

April 15, 2026

## White House [Report](#) - Effects of Stablecoin Yield Prohibition on Bank Lending

### Executive Summary

The GENIUS Act, signed into law in July 2025, requires stablecoin issuers to maintain reserves backing outstanding stablecoins on at least a one-to-one basis. Reserves may only consist of certain specified assets, including US dollars, federal reserve notes, funds held at certain insured or regulated depository institutions, certain short-term Treasuries and Treasury-backed reverse repurchase agreements, and money market funds. It also prohibits stablecoin issuers from offering any form of interest or yield to stablecoin holders, but does not explicitly prohibit affiliate or third-party arrangements that might offer interest-bearing products. Some variants of the proposed CLARITY Act would close this channel. One rationale for prohibiting yield is that if stablecoins were to offer competitive returns, households may shift dollars out of traditional bank accounts and into tokens. Since stablecoin reserves are fully backed rather than fractionally lent, this could reduce bank lending. Some analyses estimate the effect on lending in the trillions of dollars (Nigrinis 2025). We build a simple model to evaluate these claims.

At baseline calibration of CEA's model, eliminating stablecoin yield:

- Increases bank lending by \$2.1 billion and has a net welfare cost of \$800 million. That translates into an increase in lending of 0.02% and a cost-benefit ratio of 6.6.
- Large banks would conduct 76% of this additional lending, while community banks—which have assets below \$10 billion—would lend the remaining 24%. In our baseline, that adds up to \$500 million in additional lending from community banks, meaning their lending rising by 0.026%.

Even stacking every worst-case assumption, the model produces only \$531 billion in additional aggregate lending, which corresponds to a 4.4% increase in bank loans as of 2025Q4. That figure requires the stablecoin market to grow to roughly six times its current size as a share of deposits, all reserves to be locked in unlendable cash rather than treasuries, and the Federal Reserve to abandon its current monetary framework. Even under those implausible conditions, community bank lending only rises by \$129 billion, corresponding to an increase of 6.7%. The conditions for finding a positive welfare effect from prohibiting yield are similarly implausible. In short, a yield prohibition would do very little to protect bank lending, while forgoing the consumer benefits of competitive returns on stablecoin holdings.

***Comment: The report, which specifically analyzes the GENIUS Act, signed in July 2025, also warns that proposed updates to the Digital Asset Market Clarity Act to further restrict "yield-like" rewards from intermediaries like Coinbase could be counterproductive. "In short, a yield prohibition would do very little to protect bank lending, while forgoing the consumer benefits of competitive returns on***

*stablecoin holdings," the report emphasized. It added that "the conditions for finding a positive welfare effect from prohibiting yield are simply implausible." "The White House report asks the wrong question," said IBAT President and CEO Christopher Williston. "The risk to community banks isn't what happens if we ban stablecoin yield — it's what happens to Main Street lending when deposits leave insured institutions and never come back."*

## **CBAK Insights (Ask Anything)**

**Q:** We have a question about the Right of Rescission. A borrower exercised their Right of Rescission within the allowable timeframe. After doing so, they have indicated they would like to move forward with the transaction. The investor has provided guidance suggesting that, in rare cases, a borrower may submit a notarized, handwritten letter within three business days of signing the Notice of Right to Cancel to proceed with the original transaction. Is that permitted?

**A:** Absent specific case law, once an 'application' is rescinded, it can't be rehabilitated by either the applicant or the lender. Such revocation of the Right of Rescission is simply NOT addressed in any statutory language. Once a rescission is submitted, it is generally considered final regarding that specific loan application / transaction, requiring the initiation of a new loan process to proceed.

So, while an applicant can agree to a loan after exercising their Right of Rescission, that rescission voids the initial agreement, but the borrower and lender can enter into a new application / transaction, though this usually requires a new disclosures, new closing, closing costs, and a fresh, separate 3-day rescission period.

Having said that, while there is nothing that addresses the revocation of the Right of Rescission once asserted, there is also nothing that says a lender can't - but doing so leaves it open to a court to decide if in fact it can be withdrawn or address the facts if an applicant later claims they were confused or otherwise coerced to proceed.

You may want to also review Regulation Z §1026.23 and §1026.15.

## **Bank Management**

**Joint [Agencies Issue Final Rule to Prohibit Use of Reputation Risk by Regulators](#)** (04/07/2026) – WASHINGTON – The Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation (the agencies) today jointly issued a final rule that codifies the elimination of reputation risk from their supervisory programs.

The rule defines "reputation risk" and prohibits the agencies from criticizing or taking adverse action against an institution on the basis of reputation risk. The rule also prohibits the agencies from requiring, instructing, or encouraging an institution to close customer accounts or take other actions on the basis of a person or entity's political, social, cultural, or religious views or beliefs, constitutionally protected speech, or solely on the basis of politically disfavored but lawful business activities perceived to present reputation risk.

This rule also responds to concerns expressed in [Executive Order 14331, Guaranteeing Fair Banking for All Americans](#), that the use of reputation risk can be a pretext for restricting law-abiding individuals' and businesses' access to financial services on the basis of political or religious beliefs or lawful business activities.

	<p>Attachment(s)  <a href="#">Final Rule: Prohibition on the Use of Reputation Risk by Regulators (PDF)</a></p> <p><b><i>Comment: The final rule bars the agencies from criticizing banks, formally or informally, or taking adverse action against them on the basis of reputation risk. It also broadens earlier agency actions removing reputational-risk references from manuals and guidance by placing those limitations directly into regulation.</i></b></p>
	<p><b><a href="#">FDIC Approves Proposal to Implement GENIUS Act Requirements and Standards</a></b> (04/07/2026) – WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) Board of Directors today approved a notice of proposed rulemaking that would implement certain requirements and standards under the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act). The proposed rule would establish a prudential framework for FDIC-supervised permitted payment stablecoins issuers, including requirements related to reserve assets, redemption, capital, and risk management standards.</p> <p>The proposed rule would also establish requirements for FDIC-supervised permitted payment stablecoin issuers and insured depository institutions (IDIs) that provide certain payment stablecoin related custodial and safekeeping services. In addition, the proposed rule would address the applicability of pass-through insurance to deposits held as reserves backing payment stablecoins and would clarify that tokenized deposits that satisfy the statutory definition of “deposit” would be treated no differently under the Federal Deposit Insurance Act than any other types of deposits.</p> <p>Comments on the proposed rule will be accepted for 60 days after publication in the <i>Federal Register</i>.</p> <p>The proposed rule announced today is the FDIC’s second rulemaking implementing provisions of the GENIUS Act. On December 19, 2025, the FDIC issued a proposed rule that would establish application procedures for IDIs seeking approval to issue payment stablecoins through a subsidiary.</p> <p>Attachment(s)  <a href="#">Notice of Proposed Rulemaking to Establish GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions</a></p> <p><b><i>Comment: The proposal focuses on four core areas: the issuance of payment stablecoins, their redemption, the management of reserve assets, and limited custodial services provided by the issuer. Under the GENIUS Act, the FDIC serves as the prudential regulator for non-member state-chartered banks and state savings associations that can issue payment stablecoins through a subsidiary.</i></b></p>

**BSA / AML**

	<p><b><a href="#">FinCEN Proposes Rule to Fundamentally Reform Financial Institution Programs Designed to Fight Illicit Finance</a></b> (04/08/2026) – Today, the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) issued a proposed rule intended to fundamentally reform financial institutions’ anti-money laundering and countering the financing of terrorism (AML/CFT) programs under the Bank Secrecy Act. The proposed rule supports Treasury’s efforts to modernize the U.S. AML/CFT regulatory and supervisory framework, and to ultimately reduce compliance burden. The proposed rule would promote risk-based, reasonably designed programs and greater consistency in how banks are evaluated</p>
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for effectiveness and would revise FinCEN’s regulations to reflect statutory changes made by the Anti-Money Laundering Act of 2020. This proposed revision of AML/CFT programs fully supersedes a prior proposed rule FinCEN published on July 3, 2024, and FinCEN is withdrawing that proposed rule.

### Resources

- [Press Release](#)
- [Notice of Proposed Rulemaking](#) (as submitted to the Federal Register)
- [Fact Sheet](#)
- [Key Changes in FinCEN’s Proposed Rule to Refocus AML/CFT Programs on Higher-Risk Activity While Reducing Unnecessary Burden](#)

***Comment: At its core, the proposal reflects a shift away from a checklist model of compliance and moves towards a more tailored, outcomes-oriented framework that should work in the banks’ favor, compounding other deregulatory changes announced by the Trump Administration over the past year. Rather than expecting every bank to approach AML/CFT in the same capacity, FinCEN would instead require banks to build internal policies, procedures, and controls that are “reasonably designed” around their specific money-laundering and terrorist-financing risks. The proposal however will extend beyond traditional ‘financial institutions’ to cover the greater financial sector, which includes small and large banks, casinos, money services businesses, broker-dealers, mutual funds, insurance companies, futures commission merchants, dealers in precious metals and jewels, credit card system operators, loan or finance companies, and housing government-sponsored enterprises.***

**Treasury Proposes Rule to Implement the GENIUS Act’s Requirements to Counter Illicit Finance** (04/08/2026) – Today, the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) and the Office of Foreign Assets Control issued a joint proposed rule to implement provisions of the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act). The proposed rule, which implements the GENIUS Act’s anti-money laundering and sanctions compliance program requirements, encourages innovation in payment stablecoins while providing an appropriately tailored regime to mitigate potential illicit finance risks. The proposed rule would subject permitted payment stablecoin issuers (PPSIs) to requirements applicable to financial institutions relating to prevention of money laundering and impose obligations specified in the GENIUS Act. Consistent with FinCEN’s efforts to modernize Bank Secrecy Act requirements, the proposed obligations are designed to be fit for purpose, assist law enforcement, and minimize unnecessary burden. The proposed rule would require PPSIs to adopt and maintain an effective sanctions compliance program as required by the GENIUS Act.

### Resources

- [Treasury Press Release](#)
- [Fact Sheet](#)
- [Notice of Proposed Rulemaking](#)

***Comment: These proposed rules will bring stablecoin issuers under the umbrella of other entities that FinCEN and OFAC already regulate, formally classifying them as “financial institutions” under legislation such as the Bank Secrecy Act, which requires financial institutions to assist government agencies in detecting and preventing financial crimes. The obligations included in the proposal require a stablecoin issuer operating under the***

***GENIUS Act to establish and maintain an anti-money laundering program, report suspicious activity, and maintain an effective sanctions compliance program.***

**Joint [Agencies Request Comment on Anti-Money Laundering/Countering the Financing of Terrorism Proposed Rule](#) (04/07/2026) – WASHINGTON –** The Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and the National Credit Union Administration (NCUA) (collectively, the “Agencies”) today invite public comment on a proposed rule to amend the respective requirements for their supervised institutions to establish and maintain effective risk-based anti-money laundering and countering the financing of terrorism (AML/CFT) programs designed to identify, assess, and mitigate risks of illicit finance. The amendments are intended to align each agency’s AML/CFT rules with changes concurrently proposed by the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN).

The *Bank Secrecy Act (BSA)* refers to the statutory framework imposing various AML/CFT regulatory requirements on financial institutions, including banks and credit unions supervised by the Agencies. In 2020, Congress passed the *Anti-Money Laundering Act of 2020 (AML Act)*, which directed FinCEN and the Agencies to modernize and strengthen the AML/CFT regulatory framework to encourage more effective outcomes for financial institutions, regulators, law enforcement, and national security agencies. The Agencies are proposing to revise their respective regulations to reflect these broader revisions to the BSA, as well as to ensure consistency between FinCEN’s and the Agencies’ separately authorized compliance program requirements.

Among other changes, the proposed rule would:

- Incorporate the *AML Act* provision that a bank’s AML/CFT program should be risk-based, including ensuring that banks direct more attention and resources toward higher-risk customers and activities, consistent with the risk profile of the institution, rather than toward lower-risk customers and activities.
- Describe the requirements for a bank to establish an AML/CFT program; explicitly incorporate FinCEN’s existing customer due diligence requirement; and clarify that a bank’s designated AML/CFT officer must be located in the U.S. and accessible to regulators.
- Require that once a bank has properly established its AML/CFT program, the institution maintains that program in all material respects. In addition, the proposed rule would clarify that only significant or systemic failures to implement a properly established program would warrant an “AML/CFT enforcement action” or a “significant AML/CFT supervisory action.”
- Enhance FinCEN’s role in the Agencies’ supervision and enforcement process by establishing a new consultation framework for certain actions by the Agencies.
- Clarify that banks may share any information with FinCEN related to certain AML/CFT supervisory and enforcement actions.

Comments on the proposed rule are due 60 days after the date of publication in the *Federal Register*.

Attachment(s)

[Notice of Proposed Rulemaking: Anti-Money Laundering and Countering the Financing of Terrorism Program Requirements \(PDF\)](#)

***Comment: The Proposed Rule provides a new ‘framework’ that distinguishes between program design (establishment) and day-to-day implementation (maintenance) allowing banks to direct resources toward higher-risk customers and activities rather than***

following a "check-the-box" approach for all. Notably, only "significant or systemic failures" in maintaining a program would typically trigger formal AML/CFT enforcement actions and prudential regulators must consult with FinCEN before taking certain significant supervisory or enforcement action. Finally, AML/CFT program approval authority is expanded to include a bank's board, an equivalent governing body, or senior management.

## Deposit / Retail Operations

**FDIC [Rescinds Supervisory Guidance on Multiple Re-Presentation NSF Fees](#) (04/10/2026) –** Summary: On June 16, 2023, the FDIC issued a Financial Institution Letter (FIL-32-2023) titled FDIC Clarifying Supervisory Approach Regarding Supervisory Guidance on Multiple Re-Presentation NSF Fees. This guidance described the FDIC's supervisory approach relating to supervised institutions assessing multiple non-sufficient funds (NSF) fees arising from the re-presentation of the same unpaid transaction. The FDIC is rescinding FIL-32-2023 effective immediately.

Statement of Applicability:

This Financial Institution Letter (FIL) applies to all FDIC-supervised financial institutions.

Distribution:

FDIC-Supervised Institutions

***Comment: The rescission removes the specific FDIC supervisory framework around multiple re-presentation NSF fees, but it does not grant blanket immunity for NSF/overdraft fee practices that could otherwise be unfair, deceptive, or abusive.***

## Lending

**FRB [Consumer Credit - G.19](#) (04/07/2026) –** February 2026 - In February, consumer credit increased at a seasonally adjusted annual rate of 2.2 percent. Revolving credit increased at an annual rate of 0.6 percent, while nonrevolving credit increased at an annual rate of 2.8 percent.

## Open for Comment

Included only when specific to or relevant for community banks to comment on. Date posted may not be the same as the Federal Register Date.

04.08.2026 **Treasury [Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism Program and Sanctions Compliance Program Requirements](#)** SUMMARY: The Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) and Office of Foreign Assets Control (OFAC) are jointly issuing this proposed rule to implement provisions of the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act). Specifically, it implements the GENIUS Act's directive to treat permitted payment stablecoin issuers (PPSIs) as financial institutions for purposes of the Bank Secrecy Act, proposes anti-money laundering obligations for PPSIs, and proposes certain specific obligations required by the GENIUS Act for PPSIs. It also implements the GENIUS Act's directive to require PPSIs to maintain effective sanctions compliance programs. **DATES: Comments must be received by June 9, 2026.**

- 04.08.2026 **Joint [Anti-Money Laundering and Countering the Financing of Terrorism Programs](#)** SUMMARY: The Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA) (collectively, “the Agencies” or “Agency” when referencing the singular) are inviting comment on a proposed rule that would require banks to establish and maintain effective anti-money laundering and countering the financing of terrorism (AML/CFT) programs reasonably designed to identify, assess, and mitigate risks of illicit finance.. The amendments are intended to align with changes that are being concurrently proposed by the Financial Crimes Enforcement Network (FinCEN) to implement provisions of the Anti-Money Laundering Act of 2020 (AML Act). Among other changes, this proposed rule would ensure that institutions establish and maintain effective AML/CFT programs that are intended to better achieve the purposes of the Bank Secrecy Act (BSA), culminating in the development of highly useful information related to illicit financial transactions for law enforcement and national security agencies. Through this rulemaking, the Agencies also intend to modernize and reform Federal supervision of AML/CFT programs by enhancing FinCEN’s role in AML/CFT supervision and enforcement.
- 04.07.2026 **FinCEN [Anti-Money Laundering and Countering the Financing of Terrorism Programs](#)** SUMMARY: The Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA) (collectively, “the Agencies” or “Agency” when referencing the singular) are inviting comment on a proposed rule that would require banks to establish and maintain effective anti-money laundering and countering the financing of terrorism (AML/CFT) programs reasonably designed to identify, assess, and mitigate risks of illicit finance.. The amendments are intended to align with changes that are being concurrently proposed by the Financial Crimes Enforcement Network (FinCEN) to implement provisions of the Anti-Money Laundering Act of 2020 (AML Act). Among other changes, this proposed rule would ensure that institutions establish and maintain effective AML/CFT programs that are intended to better achieve the purposes of the Bank Secrecy Act (BSA), culminating in the development of highly useful information related to illicit financial transactions for law enforcement and national security agencies. Through this rulemaking, the Agencies also intend to modernize and reform Federal supervision of AML/CFT programs by enhancing FinCEN’s role in AML/CFT supervision and enforcement.
- 04.07.2026 **FDIC [GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions](#)** SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is soliciting comment on a proposal that would implement certain requirements pursuant to the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act) applicable to FDIC-supervised permitted payment stablecoin issuers and insured depository institutions, clarify deposit insurance coverage for deposits held as reserve assets for payment stablecoins, and clarify the treatment of tokenized deposits.
- 04.07.2026 **Joint [Prohibition on the Use of Reputation Risk by Regulators](#)** SUMMARY: The Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation are adopting a final rule to codify the elimination of reputation risk from their supervisory programs. Among other things, the rule prohibits the agencies from criticizing or taking adverse action against an institution on the basis of reputation risk. The rule also prohibits the agencies from requiring, instructing, or encouraging an institution to close an account, to refrain from providing an account, product, or service, or to modify or terminate any product or service on the basis of a person or entity’s political, social, cultural, or religious views or beliefs, constitutionally protected speech, or solely on the basis of politically disfavored but lawful business activities perceived to present reputation risk. The rule further forbids the agencies from taking any supervisory action or other adverse action against an institution, a group of institutions, or the institution-affiliated parties of any institution that is designed to punish or discourage an individual or group from engaging in any lawful political, social, cultural, or religious activities, constitutionally protected speech, or, for political reasons, lawful business activities that the agencies or its personnel disagree with or disfavor.

- 04.01.2026 **FinCEN [Whistleblower Incentives and Protections](#)** SUMMARY: FinCEN is proposing a rule to establish a whistleblower program that offers incentives and protections to encourage individuals who have information about potential violations of the Bank Secrecy Act (BSA), International Emergency Economic Powers Act (IEEPA), Trading With the Enemy Act of 1917 (TWEA), and Foreign Narcotics Kingpin Designation Act (Kingpin Act) to voluntarily report such information (the “Whistleblower Program”). The proposed rule would implement section 6314 of the Anti-Money Laundering Act of 2020 (AML Act) and the Anti-Money Laundering Whistleblower Improvement Act (AML Whistleblower Improvement Act), which were enacted into law as part of the National Defense Authorization Act for Fiscal Year 2021 (FY21 NDAA) and the Consolidated Appropriations Act of 2023, respectively. The Whistleblower Program will contribute to the U.S. government's efforts to safeguard the financial system from illicit use, promote national security, and combat money laundering, terrorist financing, proliferation financing, and related crimes. This notice of proposed rulemaking invites comments from the public regarding all aspects of the proposed rule, as well as comments in response to specific questions. **DATES: Written comments on this proposed rule must be submitted on or before June 1, 2026.**
- 03.19.2026 **Joint [Regulatory Capital Rules: Regulatory Capital and Standardized Approach for Risk-weighted Assets](#)** SUMMARY: The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation are proposing to modify certain aspects of the regulatory capital rule (the proposal). The proposal would revise the riskbased capital treatment of certain exposure categories under the standardized approach, focusing on improving the calibration and risk sensitivity of risk weights that are particularly material to covered banking organizations’ lending activities. The proposal would also modify the definition of regulatory capital by removing the threshold-based deduction for mortgage servicing assets for all banking organizations subject to the regulatory capital rule, including Page 2 of 436 banking organizations subject to the community bank leverage ratio framework. In addition, the proposal would require Category III and IV banking organizations to recognize most elements of accumulated other comprehensive income in their regulatory capital. The agencies are concurrently publishing a separate proposal, which would require Category I and II banking organizations to use a new framework to calculate risk-weighted assets, called the expanded riskbased approach and would allow other banking organizations to elect to use the expanded riskbased approach. **DATES: Comments must be received by June 18, 2026.**
- 02.25.2026 **OCC [Requests Comments on Proposal to Implement GENIUS Act](#)** SUMMARY: The Office of the Comptroller of the Currency (OCC) proposes to issue regulations to implement the Guiding and Establishing National Innovation for U.S. Stablecoins Act regarding the issuance of payment stablecoins and certain related activities by entities subject to the OCC’s jurisdiction. **DATES: Comments must be received by May 1, 2026.**
- 02.23.2026 **OCC [Bank Appeals Process](#)** SUMMARY: The Office of the Comptroller of the Currency (OCC) is issuing a notice of proposed rulemaking to establish revised procedures and policies for appeals of material supervisory determinations by OCC supervised entities. The proposed changes would reflect the OCC’s experience administering the bank appeals process and are intended to enhance the independence and efficiency of the appeals function. **DATES: Comments must be received on or before April 20, 2026.**
- 12.17.2025 **FDIC [Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Insured Depository Institutions](#)** SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is soliciting comments on a proposal that would establish procedures to be followed by an insured State nonmember bank or State savings association (each, an FDIC-supervised institution) that seeks to obtain FDIC approval to issue payment stablecoins through a subsidiary pursuant to the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act). **DATES: Comments must be received by the FDIC no later than May 18, 2026.**