

February 4, 2026

Jennifer M. Jones  
Deputy Executive Secretary  
Attention: Comments – RIN 3064-AG20  
Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, DC 20429

**Re: Comments on Proposed Rule — Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Institutions (RIN 3064-AG20)**

Dear Ms. Jones:

This comment letter is submitted by the **Money Services Business Association (“MSBA”)** in response to the Notice of Proposed Rule (NPR) to comment on the requirements for Issuance of Stablecoins by subsidiaries of FDIC-Supervised Institutions. We welcome this opportunity to submit our comments.

The **MSBA** is a trade association focused on the non-bank money services industry. The MSBA was launched in 2015 by leading industry companies to support the non-bank financial services industry by tracking legislation and regulations, increasing awareness and understanding about the diverse, beneficial, and secure services provided by the industry, and to encourage and promote payments innovation. The MSBA currently includes over 100 members, encompassing providers of most financial products and services offered by “money services businesses” as defined under FinCEN regulations. MSBA members include international money transmitters, dealers in foreign exchange, check cashers, issuers or sellers of traveler’s checks or money orders, providers of prepaid access, sellers of prepaid access, digital asset trading platforms, and others.

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## **1. Support for a Clear, Consistent, and Risk-Focused Approval Process**

The proposed application requirements appropriately balance safety and soundness considerations with the need to make the process workable for FDIC-supervised institutions. Establishing clearly defined timelines—including the 30-day completeness review and 120-day final decision window—enhances predictability and supports industry participation.

We support the FDIC's approach of requiring only information necessary to evaluate the statutory factors under section 5(c) of the GENIUS Act. Leveraging existing supervisory information reduces unnecessary duplication and helps banks participate without excessive burden.

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## 2. Recommendations Regarding Filing Content Requirements

The proposed documentation list is thorough and aligned with the GENIUS Act, and MSBA offers the following suggestions for consideration:

### a. Clarify expectations for reserve asset management plans

Institutions would benefit from additional guidance regarding the following:

- Appropriate diversification thresholds
- Liquidity stress-testing expectations
- Treatment of tokenized reserve assets

Providing such clarity would promote greater consistency and higher-quality applications.

### b. Provide examples of acceptable redemption policies

Because redemption rights are core to maintaining stablecoin parity and consumer trust, illustrative examples or model policy components would help ensure PPSIs adopt robust, consumer-friendly practices.

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## 3. Consider Developing an Optional Structured Application Form

While we understand the FDIC's intent to maintain flexibility through a letter-based application, a **structured template or check list** could improve application completeness and consistency. Many institutions, particularly smaller banks, would benefit from the following:

- Checklists outlining required content



- Standardized sections for governance, reserves, technology, and risk management
- Clear prompts aligned with GENIUS Act factors

Providing such a template as optional guidance, rather than a mandatory requirement, would support efficiency without unduly constraining applicants.

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#### 4. Safe Harbor Waiver Procedures

The GENIUS Act's temporary safe harbor for early applicants is a valuable transitional tool. Although we understand the FDIC's concern about codifying temporary provisions, including **brief procedural guidance** would help applicants understand how to submit waiver requests and what information to include. Greater transparency would support adoption while reducing iterative communications.

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#### 5. Appeal Process Enhancements

The appeal framework generally aligns with statutory requirements. To further strengthen due process, the FDIC may consider clarifying the following:

- Whether applicants may submit added information during appeal
- Whether hearings may be conducted virtually
- The criteria used to evaluate appeals

These refinements would reduce ambiguity and encourage constructive engagement.

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#### 6. Economic Impact Considerations

The FDIC's estimate of 80 labor hours per application appears understated. Institutions with more complex governance structures or consortium-based PPSIs are likely to experience significantly higher burdens; accordingly, a range of estimated effort may be more appropriate.

To support smaller institutions, the FDIC should consider the following:

- Providing technical assistance and FAQs
- Offering early, non-binding pre-application meetings
- Publishing anonymized examples of successful applications, once available

These measures would help reduce compliance costs and broaden participation.

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## Conclusion

Overall, the proposed rule represents a thoughtful and practical implementation of the GENIUS Act. By refining several areas, particularly reserve management guidance, redemption policy expectations, optional structured forms, and safe harbor procedures, the FDIC can further strengthen the clarity, efficiency, and accessibility of the approval process.

Thank you for considering our comments. We would welcome the opportunity to discuss these suggestions further or to respond to any additional questions.

Respectfully submitted,



Kathy Tomasofsky

Executive Director

Money Service Business Association, Inc.