

March 5, 2026

Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
Attn: Jennifer M. Jones, Deputy Executive Secretary

Re: Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of
FDIC-Supervised Insured Depository Institutions (RIN 3064-AG20)

Dear Ms. Jones:

This letter is being submitted by International Bancshares Corporation (“IBC”), a publicly traded, multi-bank financial holding company headquartered in Laredo, Texas. IBC maintains 166 facilities and 256 ATMs, serving 75 communities in Texas and Oklahoma through five separately chartered banks ranging in size from approximately \$500 million to \$9.5 billion, with consolidated assets totaling over \$16 billion. IBC is one of the largest independent commercial bank holding companies headquartered in Texas.

IBC is submitting this letter in support of, and in agreement with, the American Bankers Association’s (“ABA”) joint trades letter submitted on or around February 17th regarding the Federal Deposit Insurance Corporation’s (FDIC) Notice of Proposed Rulemaking on approval requirements for payment stablecoin issuance under the Guiding and Establishing National Innovation for U.S. Stablecoins Act (the “GENIUS Act”).

IBC remains fundamentally concerned about the nature of stablecoins themselves. Digital assets, including so-called “payment stablecoins”, have repeatedly been used as tools to facilitate fraud, ransomware payments, sanctions evasion, and other illicit activity, often outside the reach of traditional consumer protections. These risks are not theoretical; they are evident in the growing volume of scams and criminal schemes that rely on digital asset rails precisely because they are fast, opaque, and difficult to unwind once funds are transferred. While banks are expected to identify, prevent, and remediate these harms under long-standing supervisory expectations, stablecoin ecosystems continue to evolve in ways that shift these risks onto consumers and the regulated banking system. Any approval framework should therefore proceed with appropriate caution and a clear recognition that stablecoins present materially different, and in many cases heightened, risk characteristics compared to traditional payment instruments

IBC strongly agrees with the ABA's assessment that banks operate under extensive prudential oversight, while stablecoin issuers and their distribution partners increasingly seek to offer deposit-like products without comparable regulatory obligations. Congress appropriately prohibited payment stablecoins from paying interest or yield, recognizing the destabilizing effect such products could have on the banking system. Treasury analysis has estimated that stablecoins could result in as much as \$6.6 trillion in deposit outflows, depending in part on whether yield-like incentives are permitted. Publicly reported arrangements already reflect stablecoin-related "rewards" approaching 4 percent, structures that resemble interest-bearing deposit products in economic substance. These arrangements risk undermining congressional intent and accelerating disintermediation of the regulated banking system.

Beyond the yield issue, IBC believes the proposal would benefit from greater clarity regarding the application of the "unsafe or unsound" standard in the stablecoin approval context. In prior comments, IBC has emphasized that supervisory determinations should be grounded in material risk to an institution's financial condition, rather than procedural exceptions. While the proposal restates the statutory factors the FDIC must consider, it provides limited insight into how the agency will distinguish between activities that present a meaningful safety-and-soundness concern and those that do not. Clear articulation of supervisory expectations is particularly important where novel products are involved, so that institutions are not subject to inconsistent or retrospective interpretations after approval has been granted.

IBC also shares the ABA's concern regarding the sequencing of this rulemaking. The proposal establishes procedural approval requirements in advance of the FDIC's substantive rules addressing capital, liquidity, reserve management, and related GENIUS Act obligations. As a practical matter, this makes it difficult for commenters to assess the approval process without understanding the standards that will ultimately govern approved issuers. Greater alignment between procedural and substantive rulemakings would promote transparency and regulatory certainty for both applicants and supervisors.

Financial institutions already operate within a regulatory framework that requires continuous adjustment to evolving supervisory expectations. Stablecoin issuers, by contrast, face significantly fewer constraints, despite offering products that increasingly compete with bank deposits. This imbalance places insured institutions at a disadvantage and shifts risk toward the regulated banking system and the public safety net. IBC continues to invest substantial resources in liquidity management, consumer protection, and governance, efforts that depend on a regulatory environment that applies consistent standards across functionally similar products.

For these reasons, IBC supports the ABA's position and believes that careful implementation of the GENIUS Act's approval framework, particularly with respect to yield prohibitions, safety-and-soundness determinations, and coordination with forthcoming substantive requirements, is essential to protecting financial stability and ensuring a level competitive landscape.

IBC appreciates the opportunity to comment on this proposal and looks forward to continued engagement as the FDIC implements the GENIUS Act.

Respectfully submitted,

INTERNATIONAL BANCSHARES CORPORATION



Dennis E. Nixon
President and CEO