul Tierno, The Stablecoin Yield Debate, CONG. RSCH. SERV. IF13174 (Mar. 6, 2026), <https://www.congress.gov/crs-product/IF13174>.

prohibiting a PPSI from paying any form of interest or yield, whether in cash, tokens, or other consideration, solely in connection with the holding, use, or retention of a payment stablecoin, and by creating a rebuttable presumption that the prohibition also applies where yield is routed through an affiliate or related third party.<sup>17</sup> The FDIC’s language largely tracks the OCC’s proposed approach to the yield analysis.<sup>18</sup> The NPRM also introduces a prohibition on a PPSI “providing credit to its customers to purchase payment stablecoins,” reasoning that customer debt is not one of the highly liquid reserve assets envisioned by the GENIUS Act and could undermine reserve resiliency by forcing the PPSI to rely on separate funding to back stablecoins issued on credit.<sup>19</sup>

The proposed rule remains subject to public comment and revision prior to adoption as a final rule, and additional interagency rulemakings are expected to further develop the GENIUS Act’s regulatory framework.

Feel free to contact the DLx Law team with any questions you might have.

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<sup>17</sup> FDIC NPRM at 21-22.

<sup>18</sup> See OCC NPRM, supra note 4, at 10,211-12.

<sup>19</sup> FDIC NPRM at 24.