

118TH CONGRESS
2D SESSION

S. 4155

To provide for effective regulation of payment stablecoins, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 17, 2024

Ms. LUMMIS (for herself and Mrs. GILLIBRAND) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide for effective regulation of payment stablecoins, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Lummis-Gillibrand
5 Payment Stablecoin Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) ALGORITHMIC PAYMENT STABLECOIN.—The
9 term “algorithmic payment stablecoin” means a
10 crypto asset that—

(A) is represented by the issuer, or is otherwise designed to create the reasonable expectation, that the crypto asset will maintain a stable value relative to the value of a fixed amount of United States dollars; and

(B) relies on the use of an algorithm that adjusts the supply of the crypto asset in response to changes in market demand for the crypto asset to maintain the expectation that the crypto asset will maintain a stable value.

(2) APPLICABLE PAYMENT STABLECOIN REGULATOR.—The term “applicable payment stablecoin regulator” means, with respect to a payment stablecoin issuer—

(A) in the case of a depository institution that issues a payment stablecoin under section 7, consistent with section 11(s)—

(i) the Comptroller or State bank supervisor, as applicable; or

(ii) the Board; and

(B) in the case of a State non-depository trust company that issues a payment stablecoin under section 6, the applicable State bank supervisor and the Board, acting jointly.

1 (3) BANK SECRECY ACT.—The term “Bank Se-
2 crecy Act” means—

3 (A) section 21 of the Federal Deposit In-
4 surance Act (12 U.S.C. 1829b);

5 (B) chapter 2 of title I of Public Law 91–
6 508 (12 U.S.C. 1951 et seq.); and

7 (C) subchapter II of chapter 53 of title 31,
8 United States Code.

9 (4) BOARD.—The term “Board” means the
10 Board of Governors of the Federal Reserve System.

11 (5) COMPTROLLER.—The term “Comptroller”
12 means the Comptroller of the Currency.

13 (6) CONTROLLING INTEREST.—The term “con-
14 trolling interest” means a circumstance when a per-
15 son, directly or indirectly, or acting through or in
16 concert with 1 or more persons—

17 (A) owns, controls, or has the power to
18 vote 25 percent or more of any class of voting
19 securities of a depository institution or holding
20 company thereof;

21 (B) controls in any manner the election of
22 a majority of the directors of a depository insti-
23 tution or holding company thereof; or

24 (C) has the power to exercise a controlling
25 influence over the management or policies of

1 the depository institution or holding company
2 thereof.

3 (7) CRYPTO ASSET.—The term “crypto asset”
4 means a natively electronic asset that confers eco-
5 nomic, proprietary, or access rights or powers and is
6 recorded using cryptographically secured distributed
7 ledger technology, or any similar analog.

8 (8) DEPOSITORY INSTITUTION.—The term “de-
9 pository institution”—

10 (A) has the meaning given that term in
11 section 19(b)(1) of the Federal Reserve Act (12
12 U.S.C. 461(b)(1)); and

13 (B) includes a depository institution oper-
14 ating under subsection (a)(2) of section 5169 of
15 the Revised Statutes (12 U.S.C. 27), as amend-
16 ed by this Act, or a substantially similar State
17 law, which is exclusively engaged in issuing pay-
18 ment stablecoins, providing safekeeping, trust,
19 or custodial services, or activities incidental to
20 the foregoing.

21 (9) DISTRIBUTED LEDGER.—The term “distrib-
22 uted ledger” means technology that enables the op-
23 eration and use of a ledger that—

24 (A) is shared across a set of distributed
25 nodes that participate in a network and store a

1 complete or partial replica of the ledger, which
2 may be public or private;

3 (B) is synchronized between the nodes;

4 (C) has data appended to the ledger by fol-
5 lowing the specified consensus mechanism of
6 the ledger;

7 (D) may be accessible to anyone or re-
8 stricted to a subset of participants; and

9 (E) may require participants to have au-
10 thorization to perform certain actions or require
11 no authorization.

12 (10) INSTITUTION-AFFILIATED PARTY.—With
13 respect to a payment stablecoin issuer, the term “in-
14 stitution-affiliated party” means—

15 (A) any director, officer, employee, or per-
16 son with a controlling interest in, or acting as
17 an agent for, the payment stablecoin issuer;

18 (B) a consultant, joint venture partner,
19 and any other person that participates in the
20 conduct of the affairs of the payment stablecoin
21 issuer; or

22 (C) any independent contractor providing
23 services for the payment stablecoin issuer, in-
24 cluding any attorney, appraiser, or accountant.

1 (11) INSURED DEPOSITORY INSTITUTION.—The
 2 term “insured depository institution” means—

3 (A) an insured depository institution, as
 4 defined in section 3 of the Federal Deposit In-
 5 surance Act (12 U.S.C. 1813); and

6 (B) an insured credit union, as defined in
 7 section 101 of the Federal Credit Union Act
 8 (12 U.S.C. 1752).

9 (12) NATIONAL PAYMENT STABLECOIN
 10 ISSUER.—The term “national payment stablecoin
 11 issuer” means a depository institution chartered by
 12 the Comptroller or a State bank supervisor which is
 13 approved by the Board to conduct payment
 14 stablecoin activities under section 7.

15 (13) PAYMENT STABLECOIN.—The term “pay-
 16 ment stablecoin” means crypto asset—

17 (A) that is, or is designed to be, used as
 18 a means of payment or settlement;

19 (B) the issuer of which—

20 (i) is obligated to convert, redeem, or
 21 repurchase for a fixed amount of United
 22 States dollars; or

23 (ii) represents, or creates the reason-
 24 able expectation, that the crypto asset will
 25 maintain a stable value relative to the

value of a fixed amount of United States dollars; and

(C) that is not—

(i) United States coins, a Federal Reserve note or other lawful money (as that term is used in the Federal Reserve Act (12 U.S.C. 411)), money issued by a central bank, or money issued by an intergovernmental organization pursuant to an agreement by one or more governments; or

(ii) a security issued by an investment company registered under section 8(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–8(a)).

(14) PAYMENT STABLECOIN ISSUER.—The term “payment stablecoin issuer” means—

(A) a non-depository trust company chartered by a State bank supervisor that is registered, or required to be registered, with the Board to issue payment stablecoins; or

(B) a depository institution chartered by the Comptroller or a State bank supervisor that is authorized, or required to be authorized, to become a national payment stablecoin issuer by the Board to issue payment stablecoins, includ-

1 ing a depository institution subsidiary of an in-
 2 sured depository institution or bank holding
 3 company.

4 (15) STATE BANK SUPERVISOR.—The term
 5 “State bank supervisor” has the meaning given that
 6 term in section 3 of the Federal Deposit Insurance
 7 Act (12 U.S.C. 1813).

8 (16) SUBCUSTODIAN.—The term “subcusto-
 9 dian” means a person that maintains actual posses-
 10 sion or control of the private keys relating to a pay-
 11 ment stablecoin and has a contractual relationship
 12 with the custodian of record of the payment
 13 stablecoin.

14 **SEC. 3. GENERAL REQUIREMENTS FOR PAYMENT**
 15 **STABLECOIN ISSUERS.**

16 (a) STABLECOINS GENERALLY.—

17 (1) ISSUE.—A payment stablecoin may only be
 18 issued directly or indirectly in the United States
 19 by—

20 (A) a non-depository trust company that
 21 has registered with the Board consistent with
 22 section 6 and for which the nominal value of all
 23 outstanding payment stablecoins does not ex-
 24 ceed \$10,000,000,000, as adjusted under sub-
 25 section (b); or

1 (B) by a depository institution that has
 2 been authorized as a national payment
 3 stablecoin issuer consistent with section 7.

4 (2) PROHIBITION ON ISSUANCE.—Except as
 5 otherwise provided under paragraph (1), it shall be
 6 unlawful for any person to engage in the business of
 7 issuing a payment stablecoin, directly or indirectly,
 8 in the United States, through any means or instru-
 9 ments of transportation or communication in the
 10 United States, or to a person in the United States.

11 (3) OFFERS OR SALES.—

12 (A) IN GENERAL.—Except as otherwise
 13 provided in this section, it shall be unlawful for
 14 any person to offer or sell a payment stablecoin
 15 through the use of any medium or by any
 16 means of access in interstate commerce in the
 17 United States or to offer or sell a payment
 18 stablecoin to a United States person living in
 19 the United States.

20 (B) EXCEPTION.—Subparagraph (A) does
 21 not apply to the sale of a payment stablecoin by
 22 a United States person living in the United
 23 States.

24 (b) ADJUSTMENT OF THRESHOLD.—Not less fre-
 25 quently than once every 4 years, the Board shall issue

1 rules adjusting the threshold under subsection (a)(1)(A)
2 solely to account for inflation.

3 (c) ALGORITHMIC PAYMENT STABLECOINS.—It shall
4 be unlawful for any person to engage in the business of
5 issuing, creating, or originating an algorithmic payment
6 stablecoin.

7 (d) SAFE HARBORS.—

8 (1) IN GENERAL.—The Board shall issue regu-
9 lations providing limited safe harbors from this sec-
10 tion that are consistent with the purposes of this
11 Act.

12 (2) REGULATION REQUIREMENTS.—Regulations
13 issued pursuant to paragraph (1) shall provide that
14 any safe harbors applicable to a payment stablecoin
15 issuer shall be made available on an equal basis to
16 any issuer chartered by either the Comptroller or a
17 State bank supervisor.

18 (3) SAFE HARBORS.—Safe harbors under this
19 section may include—

20 (A) a pilot program allowing for limited
21 issuance of payment stablecoins by entities not
22 otherwise authorized under this section, subject
23 to appropriate safeguards and oversight, in
24 order to foster responsible innovation and com-
25 petition in the payment stablecoin market; and

1 (B) a safe harbor for payment a payment
 2 stablecoin issuer that is subject to comprehen-
 3 sive regulation and supervision by a foreign fi-
 4 nancial regulatory authority in a jurisdiction
 5 with an equivalent regulatory framework to the
 6 United States, as determined by the Board, in
 7 consultation with the Comptroller and State
 8 bank supervisors.

9 (e) EXTRATERRITORIAL EFFECT.—This section is in-
 10 tended to have extraterritorial effect.

11 **SEC. 4. PRUDENTIAL REQUIREMENTS APPLICABLE TO ALL**
 12 **PAYMENT STABLECOIN ISSUERS.**

13 (a) CUSTOMER PROTECTION AND SEGREGATION.—A
 14 person who provides custodial services, including subcusto-
 15 dian or other safekeeping services, for payment stablecoins
 16 shall—

17 (1) treat and deal with the payment stablecoins
 18 and cash of a customer as belonging to the cus-
 19 tomer; and

20 (2) take appropriate steps to protect the pay-
 21 ment stablecoins and cash of a customer from any
 22 claims of creditors of the person.

23 (b) FURTHER REQUIREMENTS RELATING TO SEG-
 24 REGATION.—

1 (1) IN GENERAL.—A person described in sub-
2 section (a) may, for convenience, commingle and de-
3 posit the payment stablecoins and cash of a cus-
4 tomer in an account holding the payment stablecoins
5 and cash of more than 1 customer, but which is sep-
6 arate from the proprietary assets of the issuer.

7 (2) TRANSACTIONS.—Such share of the pay-
8 ment stablecoins and cash of a customer in an ac-
9 count described in paragraph (1) that shall be nec-
10 essary to transfer, adjust, or settle a transaction or
11 transfer of assets may be withdrawn and applied to
12 such purposes, including the payment of commis-
13 sions, taxes, storage fees, and other charges lawfully
14 accruing in connection with the provision of custo-
15 dial services.

16 (3) RULE OR ORDER RELATING TO COMMING-
17 GLING.—The Board, in consultation with the Comp-
18 troller and State bank supervisors, may prescribe, by
19 rule or order, that customer payment stablecoins or
20 cash may be commingled and deposited in customer
21 accounts with any other assets received by a person
22 described in subsection (a) and required by the
23 Board to be separately accounted for, treated as,
24 and dealt with as belonging to customers.

1 (c) PROHIBITION ON REHYPOTHECATION.—Payment
 2 stablecoin reserves required under sections 6(f) and 7(e)
 3 shall not be pledged, rehypothecated, or reused, except for
 4 the purpose of creating liquidity to meet reasonable expect-
 5 tations of requests to redeem payment stablecoins, such
 6 that reserves in the form of Treasury bills, bonds, or notes
 7 may be pledged as collateral for repurchase agreements
 8 with a maturity of not more than 7 days, if—

9 (1) the repurchase agreements are cleared by a
 10 central clearing counterparty that is approved by the
 11 Board; or

12 (2) the payment stablecoin issuer has obtained
 13 the approval of the Board and the Comptroller or
 14 State bank supervisor, as applicable.

15 (d) DISCLOSURES OF ASSETS.—

16 (1) IN GENERAL.—Not later than 10 business
 17 days after the end of each month, a payment
 18 stablecoin issuer shall disclose, in a publicly acces-
 19 sible manner, a summary description that includes—

20 (A) the assets backing the payment
 21 stablecoin, the value of the assets, and the
 22 number of outstanding payment stablecoins, as
 23 of the last day of the month; and

1 (B) a report of all instances in which the
2 payment stablecoin issuer failed to comply with
3 any requirement under section 6(f) or 7(e).

4 (2) FILING WITH THE BOARD.—At the time of
5 disclosure of the summary description under para-
6 graph (1), the chief financial officer of a payment
7 stablecoin issuer shall also file the summary descrip-
8 tion with the Board under penalty of perjury.

9 (3) PUBLICATION BY THE BOARD.—Not later
10 than 10 business days after receiving a filing under
11 paragraph (2), the Board shall make the filing avail-
12 able on a website of the Board.

13 (4) VERIFICATION OF DISCLOSURES.—The
14 Comptroller or State bank supervisor shall, as part
15 of the regular examination of the payment stablecoin
16 issuer, verify the composition of the assets and the
17 accuracy of the summary description under para-
18 graph (1).

19 (e) DISCLOSURES TO CUSTOMERS.—A payment
20 stablecoin issuer shall clearly disclose to customers that
21 a payment stablecoin is not guaranteed by the United
22 States Government and is not subject to deposit or share
23 insurance by the Federal Deposit Insurance Corporation
24 or the National Credit Union Administration.

1 (f) MISREPRESENTATION OF DISCLOSURES.—A pay-
 2 ment stablecoin issuer that misrepresents a disclosure
 3 under subsection (d) or (e) shall be subject to the penalty
 4 under section 18(a)(4) of the Federal Deposit Insurance
 5 Act (12 U.S.C. 1828(a)(4)) or section 709 of title 18,
 6 United States Code, as applicable.

7 (g) REDEMPTIONS.—Not later than 1 business day
 8 after the receipt of a redemption request of a customer,
 9 a payment stablecoin issuer shall redeem an outstanding
 10 payment stablecoin of that payment stablecoin issuer at
 11 par in legal tender, as defined in section 5103 of title 31,
 12 United States Code.

13 (h) LIMITATION ON ACTIVITIES.—As determined by
 14 the Comptroller or State bank supervisor, in consultation
 15 with the Board, a payment stablecoin issuer may conduct
 16 only the following activities:

17 (1) Management of required payment stablecoin
 18 reserves under sections 6(f) and 7(e).

19 (2) Custodial services.

20 (3) Settlement and clearing.

21 (4) Post-trade services.

22 (5) Incidental activities relating to the issuance
 23 and redemption of payment stablecoins and manage-
 24 ment of required reserves.

25 (i) CONTRACTED SERVICES.—

1 (1) IN GENERAL.—Except as otherwise pro-
2 vided under paragraph (2), whenever a payment
3 stablecoin issuer, or an affiliate thereof, relies on or
4 causes to be performed for itself, by contract, any
5 services or activities authorized under this Act or
6 that are necessary to the functioning of the payment
7 stablecoin, whether on or off its premises—

8 (A) the person that performs such services
9 or activities shall be subject to regulation and
10 supervision by the Comptroller or State bank
11 supervisor that supervises the payment
12 stablecoin issuer, as applicable, and the Board,
13 solely with respect to the limited scope of the
14 performance of such services and activities;

15 (B) the person that performs such services
16 or activities shall be subject to minimum finan-
17 cial resource requirements established by the
18 Board, in consultation with the Comptroller and
19 State bank supervisors, and shall be deemed a
20 financial institution for purposes of title V of
21 the Gramm-Leach-Bliley Act (15 U.S.C. 6801
22 et seq.);

23 (C) not later than the sooner of 30 days
24 after making a contract for the performance of
25 such services or activities or the date of the per-

1 formance of such services or activities, the pay-
2 ment stablecoin issuer shall notify the Comp-
3 troller or State bank supervisor, as applicable,
4 and the Board of the existence of the relation-
5 ship;

6 (D) for the purpose of ensuring compliance
7 with the requirements under this subsection,
8 the Board, after making best efforts to obtain
9 necessary information from public sources and
10 existing regulators, including the primary Fed-
11 eral or State regulator of the person performing
12 such services or activities, if applicable, may
13 conduct examinations of and require reports
14 from such person solely with respect to the lim-
15 ited scope of the performance of services and
16 activities subject to this subsection; and

17 (E) the Board shall enforce the require-
18 ments of this subsection as if the person pro-
19 viding such services or activities was a payment
20 stablecoin issuer.

21 (2) LIMITATIONS.—Paragraph (1) shall not
22 apply to—

23 (A) a person performing the services or ac-
24 tivities described in that paragraph that is sub-
25 ject to supervision or regulation by a primary

1 financial regulatory agency described in sub-
 2 paragraph (A), (B), or (C) of section 2(12) of
 3 the Dodd-Frank Wall Street Reform and Con-
 4 sumer Protection Act (12 U.S.C. 5301(12)), or
 5 a State bank supervisor; and

6 (B) a person that primarily engages in the
 7 business of providing hardware or software to
 8 facilitate the custody or safekeeping by a cus-
 9 tomer of the payment stablecoins of that cus-
 10 tomer.

11 (j) TREATMENT UNDER THE BANK SECRECY ACT.—

12 (1) IN GENERAL.—A payment stablecoin issuer
 13 or a person providing contracted services under sub-
 14 section (i) shall be treated as a financial institution
 15 for purposes of the Bank Secrecy Act.

16 (2) EXCEPTION.—This subsection shall not
 17 apply to any person that primarily engages in the
 18 business of providing hardware or software to facili-
 19 tate the custody or safekeeping by a customer of the
 20 payment stablecoins of that customer.

21 (k) COLLATERAL AVAILABILITY.—

22 (1) IN GENERAL.—The Board, in consultation
 23 with the Comptroller, State bank supervisors, the
 24 Securities and Exchange Commission, and the Com-
 25modity Futures Trading Commission, shall monitor

the use of assets authorized as payment stablecoin reserves under sections 6(f) and 7(e), including United States Treasury bills, bonds, and notes, and the impact of the use of such assets on collateral availability and the efficient functioning of the capital markets.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed as giving the Board supervisory or regulatory authority not otherwise granted under this Act.

SEC. 5. HOLDING COMPANY SUPERVISION, AFFILIATES, MERGERS, AND ACQUISITIONS OF PAYMENT STABLECOIN ISSUERS.

(a) HOLDING COMPANIES AND INSURED DEPOSITORY INSTITUTIONS.—

(1) IN GENERAL.—A bank holding company or insured depository institution that has chartered a depository institution as a payment stablecoin issuer under section 7 shall be considered a bank for purposes of the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.).

(2) EXCEPTION.—Paragraph (1) shall not apply to an insured depository institution that is a savings association for the purposes of section 10(a)

1 of the Home Owners' Loan Act (12 U.S.C.
2 1467a(a)).

3 (b) HOLDING COMPANY SUPERVISION FOR OTHER
4 DEPOSITORY INSTITUTIONS.—

5 (1) REQUIREMENTS.—A person with a control-
6 ling interest in a depository institution that is a pay-
7 ment stablecoin issuer which is not subject to sub-
8 section (a) shall—

9 (A) annually submit to the Comptroller or
10 State bank supervisor, as applicable, and the
11 Board—

12 (i) audited financial statements;

13 (ii) a description of all affiliated or
14 parent entities and the relationship of the
15 affiliated or parent entity with the pay-
16 ment stablecoin issuer; and

17 (iii) any other information the Board
18 and the Comptroller or State bank super-
19 visor, as applicable, may by rule reasonably
20 require; and

21 (B) if required by the Comptroller or State
22 bank supervisor, as applicable, and the Board,
23 execute a tax allocation agreement with the de-
24 pository institution that—

(i) expressly states that an agency relationship exists between the person and the depository institution with respect to tax assets generated by the depository institution, and that the tax assets are held in trust by the person for the benefit of the depository institution and will be promptly remitted to the depository institution; and

(ii) may provide that the amount and timing of any payments or refunds to the depository institution by the person should be no less favorable than if the depository institution were a separate taxpayer.

(2) EXAMINATION AND DIVESTITURE.—

(A) IN GENERAL.—If the Comptroller or State bank supervisor, as applicable, and the Board determine it would be manifestly in the public interest and that reasonable cause exists to believe it is necessary to protect the customers of a depository institution that is a payment stablecoin issuer, the Comptroller or State bank supervisor, as applicable, and the Board may—

(i) conduct an examination of a person with controlling interest in the deposi-

1 tory institution or otherwise reasonably re-
2 quire information from the person; and

3 (ii) require a person with a controlling
4 interest in the depository institution to di-
5 vest itself of or sever its relationship with
6 the depository institution if necessary to
7 maintain the safety and soundness of the
8 depository institution, after consultation
9 with the Secretary of the Treasury and an
10 opportunity for a public hearing.

11 (B) OPPORTUNITY TO REMEDIATE.—Di-
12 vestiture shall not be ordered under this section
13 unless the Comptroller or State bank super-
14 visor, and the Board provide the depository in-
15 stitution with a meaningful opportunity to re-
16 mediate findings relating to the safety and
17 soundness of the depository institution.

18 (c) REQUIREMENT RELATING TO CONTROLLING IN-
19 TERESTS.—A person shall be predominantly engaged in
20 financial activities, as defined in section 102(a)(6) of the
21 Financial Stability Act of 2010 (12 U.S.C. 5311(a)(6)),
22 in order to have a controlling interest in a payment
23 stablecoin issuer.

24 (d) AFFILIATES.—

1 (1) IN GENERAL.—All subsidiaries and affili-
 2 ates of a payment stablecoin issuer that are not sub-
 3 ject to subsection (a) shall be engaged in activities
 4 that are financial in nature (as described in section
 5 4(k) of the Bank Holding Company Act of 1956 (12
 6 U.S.C. 1843(k))).

7 (2) EXCEPTION.—Paragraph (1) shall not
 8 apply to a subsidiary or affiliate that accounts for
 9 less than 25 percent of the revenue of the holding
 10 company of the subsidiary or affiliate.

11 (3) TRANSACTIONS WITH AFFILIATES.—A pay-
 12 ment stablecoin issuer is subject to the same restric-
 13 tions on transactions with affiliates, to the same ex-
 14 tent and subject to the same exceptions and exemp-
 15 tions as a member bank under sections 23A and
 16 23B of the Federal Reserve Act (12 U.S.C. 371e,
 17 371e–1).

18 (e) APPROVAL OF MERGERS AND ACQUISITIONS.—

19 (1) IN GENERAL.—No person may obtain a
 20 controlling interest in a payment stablecoin issuer
 21 that is not subject to section (a) without the ap-
 22 proval of the Board and the Comptroller or State
 23 bank supervisor, as applicable.

24 (2) RULES.—The Board, in consultation with
 25 the Comptroller and State bank supervisors, shall

1 adopt rules to implement paragraph (1) that, con-
 2 sistent with this section, shall be as close as prac-
 3 ticable to the process used by an appropriate Fed-
 4 eral banking agency (as defined in section 3(q) of
 5 the Federal Deposit Insurance Act (12 U.S.C.
 6 1813(q))) in evaluating and approving a change of
 7 control of an insured depository institution under
 8 section 7(j) of such Act (12 U.S.C. 1817(j)).

9 (3) SCOPE OF RULES.—Criteria for approval
 10 under the rules adopted pursuant to paragraph (2)
 11 shall be exclusively limited to the safety and sound-
 12 ness of the depository institution that issues a pay-
 13 ment stablecoin.

14 **SEC. 6. ISSUANCE OF PAYMENT STABLECOINS BY NON-DE-**
 15 **POSITORY TRUST COMPANIES.**

16 (a) IN GENERAL.—

17 (1) IN GENERAL.—A non-depository trust com-
 18 pany may issue and redeem payment stablecoins and
 19 conduct other activities in accordance with this sec-
 20 tion and section 4(g) if the value of all outstanding
 21 payment stablecoins in total does not exceed
 22 \$10,000,000,000, as adjusted under section 3(b).

23 (2) ISSUANCE THRESHOLD EXCEEDED.—If a
 24 non-depository trust company exceeds the threshold
 25 described in paragraph (1), the non-depository trust

1 company shall, not later than 180 days after exceed-
 2 ing the threshold—

3 (A) consistent with subsection (k), file a
 4 completed application with the Comptroller or
 5 State bank supervisor, as applicable, to convert
 6 to a depository institution charter under section
 7 7 and be approved as provided in that section;
 8 or

9 (B) in consultation with the State bank su-
 10 pervisor, implement a plan to appropriately
 11 limit activities below the threshold, consistent
 12 with the safety and soundness of the non-depos-
 13 itory trust company and customer protection.

14 (b) AUTHORIZATION TO ISSUE PAYMENT
 15 STABLECOIN.—

16 (1) APPLICATION.—

17 (A) IN GENERAL.—A non-depository trust
 18 company shall submit to a State bank super-
 19 visor, separately or as part of a charter applica-
 20 tion, an application for authorization to issue
 21 payment stablecoins.

22 (B) STANDARDS FOR EVALUATION.—The
 23 State bank supervisor may consult with the
 24 Board with respect to the following exclusive set

1 of standards prior to approving an application
2 under subparagraph (A):

3 (i) The ability of the applicant to
4 maintain required reserves backing the
5 payment stablecoins.

6 (ii) The financial resources, manage-
7 rial or technical expertise, and governance
8 of the applicant.

9 (iii) The benefit to the public, includ-
10 ing relating to innovation and competition.

11 (iv) The stability of the financial sys-
12 tem of the United States.

13 (2) REGISTRATION.—

14 (A) DEADLINE.—

15 (i) IN GENERAL.—Not later than 180
16 days after the approval of an application
17 under paragraph (1), a non-depository
18 trust company shall register with the
19 Board by submitting to the Board a com-
20 plete registration statement.

21 (ii) EXTENSION.—The Board may ex-
22 tend the deadline under clause (i) by an
23 additional 180 days, if the Board deter-
24 mines appropriate.

1 (B) CONTENTS OF A COMPLETE REGISTRA-
2 TION STATEMENT.—

3 (i) RULES REQUIRED.—Consistent
4 with section 15 of this Act, the Board, in
5 consultation with State bank supervisors,
6 shall issue rules describing the content,
7 documents, and materials required to be
8 submitted to the Board that constitute a
9 complete registration statement, which
10 shall include materials required to be filed
11 in an application to comply with the stand-
12 ards under paragraph (1)(B).

13 (ii) COMPLETENESS.—If the State
14 bank supervisor determines that an appli-
15 cant has submitted all of the materials re-
16 quired under this subparagraph, the reg-
17 istration shall be deemed complete.

18 (3) AUTHORIZATION TO ISSUE PAYMENT
19 STABLECOINS.—

20 (A) EFFECTIVE DATE.—

21 (i) IN GENERAL.—An approval of an
22 application under paragraph (1) shall be
23 deemed effective on the date that is 90
24 days after the date the applicant submits
25 a complete registration statement to the

1 Board under paragraph (2), unless the
 2 Board, by a vote of $\frac{2}{3}$ of all members,
 3 votes to deny the application by written
 4 order explaining the reasons for denial.

5 (ii) EXTENSION.—Upon the request of
 6 an applicant, the Board may extend the ef-
 7 fective date under clause (i).

8 (B) ISSUE PROHIBITED BEFORE EFEC-
 9 TIVE DATE.—A non-depository trust company
 10 may not issue payment stablecoins before the
 11 effective date under subparagraph (A).

12 (4) REQUEST FOR ADDITIONAL INFORMA-
 13 TION.—Nothing in this subsection shall be construed
 14 as prohibiting the Board from requesting further in-
 15 formation from an applicant, but any request by the
 16 Board for further information from an applicant
 17 shall not affect the status of the registration state-
 18 ment as complete, as provided under paragraph
 19 (2)(B)(ii).

20 (5) PUBLIC AVAILABILITY OF FILINGS.—The
 21 Board shall make each registration statement filed
 22 with the Board under this section available to the
 23 public on the website of the Board.

24 (6) CONSULTATION.—The Board shall consult
 25 with the applicable State bank supervisor relating to

1 a non-depository trust company registration under
 2 this section, which may include sharing materials
 3 submitted as part of the application to issue a pay-
 4 ment stablecoin.

5 (c) SUPERVISION, REGULATION, AND ENFORCE-
 6 MENT.—

7 (1) SUPERVISION AUTHORITY.—Upon the filing
 8 of a complete registration statement with the Board,
 9 a non-depository trust company shall be subject to
 10 supervision by the State bank supervisor, and the
 11 Board and State bank supervisor shall have enforce-
 12 ment authority as provided in section 11.

13 (2) REGULAR EXAMINATIONS.—The applicable
 14 State bank supervisor shall make regular examina-
 15 tions of a non-depository trust company authorized
 16 to issue a payment stablecoin under this section on
 17 a regular basis in order to inform such State bank
 18 supervisor of—

19 (A) the nature of the operations and finan-
 20 cial condition of the non-depository trust com-
 21 pany and any affiliates;

22 (B) the financial, operational, and other
 23 risks within the non-depository trust company
 24 that may pose a threat to—

1 (i) the safety and soundness of the
 2 non-depository trust company; or

3 (ii) the stability of the financial sys-
 4 tem of the United States; and

5 (C) the systems of the non-depository trust
 6 company for monitoring and controlling the
 7 risks described in subparagraph (B).

8 (d) SUBMISSION OF REPORTS.—At the frequency es-
 9 tablished by rule of the Board, in consultation with State
 10 bank supervisors, each non-depository trust company sub-
 11 ject to this section shall submit a report of condition under
 12 oath to the applicable State bank supervisor relating to—

13 (1) the financial condition and status of sys-
 14 tems for monitoring and controlling financial and
 15 operating risks of the non-depository trust company;
 16 and

17 (2) compliance by the non-depository trust com-
 18 pany, and any subsidiary thereof, with this Act and
 19 other applicable laws.

20 (e) EXISTING REPORTS AND EXAMINATIONS.—

21 (1) IN GENERAL.—In supervising a non-deposi-
 22 tory trust company under this section, a State bank
 23 supervisor shall, to the fullest extent possible, use
 24 existing reports and other supervisory information

1 and avoid duplication of examination activities, re-
2 porting requirements, and requests for information.

3 (2) REPORTS TO THE BOARD.—Each State
4 bank supervisor shall promptly provide to the Board
5 all reports under subsection (d) and reports of ex-
6 aminations under this section.

7 (f) RESERVE REQUIREMENTS.—

8 (1) IN GENERAL.—A non-depository trust com-
9 pany that issues a payment stablecoin under this
10 section shall maintain reserves of not less than 100
11 percent of the nominal value of all outstanding pay-
12 ment stablecoins issued by the non-depository trust
13 company, as of the end of each business day. A non-
14 depository trust company may maintain reserves
15 comprised of—

16 (A) United States coins, currency, or other
17 instrument that is legal tender described in sec-
18 tion 5103 of title 31, United States Code;

19 (B) demand deposits at a depository insti-
20 tution, except that deposits in an insured depos-
21 itory institution shall not exceed the limit of de-
22 posit or share insurance available for that ac-
23 count;

1 (C) United States Treasury bills, bonds, or
 2 notes with a maturity date of 90 days or less
 3 from the date of purchase; and

4 (D) repurchase agreements, with a maturity
 5 date of 7 days or less, that are backed by
 6 United States Treasury bills with a maturity
 7 date of 1 year or less from the date of the re-
 8 purchase agreement.

9 (g) CUSTODY.—A non-depository trust company shall
 10 be the legal custodian of required payment stablecoin re-
 11 serves under subsection (f), but the non-depository trust
 12 company shall use a depository institution as subcustodian
 13 to provide for the safekeeping of reserves.

14 (h) RELATION TO GRAMM-LEACH-BLILEY ACT.—A
 15 non-depository trust company that issues a payment
 16 stablecoin under this section shall be deemed to be a finan-
 17 cial institution for the purposes of title V of the Gramm-
 18 Leach-Bliley Act (15 U.S.C. 6801 et seq.).

19 (i) RULES.—

20 (1) IN GENERAL.—The Board, in consultation
 21 with the State bank supervisors and the Financial
 22 Crimes Enforcement Network, shall adopt rules to
 23 implement this section, including—

24 (A) a simplified capital treatment for non-
 25 depository trust companies under this section,

1 which shall be exceed the greater of the pro-
 2 jected receivership costs of the non-depository
 3 trust company or the projected costs of oper-
 4 ation of the non-depository trust company over
 5 a 3-year period;

6 (B) appropriate liquidity, interest rate, and
 7 risk management standards commensurate with
 8 the size of a non-depository trust company;

9 (C) management practices with respect to
 10 required payment stablecoin assets;

11 (D) appropriate operational, compliance,
 12 and information technology risk management,
 13 including Bank Secrecy Act and sanctions com-
 14 pliance; and

15 (E) other rules required by this section.

16 (2) SIGNIFICANT DIFFERENCES.—In deter-
 17 mining capital requirements applicable to a non-de-
 18 pository trust company that has no material assets
 19 other than required payment stablecoin assets under
 20 this section—

21 (A) the non-depository trust company shall
 22 not be subject to requirements similar to sec-
 23 tion 171 of the Financial Stability Act of 2010
 24 (12 U.S.C. 5371); and

1 (B) State bank supervisors and the Board
2 shall take into account the limited risks of the
3 assets of the non-depository trust company.

4 (j) RULES OF CONSTRUCTION.—Nothing in this sec-
5 tion may be construed as—

6 (1) preventing a State bank supervisor from im-
7 posing additional or more strict regulatory standards
8 on a non-depository trust company for issuing pay-
9 ment stablecoins; or

10 (2) affecting existing State laws governing
11 interstate trust company business or permitting non-
12 depository trust companies to conduct payment
13 stablecoin activities on an interstate basis which are
14 inconsistent with State laws governing interstate
15 trust company business.

16 (k) PLANNING FOR CONVERSION.—Not later than
17 180 days after the date that the nominal value of all out-
18 standing payment stablecoins issued by a non-depository
19 trust company first exceeds \$9,000,000,000, as adjusted
20 under section 3(b), at the end of a business day, the non-
21 depository trust company shall, in consultation with the
22 applicable State bank supervisor, develop a plan for the
23 conversion of the non-depository trust company into a de-
24 pository institution under section 7, which may include

1 capital planning, management planning, and third-party
2 vendor management.

3 (l) EXISTING NON-DEPOSITORY TRUST COMPA-
4 NIES.—A non-depository trust company shall only conduct
5 payment stablecoin activities specified under this Act with-
6 in the trust company.

7 **SEC. 7. ISSUANCE OF PAYMENT STABLECOINS BY DEPOSI-**
8 **TORY INSTITUTIONS.**

9 (a) IN GENERAL.—

10 (1) IN GENERAL.—A depository institution may
11 issue and redeem payment stablecoins and conduct
12 other activities in accordance with this section and
13 section 4(g).

14 (2) CHARTER OF DEPOSITORY INSTITUTIONS.—

15 (A) IN GENERAL.—An insured depository
16 institution or bank holding company shall char-
17 ter a separate depository institution to issue a
18 payment stablecoin.

19 (B) THRESHOLD.—A payment stablecoin
20 issuer with the nominal value of all outstanding
21 units of the stablecoin which exceeds
22 \$10,000,000,000 (as adjusted under section
23 3(b)) shall be a depository institution under
24 this section, but nothing shall be construed as
25 prohibiting a payment stablecoin issuer with

1 less than \$10,000,000,000 of nominal value of
2 outstanding payment stablecoins from obtaining
3 a depository institution charter under this sec-
4 tion.

5 (b) AUTHORIZATION TO ISSUE PAYMENT
6 STABLECOIN.—

7 (1) APPLICATION.—

8 (A) APPLICATION TO CHARTERING AU-
9 THORITY.—A depository institution shall sub-
10 mit, separately or as part of a charter applica-
11 tion, to the Comptroller or a State bank super-
12 visor, as applicable, an application for author-
13 ization to issue payment stablecoins.

14 (B) APPLICATION TO BOARD AS NATIONAL
15 PAYMENT STABLECOIN ISSUER.—At the same
16 time as the filing of an application under para-
17 graph (1), a depository institution shall submit
18 to the Board an application for authorization as
19 a national payment stablecoin issuer.

20 (2) STANDARDS FOR APPROVAL.—The following
21 exclusive set of standards shall govern the decision
22 of the Comptroller or State bank supervisor, as ap-
23 plicable, with respect to an application under para-
24 graph (1):

1 (A) The ability of the applicant to main-
 2 tain required reserves backing the payment
 3 stablecoins required under this section.

4 (B) The financial resources, managerial or
 5 technical expertise, and governance of the appli-
 6 cant, including risk management and compli-
 7 ance.

8 (C) The benefit to the public, including re-
 9 lating to innovation and competition.

10 (D) The stability of the financial system of
 11 the United States.

12 (3) APPLICATION CONTENTS.—

13 (A) RULES REQUIRED.—Not later than
 14 180 days after the date of enactment of this
 15 Act, the Board, in consultation with the Comp-
 16 troller and State bank supervisors, shall issue
 17 rules describing the content, documents, and
 18 materials required to be submitted to the Board
 19 that constitute a complete application, which
 20 shall include—

21 (i) a tailored recovery and resolution
 22 plan, consistent with the standards adopt-
 23 ed under subsection (h)(1)(E), that would
 24 permit the orderly resumption of a safe
 25 and sound operation or the orderly wind-

1 down of operations in the event of distress,
 2 including the redemption of all outstanding
 3 payment stablecoins;

4 (ii) a draft customer agreement;

5 (iii) a flow of funds explanation;

6 (iv) an information technology oper-
 7 ations and security plan; and

8 (v) all materials required to comply
 9 with the standards under paragraph (2).

10 (B) COMPLETENESS.—If the Comptroller
 11 or State bank supervisor, as applicable, deter-
 12 mines that an applicant has submitted all of the
 13 materials required under this paragraph, the
 14 application shall be deemed complete.

15 (4) PUBLIC NOTICE.—

16 (A) IN GENERAL.—The Board shall pro-
 17 vide a copy of each application under this sec-
 18 tion to the public (with any confidential infor-
 19 mation redacted) and provide for a 60-day pub-
 20 lic comment period during which the public may
 21 submit written comments on the application.

22 (B) EXCEPTION.—The Board may waive
 23 the public comment requirement under subpara-
 24 graph (A) if the Board determines that it must
 25 act immediately to prevent the failure of a de-

1 pository institution or the probable failure of an
2 affiliate of the institution.

3 (5) WRITTEN DECISION.—

4 (A) IN GENERAL.—Not later than 180
5 days after receiving a complete application pur-
6 suant to paragraph (3), the Board shall render
7 a written decision to approve or deny the na-
8 tional payment stablecoin issuer application
9 under paragraph (1), with appropriate findings,
10 and the Comptroller or State bank supervisor
11 shall render a decision on the charter applica-
12 tion as otherwise provided by Federal or State
13 law.

14 (B) APPROVAL BY MAJORITY VOTE.—The
15 Board shall not approve an application under
16 paragraph (1) unless a majority of its members
17 vote to approve.

18 (C) EXTENSION.—Upon the request of an
19 applicant, the Board may extend the decision
20 deadline of the Board under subparagraph (A).

21 (6) REQUESTS FOR ADDITIONAL INFORMA-
22 TION.—Nothing in this subsection shall be construed
23 as prohibiting the Board from requesting further in-
24 formation from an applicant, but any request by the
25 Board for further information from an applicant

1 shall not affect the status of the application as com-
 2 plete, as provided under paragraph (3)(B).

3 (c) SUPERVISION.—Upon authorization as a national
 4 payment stablecoin issuer under this section, a depository
 5 institution shall be subject to prudential supervision and
 6 regulation by the Comptroller or State bank supervisor,
 7 as applicable, and the Board, as specified under this Act.

8 (d) REQUIRED PAYMENT STABLECOIN ASSETS.—

9 (1) IN GENERAL.—A depository institution that
 10 issues a payment stablecoin under this section shall
 11 maintain reserves of not less than 100 percent of the
 12 nominal value of all outstanding payment
 13 stablecoins, as of the end of each business day.

14 (2) COMPOSITION OF RESERVES.—A depository
 15 institution may maintain reserves comprised of—

16 (A) United States coins, currency, or other
 17 instrument that is legal tender described in sec-
 18 tion 5103 of title 31, United States Code;

19 (B) demand deposits at a depository insti-
 20 tution, except that deposits in an insured depos-
 21 itory institution shall not exceed the limit of de-
 22 posit or share insurance available for that ac-
 23 count;

24 (C) balances held at a Federal Reserve
 25 bank;

1 (D) United States Treasury bills, notes, or
2 bonds with a maturity date of 90 days or less
3 after the date of purchase; and

4 (E) repurchase agreements with a maturity
5 date of 7 days or less, that are backed by
6 United States Treasury bills with a maturity
7 date of 1 year or less from the date of the re-
8 purchase agreement.

9 (e) CALL REPORT.—As applicable, the Comptroller
10 or State bank supervisor and the Board shall require a
11 depository institution that issues a payment stablecoin to
12 report, in detail, on the composition of the assets and li-
13 abilities in each periodic report of condition, or in an alter-
14 native format approved by the Federal Financial Institu-
15 tions Examination Council, at the frequency otherwise re-
16 quired by law for depository institutions.

17 (f) EXAMINATIONS.—

18 (1) USE OF EXISTING REPORTS.—In super-
19 vising a depository institution under this section, the
20 Comptroller or State bank supervisor, as applicable,
21 and the Board shall, to the fullest extent possible,
22 use existing reports and other supervisory informa-
23 tion and avoid duplication of examination activities,
24 reporting requirements, and requests for informa-
25 tion.

1 (2) REGULAR EXAMINATIONS.—The Comp-
 2 troller or State bank supervisor, as applicable, and
 3 the Board shall make regular examinations of a de-
 4 pository institution under this section on a regular
 5 basis in order to inform the Comptroller or State
 6 bank supervisor, as applicable, and the Board of—

7 (A) the nature of the operations and finan-
 8 cial condition of the depository institution and
 9 any affiliates;

10 (B) the financial, operational, and other
 11 risks within the depository institution that may
 12 pose a threat to—

13 (i) the safety and soundness of the de-
 14 pository institution; or

15 (ii) the stability of the financial sys-
 16 tem of the United States; and

17 (C) the systems of the depository institu-
 18 tion for monitoring and controlling the risks de-
 19 scribed in subparagraph (B).

20 (g) RELATION TO GRAMM-LEACH-BLILEY ACT.—A
 21 depository institution that issues a payment stablecoin
 22 under this section shall be deemed to be a financial institu-
 23 tion for the purposes of title V of the Gramm-Leach-Bliley
 24 Act (15 U.S.C. 6801 et seq.).

25 (h) RULES.—

1 (1) IN GENERAL.—The Board, in consultation
 2 with the Comptroller, State bank supervisors, and
 3 the Financial Crimes Enforcement Network, shall
 4 adopt rules to implement this section, including—

5 (A) capital treatment for depository insti-
 6 tutions under this section, which shall be not
 7 greater than the total sum of—

8 (i) the greater of—

9 (I) projected receivership costs;

10 or

11 (II) projected costs of operation
 12 over a 3-year period; and

13 (ii) the sum of—

14 (I) operational risk, as provided
 15 under paragraph (2)(C); and

16 (II) collateral reasonably needed
 17 to address payment system risk;

18 (B) managing liquidity, leverage, and mar-
 19 ket and interest rate risk;

20 (C) management practices with respect to
 21 required payment stablecoin assets;

22 (D) appropriate operational, compliance,
 23 and information technology risk management,
 24 including Bank Secrecy Act and sanctions com-
 25 pliance;

1 (E) tailored recovery and resolution stand-
 2 ards relating to payment stablecoins; and

3 (F) third-party risk management, includ-
 4 ing appropriate governance of relationships with
 5 crypto asset exchanges.

6 (2) SIGNIFICANT DIFFERENCES.—In deter-
 7 mining capital requirements applicable to a deposi-
 8 tory institution that has no material assets other
 9 than required payment stablecoin assets under this
 10 section—

11 (A) the depository institution shall not be
 12 subject to section 171 of the Financial Stability
 13 Act of 2010 (12 U.S.C. 5371);

14 (B) the Board, in consultation with the
 15 Comptroller and State bank supervisors, shall
 16 take into account the significant differences be-
 17 tween the risks of the assets of the institution
 18 and those of depository institutions with assets
 19 that consist primarily of commercial or con-
 20 sumer loans; and

21 (C) assessment of operational risk shall
 22 occur commensurate with the size and com-
 23 plexity of the depository institution.

24 (i) RULES OF CONSTRUCTION.—Nothing in this Act
 25 may be construed as—

1 (1) preventing the Comptroller or a State bank
 2 supervisor which charters a depository institution
 3 from imposing additional or more strict regulatory
 4 standards on the institution for issuing payment
 5 stablecoins;

6 (2) making inapplicable the provisions of sec-
 7 tion 24(j) of the Federal Deposit Insurance Act (12
 8 U.S.C. 1831a(j)) to a depository institution, includ-
 9 ing the ability of a depository institution to operate
 10 under home State law on an interstate basis without
 11 further licensure, registration, or authorization, as
 12 provided in that Act; or

13 (3) requiring a depository institution to obtain
 14 deposit insurance to issue a payment stablecoin
 15 under this section or to conduct incidental activities
 16 under this section.

17 (j) CONVERSION OF A NON-DEPOSITORY TRUST
 18 COMPANY PAYMENT STABLECOIN ISSUER.—Not later
 19 than 2 years after the date of enactment of this Act, the
 20 Board, in consultation with the Comptroller and State
 21 bank supervisors, shall issue rules—

22 (1) establishing a process for a non-depository
 23 trust company registered under section 6 to convert
 24 to a depository institution under this section;

1 (2) setting forth an expedited process for ap-
2 proval that is consistent with this section; and

3 (3) providing for the implementation of the plan
4 required to be developed under subsection (l) of sec-
5 tion 6 of this Act.

6 (k) EXISTING HOLDING COMPANIES AND DEPOSI-
7 TORY INSTITUTIONS.—A bank holding company or in-
8 sured depository institution shall only conduct payment
9 stablecoin activities authorized by this Act within a deposi-
10 tory institution subsidiary of the insured depository insti-
11 tution or a bank holding company.

12 **SEC. 8. CERTIFICATE OF AUTHORITY TO COMMENCE BANK-**
13 **ING FOR CERTAIN NATIONAL ASSOCIATIONS.**

14 Section 5169 of the Revised Statutes (12 U.S.C. 27)
15 is amended—

16 (1) in subsection (a), in the third sentence, by
17 striking “to those of a non-depository trust company
18 and activities related thereto.” and inserting “to—

19 “(1) those of a non-depository trust company
20 and fiduciary activities related thereto; or

21 “(2) those of a depository institution for the
22 purposes of issuing a payment stablecoin and activi-
23 ties related thereto as a national payment stablecoin
24 issuer under section 7 of the Lummis-Gillibrand
25 Payment Stablecoin Act.”; and

1 (2) by adding at the end the following:

2 “(c) The Comptroller may, by rule, establish assess-
3 ments depository institutions engaged in issuing payment
4 stablecoins.”.

5 **SEC. 9. APPOINTMENT OF FDIC AS CONSERVATOR OR RE-**
6 **CEIVER OF PAYMENT STABLECOIN ISSUERS.**

7 (a) DEFINITION.—As used in this section, the term
8 “customer” means a person, or authorized representative
9 of the person, that—

10 (1) utilized or is utilizing any service of a pay-
11 ment stablecoin issuer with respect to an account in
12 the name of the person maintained by the payment
13 stablecoin issuer; or

14 (2) is in possession or control of a payment
15 stablecoin issued by a payment stablecoin issuer for
16 which the payment stablecoin issuer for which an
17 open account with the issuer is needed to redeem the
18 payment stablecoin.

19 (b) FUNDING.—

20 (1) IN GENERAL.—A payment stablecoin issuer
21 shall not be charged deposit insurance premiums for
22 the purposes of this section, but the Federal Deposit
23 Insurance Corporation (in this section referred to as
24 the “Corporation”) may use the capital of the pay-
25 ment stablecoin issuer and any returns on required

1 payment stablecoin reserves to fund the costs of a
2 receivership or conservatorship.

3 (2) LIMITATION.—The Corporation shall not
4 exercise borrowing authority under section 14 of the
5 Federal Deposit Insurance Act (12 U.S.C. 1824) re-
6 lated to a receivership or conservatorship under this
7 section.

8 (c) LIQUIDATION AS CLOSING OF PAYMENT
9 STABLECOIN ISSUER.—For the purposes of this section,
10 a payment stablecoin issuer shall be deemed to have been
11 closed on account or inability to meet the demands of its
12 customers in any case in which it has been closed for the
13 purpose of liquidation without adequate provision being
14 made for payment of its customers.

15 (d) APPOINTMENT OF CORPORATION AS CONSER-
16 VATOR OR RECEIVER.—

17 (1) IN GENERAL.—Notwithstanding any other
18 provision of Federal law, the law of any State, or the
19 constitution of any State, the Corporation may ac-
20 cept appointment and act as conservator or receiver
21 for a payment stablecoin issuer upon appointment in
22 the manner provided in paragraph (2) or (3).

23 (2) OCC DEPOSITORY INSTITUTIONS.—

24 (A) APPOINTMENT.—

1 (i) CONSERVATOR.—The Corporation
2 may, at the discretion of the Comptroller,
3 be appointed conservator of a payment
4 stablecoin issuer which is a depository in-
5 stitution chartered by the Comptroller and
6 the Corporation may accept such appoint-
7 ment.

8 (ii) RECEIVER.—The Corporation
9 shall be appointed receiver, and shall ac-
10 cept such appointment, whenever a receiver
11 is appointed for the purpose of liquidation
12 or winding up the affairs of a payment
13 stablecoin issuer which is a depository in-
14 stitution chartered by the Comptroller, not-
15 withstanding any other provision of Fed-
16 eral law.

17 (B) ADDITIONAL POWERS.—In addition to
18 and not in derogation of the powers conferred
19 and the duties imposed by this section on the
20 Corporation as conservator or receiver, the Cor-
21 poration, to the extent not inconsistent with
22 such powers and duties, shall have any other
23 power conferred on or any duty (which is re-
24 lated to the exercise of such power) imposed on
25 a conservator or receiver for any Federal depos-

itory institution under any other provision of law.

(C) CORPORATION NOT SUBJECT TO ANY OTHER AGENCY.—When acting as conservator or receiver pursuant to an appointment described in subparagraph (A), the Corporation shall not be subject to the direction or supervision of any other agency or department of the United States or any State in the exercise of the Corporation’s rights, powers, and privileges.

(D) DEPOSITORY INSTITUTION IN CONSERVATORSHIP SUBJECT TO BANKING AGENCY SUPERVISION.—Notwithstanding subparagraph (C), a payment stablecoin issuer which is a depository institution chartered by the Comptroller for which the Corporation has been appointed conservator shall remain subject to the supervision of the Comptroller.

(3) STATE-CHARTERED PAYMENT STABLECOIN ISSUERS.—

(A) APPOINTMENT BY STATE BANK SUPERVISOR.—Whenever a State bank supervisor appoints a conservator or receiver for such institution and tenders appointment to the Cor-

1 poration, the Corporation may accept such ap-
2 pointment.

3 (B) ADDITIONAL POWERS.—In addition to
4 the powers conferred and the duties related to
5 the exercise of such powers imposed by State
6 law on any conservator or receiver appointed
7 under the law of such State, the Corporation,
8 as conservator or receiver pursuant to an ap-
9 pointment described in subparagraph (A), shall
10 have the powers conferred and the duties im-
11 posed by this section on the Corporation as con-
12 servator or receiver.

13 (C) CORPORATION NOT SUBJECT TO ANY
14 OTHER AGENCY.—When acting as conservator
15 or receiver pursuant to an appointment de-
16 scribed in subparagraph (A), the Corporation
17 shall not be subject to the direction or super-
18 vision of any other agency or department of the
19 United States or any State in the agency or de-
20 partment of the United States or any State in
21 the exercise of its rights, powers, and privileges.

22 (D) ISSUER IN CONSERVATORSHIP SUB-
23 JECT TO BANKING AGENCY SUPERVISION.—
24 Notwithstanding subparagraph (C), a State-
25 chartered payment stablecoin issuer for which

1 the Corporation has been appointed conservator
 2 shall remain subject to the supervision of the
 3 State bank supervisor.

4 (4) GROUNDS FOR APPOINTING CONSERVATOR
 5 OR RECEIVER.—The grounds for appointing a con-
 6 servator or receiver (which may be the Corporation)
 7 for a payment stablecoin issuer are as follows:

8 (A) ASSETS INSUFFICIENT FOR OBLIGA-
 9 TIONS.—The issuer’s assets are less than the
 10 issuer’s obligations to its creditors and others.

11 (B) SUBSTANTIAL DISSIPATION.—Substan-
 12 tial dissipation of assets or earnings due to—

13 (i) any violation of any statute or reg-
 14 ulation; or

15 (ii) any unsafe or unsound practice.

16 (C) UNSAFE OR UNSOUND CONDITION.—
 17 An unsafe or unsound condition to transact
 18 business.

19 (D) CEASE AND DESIST ORDERS.—Any
 20 willful violation of a cease and desist order
 21 which has become final.

22 (E) CONCEALMENT.—Any concealment of
 23 the institution’s books, papers, records, or as-
 24 sets, or any refusal to submit the institution’s
 25 books, papers, records, or affairs for inspection

1 to any examiner or to any lawful agent of the
2 Comptroller, State bank supervisor, or the
3 Board.

4 (F) INABILITY TO MEET OBLIGATIONS.—

5 The issuer is likely to be unable to pay its obli-
6 gations or meet its customers' demands in the
7 normal course of business.

8 (G) LOSSES.—The issuer has incurred or
9 is likely to incur losses that will deplete all or
10 substantially all of its capital, and there is no
11 reasonable prospect for the institution to come
12 into compliance with capital requirements speci-
13 fied under this Act, consistent with Board regu-
14 lation.

15 (H) VIOLATIONS OF LAW.—Any violation
16 of any law or regulation, or any unsafe or un-
17 sound practice or condition that is likely to—

18 (i) cause insolvency or substantial dis-
19 sipation of assets or earnings;

20 (ii) weaken the issuer's condition; or

21 (iii) otherwise seriously prejudice the
22 interests of the institution's customers.

23 (I) CONSENT.—The issuer, by resolution of
24 its board of directors or its shareholders or
25 members, consents to the appointment.

1 (J) UNDERCAPITALIZATION OF INSTITU-
 2 TION.—The institution is undercapitalized as
 3 specified by Board rule, and—

4 (i) has no reasonable prospect of be-
 5 coming adequately capitalized (as defined
 6 by Board rule);

7 (ii) fails to become adequately capital-
 8 ized when required to do so;

9 (iii) fails to submit a capital restora-
 10 tion plan; or

11 (iv) materially fails to implement a
 12 capital restoration plan.

13 (K) UNDERCAPITALIZATION OF ISSUER.—
 14 The issuer—

15 (i) is critically undercapitalized, as de-
 16 fined by Board rule; or

17 (ii) otherwise has substantially insuffi-
 18 cient capital.

19 (L) MONEY LAUNDERING OFFENSE.—The
 20 Attorney General notifies the Board, Comp-
 21 troller, or State bank supervisor, as applicable,
 22 or the Corporation in writing that the payment
 23 stablecoin issuer has been found guilty of a
 24 criminal offense under section 1956 or 1957 of

1 title 18, United States Code, or section 5322 or
 2 5324 of title 31, United States Code.

3 (5) DIRECTORS NOT LIABLE FOR ACQUIESCING
 4 IN APPOINTMENT OF CONSERVATOR OR RECEIVER.—

5 The members of the board of directors of a payment
 6 stablecoin issuer shall not be liable to the issuer's
 7 shareholders or creditors for acquiescing in or con-
 8 senting in good faith to—

9 (A) the appointment of the Corporation as
 10 conservator or receiver for that issuer; or

11 (B) an acquisition or combination in which
 12 the Corporation requires the issuer to be ac-
 13 quired or combined with another payment
 14 stablecoin issuer.

15 (e) POWERS AND DUTIES OF CORPORATION AS CON-
 16 SERVATOR OR RECEIVER.—

17 (1) RULEMAKING AUTHORITY OF CORPORA-
 18 TION.—The Corporation may prescribe such regula-
 19 tions as the Corporation determines to be appro-
 20 priate regarding the conduct of conservatorships or
 21 receiverships of payment stablecoin issuers, in con-
 22 sultation with the Comptroller, State bank super-
 23 visors, and the Board.

24 (2) GENERAL POWERS.—

1 (A) SUCCESSOR TO INSTITUTION.—The
2 Corporation shall, as conservator or receiver,
3 and by operation of law, succeed to—

4 (i) all rights, titles, powers, and privi-
5 leges of the payment stablecoin issuer, and
6 of any stockholder, member, accountholder,
7 depositor, officer, or director of such issuer
8 with respect to the issuer and the assets of
9 the issuer; and

10 (ii) title to the books, records, and as-
11 sets of any previous conservator or other
12 legal custodian of such institution.

13 (B) OPERATE THE INSTITUTION.—The
14 Corporation may, as conservator or receiver—

15 (i) take over the assets of and operate
16 the payment stablecoin issuer with all the
17 powers of the members or shareholders,
18 the directors, and the officers of the issuer
19 and conduct all business of the issuer;

20 (ii) collect all obligations and money
21 due to the institution;

22 (iii) perform all functions of the issuer
23 in the name of the issuer which are con-
24 sistent with the appointment as conser-
25 vator or receiver; and

1 (iv) preserve and conserve the assets
2 and property of the issuer.

3 (C) FUNCTIONS OF ISSUER'S OFFICERS,
4 DIRECTORS, AND SHAREHOLDERS.—The Cor-
5 poration may, by regulation or order, provide
6 for the exercise of any function by any member
7 or stockholder, director, or officer of any pay-
8 ment stablecoin issuer for which the Corpora-
9 tion has been appointed conservator or receiver.

10 (D) POWERS AS CONSERVATOR.—The Cor-
11 poration may, as conservator, take such action
12 as may be—

13 (i) necessary to put the payment
14 stablecoin issuer in a sound and solvent
15 condition; and

16 (ii) appropriate to carry on the busi-
17 ness of the issuer and preserve and con-
18 serve the assets and property of the issuer.

19 (E) ADDITIONAL POWERS AS RECEIVER.—
20 The Corporation may, as receiver, place the
21 payment stablecoin issuer in liquidation and
22 proceed to realize upon the assets of the issuer,
23 having due regard to the conditions of credit in
24 the locality.

1 (F) ORGANIZATION OF NEW INSTITU-
 2 TIONS.—The Corporation may, as receiver, with
 3 respect to any payment stablecoin issuer, orga-
 4 nize a bridge payment stablecoin issuer under
 5 subsection (m).

6 (G) MERGER; TRANSFER OF ASSETS AND
 7 LIABILITIES.—

8 (i) IN GENERAL.—The Corporation
 9 may, as conservator or receiver—

10 (I) merge the payment stablecoin
 11 issuer with another payment
 12 stablecoin issuer; or

13 (II) subject to clause (ii), trans-
 14 fer any asset or liability of the issuer
 15 in default without any approval, as-
 16 signment, or consent with respect to
 17 such transfer.

18 (ii) APPROVAL BY APPROPRIATE REG-
 19 ULATOR.—No transfer described in clause
 20 (i)(II) may be made to a payment
 21 stablecoin issuer or without the approval of
 22 the appropriate payment stablecoin regu-
 23 lator for such issuer.

24 (H) PAYMENT OF VALID OBLIGATIONS.—
 25 The Corporation, as conservator or receiver,

1 shall pay all valid obligations of the payment
2 stablecoin issuer, as determined by the Corpora-
3 tion.

4 (I) SUBPOENA AUTHORITY.—

5 (i) IN GENERAL.—The Corporation
6 may, as conservator, receiver, or exclusive
7 manager and for purposes of carrying out
8 any power, authority, or duty with respect
9 to a payment stablecoin issuer (including
10 determining any claim against the issuer
11 and determining and realizing upon any
12 asset of any person in the course of col-
13 lecting money due the issuer), exercise any
14 power established under section 8(n) of the
15 Federal Deposit Insurance Act (12 U.S.C.
16 1818(n)) and the provisions of such section
17 shall apply with respect to the exercise of
18 any such power under this subparagraph
19 in the same manner as such provisions
20 apply under such section.

21 (ii) AUTHORITY OF BOARD OF DIREC-
22 TORS.—A subpoena or subpoena duces
23 tecum may be issued under clause (i) only
24 by, or with the written approval of, the

1 Board of Directors of the Corporation or
2 their designees.

3 (iii) RULE OF CONSTRUCTION.—This
4 subsection shall not be construed as lim-
5 iting any rights that the Corporation, in
6 any capacity, may otherwise have under
7 section 10(c) of the Federal Deposit Insur-
8 ance Act (12 U.S.C. 1820(c)).

9 (J) INCIDENTAL POWERS.—The Corpora-
10 tion may, as conservator or receiver—

11 (i) exercise all powers and authorities
12 necessary to conduct the conservatorship
13 or receivership, respectively, and such inci-
14 dental powers as shall be necessary to
15 carry out such powers; and

16 (ii) take any action authorized by this
17 section, which the Corporation determines
18 is in the best interests of the payment
19 stablecoin issuer, its customers, or the Cor-
20 poration.

21 (K) UTILIZATION OF PRIVATE SECTOR.—
22 In carrying out its responsibilities in the man-
23 agement and disposition of assets from payment
24 stablecoin issuers, as conservator, receiver, or in
25 its corporate capacity, the Corporation shall uti-

lize the services of private persons, including property management, auction marketing, legal, and brokerage services, only if such services are available in the private sector and the Corporation determines utilization of such services is the most practicable, efficient, and cost effective.

(3) AUTHORITY OF RECEIVER TO DETERMINE CLAIMS.—

(A) IN GENERAL.—The Corporation may, as receiver, determine claims in accordance with the requirements of this subsection and regulations prescribed under paragraph (4).

(B) NOTICE REQUIREMENTS.—The Corporation, as receiver, in any case involving the liquidation or winding up of the affairs of a closed payment stablecoin issuer, shall—

(i) promptly publish a notice to the payment stablecoin issuer’s creditors to present their claims, together with proof, to the receiver by a date specified in the notice which shall be not less than 90 days after the publication of such notice; and

(ii) republish such notice approximately 1 month and 2 months, respec-

1 tively, after the publication under clause
2 (i).

3 (C) MAILING REQUIRED.—The Corpora-
4 tion, as receiver, shall mail a notice similar to
5 the notice published under subparagraph (B)(i)
6 at the time of such publication to any creditor
7 shown on the issuer’s books—

8 (i) at the creditor’s last address ap-
9 pearing in such books; or

10 (ii) upon discovery of the name and
11 address of a claimant not appearing on the
12 issuer’s books within 30 days after the dis-
13 covery of such name and address.

14 (4) RULEMAKING AUTHORITY RELATING TO DE-
15 TERMINATION OF CLAIMS.—

16 (A) IN GENERAL.—The Corporation may
17 prescribe regulations regarding the allowance or
18 disallowance of claims by the Corporation, as
19 receiver, and providing for administrative deter-
20 mination of claims and review of such deter-
21 mination.

22 (B) FINAL SETTLEMENT PAYMENT PROCE-
23 DURE.—In the handling of receiverships of pay-
24 ment stablecoin issuers, to maintain essential li-
25 quidity and to prevent financial disruption, the

1 Corporation may, after the declaration of an
2 issuer's insolvency, settle all unsecured claims
3 on the receivership with a final settlement pay-
4 ment which shall constitute full payment and
5 disposition of the Corporation's obligations to
6 such claimants.

7 (5) PROCEDURES FOR DETERMINATION OF
8 CLAIMS.—

9 (A) DETERMINATION PERIOD.—

10 (i) IN GENERAL.—Before the end of
11 the 180-day period beginning on the date
12 any claim against a payment stablecoin
13 issuer is filed with the Corporation as re-
14 ceiver, the Corporation shall determine
15 whether to allow or disallow the claim and
16 shall notify the claimant of any determina-
17 tion with respect to such claim.

18 (ii) EXTENSION OF TIME.—The period
19 described in clause (i) may be extended by
20 a written agreement between the claimant
21 and the Corporation.

22 (iii) MAILING OF NOTICE SUFFI-
23 CIENT.—The requirements of clause (i)
24 shall be deemed to be satisfied if the notice
25 of any determination with respect to any

1 claim is mailed to the last address of the
2 claimant which appears—

3 (I) on the payment stablecoin
4 issuer's books;

5 (II) in the claim filed by the
6 claimant; or

7 (III) in documents submitted in
8 proof of the claim.

9 (iv) CONTENTS OF NOTICE OF DIS-
10 ALLOWANCE.—If any claim filed under
11 clause (i) is disallowed, the notice to the
12 claimant shall contain—

13 (I) a statement of each reason
14 for the disallowance; and

15 (II) the procedures available for
16 obtaining agency review of the deter-
17 mination to disallow the claim or judi-
18 cial determination of the claim.

19 (B) ALLOWANCE OF PROVEN CLAIMS.—

20 The Corporation, as receiver, shall allow any
21 claim received on or before the date specified in
22 the notice published under paragraph (3)(B)(i)
23 by the receiver from any claimant which is
24 proved to the satisfaction of the receiver.

1 (C) DISALLOWANCE OF CLAIMS FILED
2 AFTER END OF FILING PERIOD.—

3 (i) IN GENERAL.—Except as provided
4 in clause (ii), claims filed after the date
5 specified in the notice published under
6 paragraph (3)(B)(i) shall be disallowed
7 and such disallowance shall be final.

8 (ii) CERTAIN EXCEPTIONS.—Clause
9 (i) shall not apply with respect to any
10 claim filed by any claimant after the date
11 specified in the notice published under
12 paragraph (3)(B)(i) and such claim may
13 be considered by the Corporation, as re-
14 ceiver, if—

15 (I) the claimant did not receive
16 notice of the appointment of the re-
17 ceiver in time to file such claim before
18 such date; and

19 (II) such claim is filed in time to
20 permit payment of such claim.

21 (D) AUTHORITY TO DISALLOW CLAIMS.—

22 (i) IN GENERAL.—The Corporation,
23 as receiver, may disallow any portion of
24 any claim by a creditor or claim of secu-

1 rity, preference, or priority which is not
2 proved to the satisfaction of the receiver.

3 (ii) PAYMENTS TO LESS THAN FULLY
4 SECURED CREDITORS.—In the case of a
5 claim of a creditor against a payment
6 stablecoin issuer which is secured by any
7 property or other asset of such issuer, the
8 Corporation, as receiver—

9 (I) may treat the portion of such
10 claim which exceeds an amount equal
11 to the fair market value of such prop-
12 erty or other asset as an unsecured
13 claim against the issuer; and

14 (II) may not make any payment
15 with respect to such unsecured por-
16 tion of the claim other than in connec-
17 tion with the disposition of all claims
18 of unsecured creditors of the issuer.

19 (E) NO JUDICIAL REVIEW OF DETERMINA-
20 TION.—No court may review the Corporation’s
21 determination pursuant to subparagraph (D) to
22 disallow a claim.

23 (F) LEGAL EFFECT OF FILING.—

24 (i) STATUTE OF LIMITATIONS
25 TOLLED.—For purposes of any applicable

statute of limitations, the filing of a claim with the Corporation as receiver shall constitute a commencement of an action.

(ii) NO PREJUDICE TO OTHER ACTIONS.—Subject to paragraph (12), the filing of a claim with the Corporation as receiver shall not prejudice any right of the claimant to continue any action which was filed before the appointment of the Corporation as receiver.

(6) PROVISION FOR AGENCY REVIEW OR JUDICIAL DETERMINATION OF CLAIMS.—

(A) IN GENERAL.—Before the end of the 60-day period beginning on the earlier of—

(i) the end of the period described in paragraph (5)(A)(i) with respect to any claim against a payment stablecoin issuer for which the Corporation is receiver; or

(ii) the date of any notice of disallowance of such claim pursuant to paragraph (5)(A)(i),

the claimant may request administrative review of the claim in accordance with subparagraph (A) or (B) of paragraph (7) or file suit on such claim (or continue an action commenced before

the appointment of the Corporation as receiver in the district or territorial court of the United States for the district within which the payment stablecoin issuer's principal place of business is located or the United States District Court for the District of Columbia (and such court shall have jurisdiction to hear such claim).

(B) STATUTE OF LIMITATIONS.—If any claimant fails to—

(i) request administrative review of any claim in accordance with subparagraph (A) or (B) of paragraph (7); or

(ii) file suit on such claim (or continue an action commenced before the appointment of the Corporation as receiver), before the end of the 60-day period described in subparagraph (A), the claim shall be deemed to be disallowed (other than any portion of such claim which was allowed by the receiver) as of the end of such period, such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim.

(7) REVIEW OF CLAIMS.—

(A) ADMINISTRATIVE HEARING.—If any claimant requests review under this subpara-

1 graph in lieu of filing or continuing any action
2 under paragraph (6) and the Corporation
3 agrees to such request, the Corporation shall
4 consider the claim after opportunity for a hear-
5 ing on the record. The final determination of
6 the Corporation with respect to such claim shall
7 be subject to judicial review under chapter 7 of
8 title 5, United States Code.

9 (B) OTHER REVIEW PROCEDURES.—

10 (i) IN GENERAL.—The Corporation
11 shall also establish such alternative dispute
12 resolution processes as may be appropriate
13 for the resolution of claims filed under
14 paragraph (5)(A)(i).

15 (ii) CRITERIA.—In establishing alter-
16 native dispute resolution processes under
17 clause (i), the Corporation shall strive for
18 procedures which are expeditious, fair,
19 independent, and low cost.

20 (iii) VOLUNTARY BINDING OR NON-
21 BINDING PROCEDURES.—The Corporation
22 may establish both binding and nonbinding
23 processes, which may be conducted by any
24 government or private party, but all par-
25 ties, including the claimant and the Cor-

poration, shall agree to the use of the process established under clause (i) in a particular case.

(iv) CONSIDERATION OF INCENTIVES.—The Corporation shall seek to develop incentives for claimants to participate in the alternative dispute resolution process established under clause (i).

(8) EXPEDITED DETERMINATION OF CLAIMS.—

(A) ESTABLISHMENT REQUIRED.—The Corporation shall establish a procedure for expedited relief outside of the routine claims process established under paragraph (5) for claimants who—

(i) allege the existence of legally valid and enforceable or perfected security interests in assets of a payment stablecoin issuer for which the Corporation has been appointed receiver; and

(ii) allege that irreparable injury will occur if the routine claims procedure is followed.

(B) DETERMINATION PERIOD.—Before the end of the 90-day period beginning on the date any claim is filed in accordance with the proce-

dures established pursuant to subparagraph
(A), the Corporation shall—

(i) determine—

(I) whether to allow or disallow
such claim; or

(II) whether such claim should be
determined pursuant to the proce-
dures established pursuant to para-
graph (5); and

(ii) notify the claimant of the deter-
mination, and if the claim is disallowed,
provide a statement of each reason for the
disallowance and the procedure for obtain-
ing agency review or judicial determina-
tion.

(C) PERIOD FOR FILING OR RENEWING
SUIT.—Any claimant who files a request for ex-
pedited relief shall be permitted to file a suit,
or to continue a suit filed before the appoint-
ment of the receiver, seeking a determination of
the claimant's rights with respect to such secu-
rity interest after the earlier of—

(i) the end of the 90-day period begin-
ning on the date of the filing of a request
for expedited relief; or

1 (ii) the date the Corporation denies
2 the claim.

3 (D) STATUTE OF LIMITATIONS.—If an ac-
4 tion described in subparagraph (C) is not filed,
5 or the motion to renew a previously filed suit is
6 not made, before the end of the 30-day period
7 beginning on the date on which such action or
8 motion may be filed in accordance with sub-
9 paragraph (B), the claim shall be deemed to be
10 disallowed as of the end of such period (other
11 than any portion of such claim which was al-
12 lowed by the receiver), such disallowance shall
13 be final, and the claimant shall have no further
14 rights or remedies with respect to such claim.

15 (E) LEGAL EFFECT OF FILING.—

16 (i) STATUTE OF LIMITATIONS
17 TOLLED.—For purposes of any applicable
18 statute of limitations, the filing of a claim
19 with the Corporation as receiver shall con-
20 stitute a commencement of an action.

21 (ii) NO PREJUDICE TO OTHER AC-
22 TIONS.—Subject to paragraph (12), the fil-
23 ing of a claim with the receiver shall not
24 prejudice any right of the claimant to con-
25 tinue any action which was filed before the

1 appointment of the Corporation as re-
2 ceiver.

3 (9) AGREEMENT AS BASIS OF CLAIM.—Any
4 agreement which does not meet the requirements set
5 forth in section 13(e) of the Federal Deposit Insur-
6 ance Act (12 U.S.C. 1823(e)), shall not form the
7 basis of, or substantially comprise, a claim against
8 the Corporation as receiver.

9 (10) PAYMENT OF CLAIMS.—

10 (A) IN GENERAL.—The Corporation as re-
11 ceiver may, in the discretion of the Corporation
12 and to the extent funds are available, pay cred-
13 itor claims approved pursuant to a final deter-
14 mination pursuant to paragraph (7) or (8), or
15 determined by the final judgment of any court
16 of competent jurisdiction in such manner and
17 amounts as are authorized under this section.

18 (B) PAYMENT OF DIVIDENDS ON
19 CLAIMS.—The Corporation, as receiver, may, in
20 the sole discretion of the Corporation, pay divi-
21 dends on proved claims at any time, and no li-
22 ability shall attach to the Corporation (in such
23 Corporation's corporate capacity or as receiver),
24 by reason of any such payment, for failure to

1 pay dividends to a claimant whose claim is not
 2 proved at the time of any such payment.

3 (C) RULEMAKING AUTHORITY OF COR-
 4 PORATION.—The Corporation may prescribe
 5 such rules, including definitions of terms, as it
 6 deems appropriate to establish a single uniform
 7 interest rate for or to make payments of post
 8 insolvency interest to creditors holding proven
 9 claims against the receivership estates of pay-
 10 ment stablecoin issuers following satisfaction by
 11 the Corporation as receiver of the principal
 12 amount of all creditor claims.

13 (11) CUSTOMER PREFERENCE.—

14 (A) IN GENERAL.—Subject to section
 15 5(e)(2)(C) of the Federal Deposit Insurance
 16 Act (12 U.S.C. 1815(e)(2)(C)), amounts real-
 17 ized from the liquidation or other resolution of
 18 a payment stablecoin issuer by the Corporation
 19 as receiver shall be distributed to pay claims
 20 (other than secured claims to the extent of any
 21 such security) in the following order of priority:

22 (i) Administrative expenses of the
 23 Corporation as receiver.

24 (ii) Outstanding payment stablecoin
 25 liabilities.

1 (iii) Any other general or senior liabil-
 2 ity of the issuer (which is not a liability de-
 3 scribed in clause (iv) or (v)).

4 (iv) Any obligation subordinated to
 5 payment stablecoin liabilities or general
 6 creditors (which is not an obligation de-
 7 scribed in clause (v)).

8 (v) Any obligation to shareholders or
 9 members arising as a result of their status
 10 as shareholders or members (including any
 11 holding company or any shareholder or
 12 creditor of such company).

13 (B) REHYPOTHECATION OF PAYMENT
 14 STABLECOIN RESERVES.—A person who violates
 15 section 4 shall not be considered to have a se-
 16 cured claim under subparagraph (A) or State
 17 law.

18 (C) EFFECT ON STATE LAW.—

19 (i) IN GENERAL.—The provisions of
 20 subparagraph (A) shall not supersede the
 21 law of any State except to the extent such
 22 law is inconsistent with the provisions of
 23 such subparagraph, and then only to the
 24 extent of the inconsistency.

1 (ii) PROCEDURE FOR DETERMINATION
 2 OF INCONSISTENCY.—Upon the Corpora-
 3 tion’s own motion or upon the request of
 4 any person with a claim described in sub-
 5 paragraph (A) or any State which is sub-
 6 mitted to the Corporation in accordance
 7 with procedures which the Corporation
 8 shall prescribe, the Corporation shall deter-
 9 mine whether any provision of the law of
 10 any State is inconsistent with any provi-
 11 sion of subparagraph (A) and the extent of
 12 any such inconsistency.

13 (iii) JUDICIAL REVIEW.—The final de-
 14 termination of the Corporation under
 15 clause (ii) shall be subject to judicial re-
 16 view under chapter 7 of title 5, United
 17 States Code.

18 (D) ACCOUNTING REPORT.—Any distribu-
 19 tion by the Corporation in connection with any
 20 claim described in subparagraph (A)(v) shall be
 21 accompanied by the accounting report required
 22 under paragraph (15)(B).

23 (12) SUSPENSION OF LEGAL ACTIONS.—

24 (A) In general. After the appointment of
 25 the Corporation as conservator or receiver for a

1 payment stablecoin issuer, the Corporation may
 2 request a stay for a period not to exceed—

3 (i) 45 days, in the case of the Cor-
 4 poration as conservator; and

5 (ii) 90 days, in the case of the Cor-
 6 poration as receiver,

7 in any judicial action or proceeding to which
 8 the issuer is or becomes a party.

9 (B) GRANT OF STAY BY ALL COURTS RE-
 10 QUIRED.—Upon receipt of a request by the Cor-
 11 poration as conservator or receiver pursuant to
 12 subparagraph (A) for a stay of any judicial ac-
 13 tion or proceeding in any court with jurisdiction
 14 of such action or proceeding, the court shall
 15 grant such stay as to all parties.

16 (13) ADDITIONAL RIGHTS AND DUTIES.—

17 (A) PRIOR FINAL ADJUDICATION.—The
 18 Corporation shall abide by any final
 19 unappealable judgment of any court of com-
 20 petent jurisdiction which was rendered before
 21 the appointment of the Corporation as conser-
 22 vator or receiver.

23 (B) RIGHTS AND REMEDIES OF CONSER-
 24 VATOR OR RECEIVER.—In the event of any ap-

1 pealable judgment, the Corporation as conser-
2 vator or receiver shall—

3 (i) have all the rights and remedies
4 available to the payment stablecoin issuer
5 (before the appointment of such conser-
6 vator or receiver) and the Corporation in
7 its corporate capacity, including removal to
8 Federal court and all appellate rights; and

9 (ii) not be required to post any bond
10 in order to pursue such remedies.

11 (C) NO ATTACHMENT OR EXECUTION.—No
12 attachment or execution may issue by any court
13 upon assets in the possession of the Corpora-
14 tion as receiver.

15 (D) LIMITATION ON JUDICIAL REVIEW.—
16 Except as otherwise provided in this subsection,
17 no court shall have jurisdiction over—

18 (i) any claim or action for payment
19 from, or any action seeking a determina-
20 tion of rights with respect to, the assets of
21 a payment stablecoin issuer for which the
22 Corporation has been appointed receiver,
23 including assets which the Corporation
24 may acquire from itself as such receiver; or

1 (ii) any claim relating to any act or
 2 omission of such issuer or the Corporation
 3 as receiver.

4 (E) DISPOSITION OF ASSETS.—In exer-
 5 cising any right, power, privilege, or authority
 6 as conservator or receiver in connection with
 7 any sale or disposition of assets of any payment
 8 stablecoin issuer for which the Corporation has
 9 been appointed conservator or receiver, the Cor-
 10 poration shall conduct its operations in a man-
 11 ner which—

12 (i) maximizes the net present value
 13 return from the sale or disposition of such
 14 assets;

15 (ii) minimizes the amount of any loss
 16 realized in the resolution of cases;

17 (iii) ensures adequate competition and
 18 fair and consistent treatment of offerors;
 19 and

20 (iv) prohibits discrimination on the
 21 basis of race, sex, or ethnic groups in the
 22 solicitation and consideration of offers.

23 (14) STATUTE OF LIMITATIONS FOR ACTIONS
 24 BROUGHT BY CONSERVATOR OR RECEIVER.—

1 (A) IN GENERAL.—Notwithstanding any
2 provision of any contract, the applicable statute
3 of limitations with regard to any action brought
4 by the Corporation as conservator or receiver
5 shall be—

6 (i) in the case of any contract claim,
7 the longer of—

8 (I) the 6-year period beginning
9 on the date the claim accrues; or

10 (II) the period applicable under
11 State law; and

12 (ii) in the case of any tort claim, the
13 longer of—

14 (I) the 3-year period beginning
15 on the date the claim accrues; or

16 (II) the period applicable under
17 State law.

18 (B) DETERMINATION OF THE DATE ON
19 WHICH A CLAIM ACCRUES.—For purposes of
20 subparagraph (A), the date on which the stat-
21 ute of limitations begins to run on any claim
22 described in such subparagraph shall be the
23 later of—

24 (i) the date of the appointment of the
25 Corporation as conservator or receiver; or

1 (ii) the date on which the cause of ac-
 2 tion accrues.

3 (C) REVIVAL OF EXPIRED STATE CAUSES
 4 OF ACTION.—

5 (i) IN GENERAL.—In the case of any
 6 tort claim described in clause (ii) for which
 7 the statute of limitations applicable under
 8 State law with respect to such claim has
 9 expired not more than 5 years before the
 10 appointment of the Corporation as conser-
 11 vator or receiver, the Corporation may
 12 bring an action as conservator or receiver
 13 on such claim without regard to the expira-
 14 tion of the statute of limitations applicable
 15 under State law.

16 (ii) CLAIMS DESCRIBED.—A tort
 17 claim referred to in clause (i) is a claim
 18 arising from fraud, intentional misconduct
 19 resulting in unjust enrichment, or inten-
 20 tional misconduct resulting in substantial
 21 loss to the institution.

22 (15) ACCOUNTING AND RECORDKEEPING RE-
 23 QUIREMENTS.—

24 (A) IN GENERAL.—The Corporation as
 25 conservator or receiver shall, consistent with the

1 accounting and reporting practices and proce-
2 dures established by the Corporation, maintain
3 a full accounting of each conservatorship and
4 receivership or other disposition of issuers in
5 default.

6 (B) ANNUAL ACCOUNTING OR REPORT.—

7 With respect to each conservatorship or receiv-
8 ership to which the Corporation was appointed,
9 the Corporation shall make an annual account-
10 ing or report, as appropriate, available to the
11 Secretary of the Treasury, the Comptroller
12 General of the United States, and the authority
13 that appointed the Corporation as conservator
14 or receiver.

15 (C) AVAILABILITY OF REPORTS.—Any re-

16 port prepared pursuant to subparagraph (B)
17 shall be made available by the Corporation upon
18 request to any shareholder of the payment
19 stablecoin issuer for which the Corporation was
20 appointed conservator or receiver or any other
21 member of the public.

22 (D) RECORDKEEPING REQUIREMENT.—

23 (i) IN GENERAL.—Except as provided
24 in clause (ii), after the end of the 6-year
25 period beginning on the date the Corpora-

tion is appointed as receiver of a payment stablecoin issuer, the Corporation may destroy any records of such institution which the Corporation, in the Corporation's discretion, determines to be unnecessary unless directed not to do so by a court of competent jurisdiction or governmental agency, or otherwise prohibited by law.

(ii) OLD RECORDS.—Notwithstanding clause (i), the Corporation may destroy records of a payment stablecoin issuer which are at least 10 years old as of the date on which the Corporation is appointed as the receiver of such payment stablecoin issuer in accordance with clause (i) at any time after such appointment is final, without regard to the 6-year period of limitation contained in clause (i).

(16) FRAUDULENT TRANSFERS.—

(A) IN GENERAL.—The Corporation, as conservator or receiver for a payment stablecoin issuer, may avoid a transfer of any interest of an institution-affiliated party, or any person who the Corporation determines is a debtor of the issuer, in property, or any obligation in-

1 curred by such party or person, that was made
 2 within 5 years of the date on which the Cor-
 3 poration was appointed conservator or receiver
 4 if such party or person voluntarily or involun-
 5 tarily made such transfer or incurred such li-
 6 ability with the intent to hinder, delay, or de-
 7 fraud the payment stablecoin issuer, the Cor-
 8 poration, Board, Comptroller, or a State bank
 9 supervisor.

10 (B) RIGHT OF RECOVERY.—To the extent
 11 a transfer is avoided under subparagraph (A),
 12 the Corporation may recover, for the benefit of
 13 the payment stablecoin issuer, the property
 14 transferred, or, if a court so orders, the value
 15 of such property (at the time of such transfer)
 16 from—

17 (i) the initial transferee of such trans-
 18 fer or the institution-affiliated party or
 19 person for whose benefit such transfer was
 20 made; or

21 (ii) any immediate or mediate trans-
 22 feree of any such initial transferee.

23 (C) RIGHTS OF TRANSFEREE OR OBLI-
 24 GEE.—The Corporation may not recover under
 25 subparagraph (B) from—

- 1 (i) any transferee that takes for value,
2 including satisfaction or securing of a
3 present or antecedent debt, in good faith;
4 or
5 (ii) any immediate or mediate good
6 faith transferee of such transferee.

7 (D) RIGHTS IN BANKRUPTCY.—The rights
8 under this paragraph of the Corporation shall
9 be superior to any rights of a trustee or any
10 other party (other than any party which is a
11 Federal agency) under title 11, United States
12 Code.

13 (17) ATTACHMENT OF ASSETS AND OTHER IN-
14 JUNCTIVE RELIEF.—Subject to paragraph (18), any
15 court of competent jurisdiction may, at the request
16 of the Corporation (in the Corporation's capacity as
17 conservator or receiver for any payment stablecoin
18 issuer or in the Corporation's corporate capacity
19 with respect to any asset acquired or liability as-
20 sumed by the Corporation), issue an order in accord-
21 ance with Rule 65 of the Federal Rules of Civil Pro-
22 cedure, including an order placing the assets of any
23 person designated by the Corporation under the con-
24 trol of the court and appointing a trustee to hold
25 such assets.

1 (18) STANDARDS.—

2 (A) SHOWING.—Rule 65 of the Federal
3 Rules of Civil Procedure shall apply with re-
4 spect to any proceeding under paragraph (17)
5 without regard to the requirement of such rule
6 that the applicant show that the injury, loss, or
7 damage is irreparable and immediate.

8 (B) STATE PROCEEDING.—If, in the case
9 of any proceeding in a State court, the court
10 determines that rules of civil procedure avail-
11 able under the laws of such State provide sub-
12 stantially similar protections to such party's
13 right to due process as Rule 65 (as modified
14 with respect to such proceeding by subpara-
15 graph (A)), the relief sought by the Corporation
16 pursuant to paragraph (17) may be requested
17 under the laws of such State.

18 (19) TREATMENT OF CLAIMS ARISING FROM
19 BREACH OF CONTRACTS EXECUTED BY THE RE-
20 CEIVER OR CONSERVATOR.—

21 (A) IN GENERAL.—Notwithstanding any
22 other provision of this subsection, any final and
23 unappealable judgment for monetary damages
24 entered against the Corporation as receiver or
25 conservator for a payment stablecoin issuer for

the breach of an agreement executed or approved by the Corporation after the date of its appointment shall be paid as an administrative expense of the receiver or conservator.

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to limit the power of the Corporation as receiver or conservator to exercise any rights under contract or law, including to terminate, breach, cancel, or otherwise discontinue such agreement.

(f) PROVISIONS RELATING TO CONTRACTS ENTERED INTO BEFORE APPOINTMENT OF CONSERVATOR OR RECEIVER.—

(1) AUTHORITY TO REPUDIATE CONTRACTS.—

In addition to any other rights the Corporation as conservator or receiver may have, the Corporation may disaffirm or repudiate any contract or lease—

(A) to which the issuer is a party;

(B) the performance of which the Corporation, in the discretion of the Corporation, determines to be burdensome; and

(C) the disaffirmance or repudiation of which the Corporation determines, in the discretion of the Corporation, will promote the orderly administration of the affairs of the issuer.

1 (2) TIMING OF REPUDIATION.—The Corpora-
 2 tion as conservator or receiver appointed for any
 3 payment stablecoin issuer in accordance with sub-
 4 section (d), shall determine whether or not to exer-
 5 cise the rights of repudiation under this subsection
 6 within a reasonable period following such appoint-
 7 ment.

8 (3) CLAIMS FOR DAMAGES FOR REPUDI-
 9 ATION.—

10 (A) IN GENERAL.—Except as otherwise
 11 provided in subparagraph (C) and paragraphs
 12 (4), (5), and (6), the liability of the Corporation
 13 as conservator or receiver for the disaffirmance
 14 or repudiation of any contract pursuant to
 15 paragraph (1) shall be—

16 (i) limited to actual direct compen-
 17 satory damages; and

18 (ii) determined as of—

19 (I) the date of the appointment
 20 of the Corporation as conservator or
 21 receiver; or

22 (II) in the case of any contract
 23 or agreement referred to in paragraph
 24 (8), the date of the disaffirmance or

1 repudiation of such contract or agree-
2 ment.

3 (B) NO LIABILITY FOR OTHER DAM-
4 AGES.—For purposes of subparagraph (A), the
5 term “actual direct compensatory damages”
6 does not include—

7 (i) punitive or exemplary damages;

8 (ii) damages for lost profits or oppor-
9 tunity; or

10 (iii) damages for pain and suffering.

11 (C) MEASURE OF DAMAGES FOR REPUDI-
12 ATION OF FINANCIAL CONTRACTS.—In the case
13 of any qualified financial contract or agreement
14 to which paragraph (8) applies, compensatory
15 damages shall be—

16 (i) deemed to include normal and rea-
17 sonable costs of cover or other reasonable
18 measures of damages utilized in the indus-
19 tries for such contract and agreement
20 claims; and

21 (ii) paid in accordance with this sub-
22 section and subsection (g) except as other-
23 wise specifically provided in this section.

24 (4) LEASES UNDER WHICH THE ISSUER IS THE
25 LESSEE.—

1 (A) IN GENERAL.—If the Corporation as
 2 conservator or receiver disaffirms or repudiates
 3 a lease under which the payment stablecoin
 4 issuer was the lessee, the conservator or re-
 5 ceiver shall not be liable for any damages (other
 6 than damages determined pursuant to subpara-
 7 graph (B)) for the disaffirmance or repudiation
 8 of such lease.

9 (B) PAYMENTS OF RENT.—Notwith-
 10 standing subparagraph (A), the lessor under a
 11 lease to which such subparagraph applies
 12 shall—

13 (i) unless the lessor is in default or
 14 breach of the terms of the lease, be enti-
 15 tled to the contractual rent accruing before
 16 the later of the date—

17 (I) the notice of disaffirmance or
 18 repudiation is mailed; or

19 (II) the disaffirmance or repudi-
 20 ation becomes effective;

21 (ii) have no claim for damages under
 22 any acceleration clause or other penalty
 23 provision in the lease; and

24 (iii) have a claim for any unpaid rent,
 25 subject to all appropriate offsets and de-

1 fenses, due as of the date of the appoint-
 2 ment which shall be paid in accordance
 3 with this subsection and subsection (g).

4 (5) LEASES UNDER WHICH THE ISSUER IS THE
 5 LESSOR.—

6 (A) IN GENERAL.—If the Corporation as
 7 conservator or receiver repudiates an unexpired
 8 written lease of real property of the payment
 9 stablecoin issuer under which the issuer is the
 10 lessor and the lessee is not, as of the date of
 11 such repudiation, in default, the lessee under
 12 such lease may either—

13 (i) treat the lease as terminated by
 14 such repudiation; or

15 (ii) remain in possession of the lease-
 16 hold interest for the balance of the term of
 17 the lease unless the lessee defaults under
 18 the terms of the lease after the date of
 19 such repudiation.

20 (B) PROVISIONS APPLICABLE TO LESSEE
 21 REMAINING IN POSSESSION.—If any lessee
 22 under a lease described in subparagraph (A) re-
 23 mains in possession of a leasehold interest pur-
 24 suant to clause (ii) of such subparagraph—

25 (i) the lessee—

1 (I) shall continue to pay the con-
 2 tractual rent pursuant to the terms of
 3 the lease after the date of the repudi-
 4 ation of such lease; and

5 (II) may offset against any rent
 6 payment which accrues after the date
 7 of the repudiation of the lease, any
 8 damages which accrue after such date
 9 due to the nonperformance of any ob-
 10 ligation of the payment stablecoin
 11 issuer under the lease after such date;
 12 and

13 (ii) the Corporation as conservator or
 14 receiver shall not be liable to the lessee for
 15 any damages arising after such date as a
 16 result of the repudiation other than the
 17 amount of any offset allowed under clause
 18 (i)(II).

19 (6) CONTRACTS FOR THE SALE OF REAL PROP-
 20 ERTY.—

21 (A) IN GENERAL.—If the Corporation as
 22 conservator or receiver repudiates any contract
 23 (which meets the requirements of each para-
 24 graph of section 13(e) of the Federal Deposit
 25 Insurance Act (12 U.S.C. 1823(e)) for the sale

1 of real property and the purchaser of such real
 2 property under such contract is in possession
 3 and is not, as of the date of such repudiation,
 4 in default, such purchaser may either—

5 (i) treat the contract as terminated by
 6 such repudiation; or

7 (ii) remain in possession of such real
 8 property.

9 (B) PROVISIONS APPLICABLE TO PUR-
 10 CHASER REMAINING IN POSSESSION.—If any
 11 purchaser of real property under any contract
 12 described in subparagraph (A) remains in pos-
 13 session of such property pursuant to clause (ii)
 14 of such subparagraph—

15 (i) the purchaser—

16 (I) shall continue to make all
 17 payments due under the contract after
 18 the date of the repudiation of the con-
 19 tract; and

20 (II) may offset against any such
 21 payments any damages which accrue
 22 after such date due to the non-
 23 performance (after such date) of any
 24 obligation of the payment stablecoin
 25 issuer under the contract; and

1 (ii) the Corporation as conservator or
2 receiver shall—

3 (I) not be liable to the purchaser
4 for any damages arising after such
5 date as a result of the repudiation
6 other than the amount of any offset
7 allowed under clause (i)(II);

8 (II) deliver title to the purchaser
9 in accordance with the provisions of
10 the contract; and

11 (III) have no obligation under
12 the contract other than the perform-
13 ance required under subclause (II).

14 (C) ASSIGNMENT AND SALE ALLOWED.—

15 (i) IN GENERAL.—No provision of this
16 paragraph shall be construed as limiting
17 the right of the Corporation as conservator
18 or receiver to assign the contract described
19 in subparagraph (A) and sell the property
20 subject to the contract and the provisions
21 of this paragraph.

22 (ii) NO LIABILITY AFTER ASSIGNMENT
23 AND SALE.—If an assignment and sale de-
24 scribed in clause (i) is consummated, the
25 Corporation as conservator or receiver

1 shall have no further liability under the
 2 contract described in subparagraph (A) or
 3 with respect to the real property which was
 4 the subject of such contract.

5 (7) PROVISIONS APPLICABLE TO SERVICE CON-
 6 TRACTS.—

7 (A) SERVICES PERFORMED BEFORE AP-
 8 POINTMENT.—In the case of any contract for
 9 services between any person and any payment
 10 stablecoin issuer for which the Corporation has
 11 been appointed conservator or receiver, any
 12 claim of such person for services performed be-
 13 fore the appointment of the Corporation shall
 14 be—

15 (i) a claim to be paid in accordance
 16 with subsections (e) and (g); and

17 (ii) deemed to have arisen as of the
 18 date the Corporation was appointed con-
 19 servator or receiver.

20 (B) SERVICES PERFORMED AFTER AP-
 21 POINTMENT AND PRIOR TO REPUDIATION.—If,
 22 in the case of any contract for services de-
 23 scribed in subparagraph (A), the conservator or
 24 receiver accepts performance by the other per-
 25 son before the Corporation as conservator or re-

ceiver makes any determination to exercise the right of repudiation of such contract under this section—

(i) the other party shall be paid under the terms of the contract for the services performed; and

(ii) the amount of such payment shall be treated as an administrative expense of the conservatorship or receivership.

(C) ACCEPTANCE OF PERFORMANCE NO BAR TO SUBSEQUENT REPUDIATION.—The acceptance by the Corporation as conservator or receiver of services referred to in subparagraph (B) in connection with a contract described in such subparagraph shall not affect the right of the Corporation as conservator or receiver to repudiate such contract under this section at any time after such performance.

(8) CERTAIN QUALIFIED FINANCIAL CONTRACTS.—

(A) RIGHTS OF PARTIES TO CONTRACTS.—Subject to paragraphs (9) and (10) of this subsection and notwithstanding any other provision of Federal or State law (other than subsection (e)(9) of this section and section 13(e) of the

1 Federal Deposit Insurance Act (12 U.S.C.
2 1823(e)), no person shall be stayed or prohib-
3 ited from exercising—

4 (i) any right such person has to cause
5 the termination, liquidation, or acceleration
6 of any qualified financial contract with a
7 payment stablecoin issuer which arises
8 upon the appointment of the Corporation
9 as receiver for such issuer at any time
10 after such appointment;

11 (ii) any right under any security
12 agreement or arrangement or other credit
13 enhancement related to one or more quali-
14 fied financial contracts described in clause
15 (i); or

16 (iii) any right to offset or net out any
17 termination value, payment amount, or
18 other transfer obligation arising under or
19 in connection with 1 or more contracts and
20 agreements described in clause (i), includ-
21 ing any master agreement for such con-
22 tracts or agreements.

23 (B) APPLICABILITY OF OTHER PROVI-
24 SIONS.—Subsection (e)(12) shall apply in the
25 case of any judicial action or proceeding

brought against the Corporation as receiver referred to in subparagraph (A), or the payment stablecoin issuer for which the Corporation was appointed receiver, by any party to a contract or agreement described in subparagraph (A)(i) with such institution.

(C) CERTAIN TRANSFERS NOT AVOIDABLE.—

(i) IN GENERAL.—Notwithstanding paragraph (11), section 5242 of the Revised Statutes of the United States (12 U.S.C. 91), or any other Federal or State law relating to the avoidance of preferential or fraudulent transfers, the Corporation, whether acting as such or as conservator or receiver of a payment stablecoin issuer, may not avoid any transfer of money or other property in connection with any qualified financial contract with a payment stablecoin issuer.

(ii) EXCEPTION FOR CERTAIN TRANSFERS.—Clause (i) shall not apply to any transfer of money or other property in connection with any qualified financial contract with a payment stablecoin issuer if

1 the Corporation determines that the trans-
 2 feree had actual intent to hinder, delay, or
 3 defraud such institution, the creditors of
 4 such institution, or any conservator or re-
 5 ceiver appointed for such institution.

6 (D) CERTAIN CONTRACTS AND AGREE-
 7 MENTS DEFINED.—For purposes of this sub-
 8 section, the following definitions shall apply:

9 (i) QUALIFIED FINANCIAL CON-
 10 TRACT.—The term “qualified financial
 11 contract” means any securities contract,
 12 commodity contract, forward contract, re-
 13 purchase agreement, swap agreement, and
 14 any similar agreement that the Corpora-
 15 tion determines by regulation, resolution or
 16 order to be a qualified financial contract
 17 for purposes of this paragraph.

18 (ii) SECURITIES CONTRACT.—The
 19 term “securities contract”—

20 (I) means a contract for the pur-
 21 chase, sale, or loan of a security, a
 22 certificate of deposit, a mortgage loan,
 23 any interest in a mortgage loan, a
 24 group or index of securities, certifi-
 25 cates of deposit, or mortgage loans or

1 interests therein (including any inter-
2 est therein or based on the value
3 thereof) or any option on any of the
4 foregoing, including any option to
5 purchase or sell any such security,
6 certificate of deposit, mortgage loan,
7 interest, group or index, or option,
8 and including any repurchase or re-
9 verse repurchase transaction on any
10 such security, certificate of deposit,
11 mortgage loan, interest, group or
12 index, or option (whether or not such
13 repurchase or reverse repurchase
14 transaction is a repurchase agree-
15 ment);

16 (II) does not include any pur-
17 chase, sale, or repurchase obligation
18 under a participation in a commercial
19 mortgage loan unless the Corporation
20 determines by regulation, resolution,
21 or order to include any such agree-
22 ment within the meaning of such
23 term;

1 (III) means any option entered
2 into on a national securities exchange
3 relating to foreign currencies;

4 (IV) means the guarantee (in-
5 cluding by novation) by or to any se-
6 curities clearing agency of any settle-
7 ment of cash, securities, certificates of
8 deposit, mortgage loans or interests
9 therein, group or index of securities,
10 certificates of deposit, or mortgage
11 loans or interests therein (including
12 any interest therein or based on the
13 value thereof) or option on any of the
14 foregoing, including any option to
15 purchase or sell any such security,
16 certificate of deposit, mortgage loan,
17 interest, group or index, or option
18 (whether or not such settlement is in
19 connection with any agreement or
20 transaction referred to in subclauses
21 (I) through (XII) (other than sub-
22 clause (II));

23 (V) means any margin loan;

1 (VI) means any extension of
2 credit for the clearance or settlement
3 of securities transactions;

4 (VII) means any loan transaction
5 coupled with a securities collar trans-
6 action, any prepaid securities forward
7 transaction, or any total return swap
8 transaction coupled with a securities
9 sale transaction;

10 (VIII) means any other agree-
11 ment or transaction that is similar to
12 any agreement or transaction referred
13 to in this clause;

14 (IX) means any combination of
15 the agreements or transactions re-
16 ferred to in this clause;

17 (X) means any option to enter
18 into any agreement or transaction re-
19 ferred to in this clause;

20 (XI) means a master agreement
21 that provides for an agreement or
22 transaction referred to in subclause
23 (I), (III), (IV), (V), (VI), (VII),
24 (VIII), (IX), or (X), together with all
25 supplements to any such master

1 agreement, without regard to whether
2 the master agreement provides for an
3 agreement or transaction that is not a
4 securities contract under this clause,
5 except that the master agreement
6 shall be considered to be a securities
7 contract under this clause only with
8 respect to each agreement or trans-
9 action under the master agreement
10 that is referred to in subclause (I),
11 (III), (IV), (V), (VI), (VII), (VIII),
12 (IX), or (X); and

13 (XII) means any security agree-
14 ment or arrangement or other credit
15 enhancement related to any agree-
16 ment or transaction referred to in this
17 clause, including any guarantee or re-
18 imbursement obligation in connection
19 with any agreement or transaction re-
20 ferred to in this clause.

21 (iii) COMMODITY CONTRACT.—The
22 term “commodity contract” means—

23 (I) with respect to a futures com-
24 mission merchant, a contract for the
25 purchase or sale of a commodity for

1 future delivery on, or subject to the
2 rules of, a contract market or board
3 of trade;

4 (II) with respect to a foreign fu-
5 tures commission merchant, a foreign
6 future;

7 (III) with respect to a leverage
8 transaction merchant, a leverage
9 transaction;

10 (IV) with respect to a clearing
11 organization, a contract for the pur-
12 chase or sale of a commodity for fu-
13 ture delivery on, or subject to the
14 rules of, a contract market or board
15 of trade that is cleared by such clear-
16 ing organization, or commodity option
17 traded on, or subject to the rules of,
18 a contract market or board of trade
19 that is cleared by such clearing orga-
20 nization;

21 (V) with respect to a commodity
22 options dealer, a commodity option;

23 (VI) any other agreement or
24 transaction that is similar to any

1 agreement or transaction referred to
2 in this clause;

3 (VII) any combination of the
4 agreements or transactions referred to
5 in this clause;

6 (VIII) any option to enter into
7 any agreement or transaction referred
8 to in this clause;

9 (IX) a master agreement that
10 provides for an agreement or trans-
11 action referred to in subclause (I),
12 (II), (III), (IV), (V), (VI), (VII), or
13 (VIII), together with all supplements
14 to any such master agreement, with-
15 out regard to whether the master
16 agreement provides for an agreement
17 or transaction that is not a com-
18 modity contract under this clause, ex-
19 cept that the master agreement shall
20 be considered to be a commodity con-
21 tract under this clause only with re-
22 spect to each agreement or trans-
23 action under the master agreement
24 that is referred to in subclause (I),

1 (II), (III), (IV), (V), (VI), (VII), or
2 (VIII); or

3 (X) any security agreement or
4 arrangement or other credit enhance-
5 ment related to any agreement or
6 transaction referred to in this clause,
7 including any guarantee or reimburse-
8 ment obligation in connection with
9 any agreement or transaction referred
10 to in this clause.

11 (iv) FORWARD CONTRACT.—The term
12 “forward contract” means—

13 (I) a contract (other than a com-
14 modity contract) for the purchase,
15 sale, or transfer of a commodity or
16 any similar good, article, service,
17 right, or interest which is presently or
18 in the future becomes the subject of
19 dealing in the forward contract trade,
20 or product or byproduct thereof, with
21 a maturity date more than 2 days
22 after the date the contract is entered
23 into, including, a repurchase or re-
24 verse repurchase transaction (whether
25 or not such repurchase or reverse re-

1 purchase transaction is a repurchase
2 agreement), consignment, lease, swap,
3 hedge transaction, deposit, loan, op-
4 tion, allocated transaction, unallocated
5 transaction, or any other similar
6 agreement;

7 (II) any combination of agree-
8 ments or transactions referred to in
9 subclauses (I) and (III);

10 (III) any option to enter into any
11 agreement or transaction referred to
12 in subclause (I) or (II);

13 (IV) a master agreement that
14 provides for an agreement or trans-
15 action referred to in subclause (I),
16 (II), or (III), together with all supple-
17 ments to any such master agreement,
18 without regard to whether the master
19 agreement provides for an agreement
20 or transaction that is not a forward
21 contract under this clause, except that
22 the master agreement shall be consid-
23 ered to be a forward contract under
24 this clause only with respect to each
25 agreement or transaction under the

1 master agreement that is referred to
 2 in subclause (I), (II), or (III); or

3 (V) any security agreement or ar-
 4 rangement or other credit enhance-
 5 ment related to any agreement or
 6 transaction referred to in subclause
 7 (I), (II), (III), or (IV), including any
 8 guarantee or reimbursement obliga-
 9 tion in connection with any agreement
 10 or transaction referred to in any such
 11 subclause.

12 (v) REPURCHASE AGREEMENT.—The
 13 term “repurchase agreement” (which defi-
 14 nition also applies to a reverse repurchase
 15 agreement)—

16 (I) means an agreement, includ-
 17 ing related terms, which provides for
 18 the transfer of 1 or more certificates
 19 of deposit, mortgage related securities
 20 (as defined in section 3(a) of the Se-
 21 curities Exchange Act of 1934 (15
 22 U.S.C. 78c(a)), mortgage loans, inter-
 23 ests in mortgage-related securities or
 24 mortgage loans, eligible bankers’ ac-
 25 ceptances, qualified foreign govern-

1 ment securities or securities that are
2 direct obligations of, or that are fully
3 guaranteed by, the United States or
4 any agency of the United States
5 against the transfer of funds by the
6 transferee of such certificates of de-
7 posit, eligible bankers' acceptances,
8 securities, mortgage loans, or interests
9 with a simultaneous agreement by
10 such transferee to transfer to the
11 transferor thereof certificates of de-
12 posit, eligible bankers' acceptances,
13 securities, mortgage loans, or interests
14 as described above, at a date certain
15 not later than 1 year after such trans-
16 fers or on demand, against the trans-
17 fer of funds, or any other similar
18 agreement;

19 (II) does not include any repur-
20 chase obligation under a participation
21 in a commercial mortgage loan unless
22 the Corporation determines by regula-
23 tion, resolution, or order to include
24 any such participation within the
25 meaning of such term;

1 (III) means any combination of
2 agreements or transactions referred to
3 in subclauses (I) and (IV);

4 (IV) means any option to enter
5 into any agreement or transaction re-
6 ferred to in subclause (I) or (III);

7 (V) means a master agreement
8 that provides for an agreement or
9 transaction referred to in subclause
10 (I), (III), or (IV), together with all
11 supplements to any such master
12 agreement, without regard to whether
13 the master agreement provides for an
14 agreement or transaction that is not a
15 repurchase agreement under this
16 clause, except that the master agree-
17 ment shall be considered to be a re-
18 purchase agreement under this sub-
19 clause only with respect to each agree-
20 ment or transaction under the master
21 agreement that is referred to in sub-
22 clause (I), (III), or (IV); and

23 (VI) means any security agree-
24 ment or arrangement or other credit
25 enhancement related to any agree-

1 ment or transaction referred to in
 2 subclause (I), (III), (IV), or (V), in-
 3 cluding any guarantee or reimburse-
 4 ment obligation in connection with
 5 any agreement or transaction referred
 6 to in any such subclause.

7 For purposes of this clause, the term
 8 “qualified foreign government security”
 9 means a security that is a direct obligation
 10 of, or that is fully guaranteed by, the cen-
 11 tral government of a member of the Orga-
 12 nization for Economic Cooperation and
 13 Development (as determined by regulation
 14 or order adopted by the Board).

15 (vi) SWAP AGREEMENT.—The term
 16 “swap agreement” means—

17 (I) any agreement, including the
 18 terms and conditions incorporated by
 19 reference in any such agreement,
 20 which is an interest rate swap, option,
 21 future, or forward agreement, includ-
 22 ing a rate floor, rate cap, rate collar,
 23 cross-currency rate swap, and basis
 24 swap; a spot, same day-tomorrow, to-
 25 morrow-next, forward, or other for-

1 eign exchange, precious metals, or
2 other commodity agreement; a cur-
3 rency swap, option, future, or forward
4 agreement; an equity index or equity
5 swap, option, future, or forward
6 agreement; a debt index or debt swap,
7 option, future, or forward agreement;
8 a total return, credit spread or credit
9 swap, option, future, or forward
10 agreement; a commodity index or
11 commodity swap, option, future, or
12 forward agreement; weather swap, op-
13 tion, future, or forward agreement; an
14 emissions swap, option, future, or for-
15 ward agreement; or an inflation swap,
16 option, future, or forward agreement;
17 (II) any agreement or transaction
18 that is similar to any other agreement
19 or transaction referred to in this
20 clause and that is of a type that has
21 been, is presently, or in the future be-
22 comes, the subject of recurrent deal-
23 ings in the swap or other derivatives
24 markets (including terms and condi-
25 tions incorporated by reference in

1 such agreement) and that is a for-
2 ward, swap, future, option, or spot
3 transaction on one or more rates, cur-
4 rencies, commodities, equity securities
5 or other equity instruments, debt se-
6 curities or other debt instruments,
7 quantitative measures associated with
8 an occurrence, extent of an occur-
9 rence, or contingency associated with
10 a financial, commercial, or economic
11 consequence, or economic or financial
12 indices or measures of economic or fi-
13 nancial risk or value;

14 (III) any combination of agree-
15 ments or transactions referred to in
16 this clause;

17 (IV) any option to enter into any
18 agreement or transaction referred to
19 in this clause;

20 (V) a master agreement that pro-
21 vides for an agreement or transaction
22 referred to in subclause (I), (II), (III),
23 or (IV), together with all supplements
24 to any such master agreement, with-
25 out regard to whether the master

1 agreement contains an agreement or
2 transaction that is not a swap agree-
3 ment under this clause, except that
4 the master agreement shall be consid-
5 ered to be a swap agreement under
6 this clause only with respect to each
7 agreement or transaction under the
8 master agreement that is referred to
9 in subclause (I), (II), (III), or (IV);
10 and

11 (VI) any security agreement or
12 arrangement or other credit enhance-
13 ment related to any agreements or
14 transactions referred to in subclause
15 (I), (II), (III), (IV), or (V), including
16 any guarantee or reimbursement obli-
17 gation in connection with any agree-
18 ment or transaction referred to in any
19 such subclause.

20 Such term is applicable for purposes of
21 this subsection only and shall not be con-
22 strued or applied so as to challenge or af-
23 fect the characterization, definition, or
24 treatment of any swap agreement under
25 any other statute, regulation, or rule, in-

cluding the Gramm-Leach-Bliley Act (Public Law 106–102; 113 Stat. 1338), the Legal Certainty for Bank Products Act of 2000 (7 U.S.C. 27 et seq.), the securities laws (as defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)), and the Commodity Exchange Act (7 U.S.C. 1 et seq.).

(vii) TREATMENT OF MASTER AGREEMENT AS ONE AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.

(viii) TRANSFER.—The term “transfer” means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the payment stablecoin issuer’s equity of redemption.

(ix) PERSON.—The term “person” includes any governmental entity in addition to any entity included in the definition of such term in section 1 of title 1, United States Code.

(E) CERTAIN PROTECTIONS IN EVENT OF APPOINTMENT OF CONSERVATOR.—Notwithstanding any other provision of Federal or State law (other than subsections (e)(9) and (f)(10) of this section, and section 13(e) of the Federal Deposit Insurance Act (12 U.S.C. 1823(e))), no person shall be stayed or prohibited from exercising—

(i) any right such person has to cause the termination, liquidation, or acceleration of any qualified financial contract with a payment stablecoin issuer in a conservator-

1 ship based upon a default under such fi-
2 nancial contract which is enforceable under
3 applicable non-insolvency law;

4 (ii) any right under any security
5 agreement or arrangement or other credit
6 enhancement related to one or more quali-
7 fied financial contracts described in clause
8 (i); or

9 (iii) any right to offset or net out any
10 termination values, payment amounts, or
11 other transfer obligations arising under or
12 in connection with such qualified financial
13 contracts.

14 (F) CLARIFICATION.—No provision of law
15 shall be construed as limiting the right or
16 power of the Corporation, or authorizing any
17 court or agency to limit or delay, in any man-
18 ner, the right or power of the Corporation to
19 transfer any qualified financial contract in ac-
20 cordance with paragraphs (9) and (10) of this
21 subsection or to disaffirm or repudiate any such
22 contract in accordance with paragraph (1).

23 (G) WALKAWAY CLAUSES NOT EFFEC-
24 TIVE.—

1 (i) IN GENERAL.—Notwithstanding
2 the provisions of subparagraphs (A) and
3 (E), and sections 403 and 404 of the Fed-
4 eral Deposit Insurance Corporation Im-
5 provement Act of 1991 (12 U.S.C. 4403,
6 4404), no walkaway clause shall be en-
7 forceable in a qualified financial contract
8 of a payment stablecoin issuer in default.

9 (ii) LIMITED SUSPENSION OF CERTAIN
10 OBLIGATIONS.—In the case of a qualified
11 financial contract referred to in clause (i),
12 any payment or delivery obligations other-
13 wise due from a party pursuant to the
14 qualified financial contract shall be sus-
15 pended from the time the Corporation is
16 appointed as receiver until the earlier of—

17 (I) the time such party receives
18 notice that such contract has been
19 transferred pursuant to paragraph
20 (9)(A); or

21 (II) 5:00 p.m. (eastern time) on
22 the business day following the date of
23 the appointment of the Corporation as
24 receiver.

(iii) WALKAWAY CLAUSE DEFINED.—

For purposes of this subparagraph, the term “walkaway clause” means any provision in a qualified financial contract that suspends, conditions, or extinguishes a payment obligation of a party, in whole or in part, or does not create a payment obligation of a party that would otherwise exist, solely because of such party’s status as a nondefaulting party in connection with the insolvency of a payment stablecoin issuer that is a party to the contract or the appointment of or the exercise of rights or powers by the Corporation as conservator or receiver of such issuer, and not as a result of a party’s exercise of any right to offset, setoff, or net obligations that exist under the contract, any other contract between those parties, or applicable law.

(H) RECORDKEEPING REQUIREMENTS.—

The Corporation, in consultation with the Board, Comptroller and State bank supervisors, may prescribe regulations requiring more detailed recordkeeping by a payment stablecoin issuer with respect to qualified financial con-

tracts (including market valuations) if the condition of such payment stablecoin issuer warrants it.

(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS.—

(A) In general. In making any transfer of assets or liabilities of a payment stablecoin issuer in default which includes any qualified financial contract, the Corporation as conservator or receiver for such issuer shall either—

(i) transfer to one financial institution, other than a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding—

(I) all qualified financial contracts between any person or any affiliate of such person and the payment stablecoin issuer in default;

(II) all claims of such person or any affiliate of such person against such issuer under any such contract (other than any claim which, under

1 the terms of any such contract, is
 2 subordinated to the claims of general
 3 unsecured creditors of such issuer);

4 (III) all claims of such payment
 5 stablecoin issuer against such person
 6 or any affiliate of such person under
 7 any such contract; and

8 (IV) all property securing or any
 9 other credit enhancement for any con-
 10 tract described in subclause (I) or any
 11 claim described in subclause (II) or
 12 (III) under any such contract; or

13 (ii) transfer none of the qualified fi-
 14 nancial contracts, claims, property or other
 15 credit enhancement referred to in clause (i)
 16 (with respect to such person and any affil-
 17 iate of such person).

18 (B) TRANSFER TO A FOREIGN BANK, FOR-
 19 EIGN FINANCIAL INSTITUTION, OR BRANCH OR
 20 AGENCY OF A FOREIGN BANK OR FINANCIAL IN-
 21 STITUTION.—In transferring any qualified fi-
 22 nancial contracts and related claims and prop-
 23 erty under subparagraph (A)(i), the Corpora-
 24 tion as conservator or receiver for the payment
 25 stablecoin issuer shall not make such transfer

1 to a foreign bank, financial institution orga-
2 nized under the laws of a foreign country, or a
3 branch or agency of a foreign bank or financial
4 institution unless, under the law applicable to
5 such bank, financial institution, branch or agen-
6 cy, to the qualified financial contracts, and to
7 any netting contract, any security agreement or
8 arrangement or other credit enhancement re-
9 lated to one or more qualified financial con-
10 tracts, the contractual rights of the parties to
11 such qualified financial contracts, netting con-
12 tracts, security agreements or arrangements, or
13 other credit enhancements are enforceable sub-
14 stantially to the same extent as permitted under
15 this section.

16 (C) TRANSFER OF CONTRACTS SUBJECT
17 TO THE RULES OF A CLEARING ORGANIZA-
18 TION.—In the event that the Corporation as
19 conservator or receiver transfers any qualified
20 financial contract and related claims, property,
21 and credit enhancements pursuant to subpara-
22 graph (A)(i) and such contract is cleared by or
23 subject to the rules of a clearing organization,
24 the clearing organization shall not be required

1 to accept the transferee as a member by virtue
2 of the transfer.

3 (D) DEFINITIONS.—For purposes of this
4 paragraph—

5 (i) the term “financial institution”
6 means a broker or dealer, a depository in-
7 stitution, a futures commission merchant,
8 or any other institution, as determined by
9 the Corporation by regulation to be a fi-
10 nancial institution; and

11 (ii) the term “clearing organization”
12 has the meaning given the term in section
13 402 of the Federal Deposit Insurance Cor-
14 poration Improvement Act of 1991 (12
15 U.S.C. 4402).

16 (10) NOTIFICATION OF TRANSFER.—

17 (A) IN GENERAL.—If the Corporation as
18 conservator or receiver for a payment stablecoin
19 issuer in default makes any transfer of the as-
20 sets and liabilities of such institution, and the
21 transfer includes any qualified financial con-
22 tract, the conservator or receiver shall notify
23 any person who is a party to any such contract
24 of such transfer by 5:00 p.m. (eastern time) on
25 the business day following the date of the ap-

pointment of the Corporation as receiver in the case of a receivership, or the business day following such transfer in the case of a conservatorship.

(B) CERTAIN RIGHTS NOT ENFORCE-
ABLE.—

(i) RECEIVERSHIP.—A person who is a party to a qualified financial contract with a payment stablecoin issuer may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(A) of this subsection or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4403, 4404), solely by reason of or incidental to the appointment of the Corporation as receiver for the payment stablecoin issuer (or the insolvency or financial condition of the issuer for which the receiver has been appointed)—

(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver; or

1 (II) after the person has received
2 notice that the contract has been
3 transferred pursuant to paragraph
4 (9)(A).

5 (ii) CONSERVATORSHIP.—A person
6 who is a party to a qualified financial con-
7 tract with a payment stablecoin issuer may
8 not exercise any right that such person has
9 to terminate, liquidate, or net such con-
10 tract under paragraph (8)(E) of this sub-
11 section or section 403 or 404 of the Fed-
12 eral Deposit Insurance Corporation Im-
13 provement Act of 1991 (12 U.S.C. 4403,
14 4404), solely by reason of or incidental to
15 the appointment of the Corporation as con-
16 servator for the payment stablecoin issuer
17 (or the insolvency or financial condition of
18 the issuer for which the Corporation has
19 been appointed conservator).

20 (iii) NOTICE.—For purposes of this
21 paragraph, the Corporation as receiver or
22 conservator of a payment stablecoin issuer
23 shall be deemed to have notified a person
24 who is a party to a qualified financial con-
25 tract with such issuer if the Corporation

1 has taken steps that are reasonably cal-
 2 culated to provide notice to such person by
 3 the time specified in subparagraph (A).

4 (C) BUSINESS DAY DEFINED.—For pur-
 5 poses of this paragraph, the term “business
 6 day” means any day other than any Saturday,
 7 Sunday, or any day on which either the New
 8 York Stock Exchange or the Federal Reserve
 9 Bank of New York is closed.

10 (11) DISAFFIRMANCE OR REPUDIATION OF
 11 QUALIFIED FINANCIAL CONTRACTS.—In exercising
 12 the rights of disaffirmance or repudiation of a con-
 13 servator or receiver with respect to any qualified fi-
 14 nancial contract to which a payment stablecoin
 15 issuer is a party, the Corporation as conservator or
 16 receiver for such issuer shall either—

17 (A) disaffirm or repudiate all qualified fi-
 18 nancial contracts between—

19 (i) any person or any affiliate of such
 20 person; and

21 (ii) the payment stablecoin issuer in
 22 default; or

23 (B) disaffirm or repudiate none of the
 24 qualified financial contracts referred to in sub-

1 paragraph (A) (with respect to such person or
2 any affiliate of such person).

3 (12) CERTAIN SECURITY INTERESTS NOT
4 AVOIDABLE.—No provision of this subsection shall
5 be construed as permitting the avoidance of any le-
6 gally enforceable or perfected security interest in any
7 of the assets of any payment stablecoin issuer except
8 where such an interest is taken in contemplation of
9 the issuer's insolvency or with the intent to hinder,
10 delay, or defraud the issuer or the creditors of such
11 issuer.

12 (13) AUTHORITY TO ENFORCE CONTRACTS.—

13 (A) IN GENERAL.—The Corporation as
14 conservator or receiver may enforce any con-
15 tract, other than a director's or officer's liabil-
16 ity insurance contract or a bond, entered into
17 by the payment stablecoin issuer notwith-
18 standing any provision of the contract providing
19 for termination, default, acceleration, or exer-
20 cise of rights upon, or solely by reason of, insol-
21 vency or the appointment of or the exercise of
22 rights or powers by the Corporation as conser-
23 vator or receiver.

24 (B) CERTAIN RIGHTS NOT AFFECTED.—

25 No provision of this paragraph may be con-

1 strued as impairing or affecting any right of the
2 Corporation as conservator or receiver to en-
3 force or recover under a director's or officer's
4 liability insurance contract or bond under other
5 applicable law.

6 (C) CONSENT REQUIREMENT.—

7 (i) IN GENERAL.—Except as otherwise
8 provided by this section or section 15 of
9 the Federal Deposit Insurance Act (12
10 U.S.C. 1825), no person may exercise any
11 right or power to terminate, accelerate, or
12 declare a default under any contract to
13 which the payment stablecoin issuer is a
14 party, or to obtain possession of or exercise
15 control over any property of the issuer or
16 affect any contractual rights of the issuer,
17 without the consent of the Corporation as
18 conservator or receiver, as appropriate,
19 during the 45-day period beginning on the
20 date of the appointment of the Corporation
21 as conservator, or during the 90-day period
22 beginning on the date of the appointment
23 of the Corporation as receiver, as applica-
24 ble.

1 (ii) CERTAIN EXCEPTIONS.—No provi-
 2 sion of this subparagraph shall apply to a
 3 director or officer liability insurance con-
 4 tract or bond, to the rights of parties to
 5 certain qualified financial contracts pursu-
 6 ant to paragraph (8), or to the rights of
 7 parties to netting contracts pursuant to
 8 subtitle A of title IV of the Federal De-
 9 posit Insurance Corporation Improvement
 10 Act of 1991 (12 U.S.C. 4401 et seq.), or
 11 shall be construed as permitting the Cor-
 12 poration as conservator or receiver to fail
 13 to comply with otherwise enforceable provi-
 14 sions of such contract.

15 (iii) RULE OF CONSTRUCTION.—Noth-
 16 ing in this subparagraph shall be construed
 17 to limit or otherwise affect the applicability
 18 of title 11, United States Code.

19 (14) SAVINGS CLAUSE.—The meanings of terms
 20 used in this subsection are applicable for purposes of
 21 this subsection only, and shall not be construed or
 22 applied so as to challenge or affect the characteriza-
 23 tion, definition, or treatment of any similar terms
 24 under any other statute, regulation, or rule, includ-
 25 ing the Gramm-Leach-Bliley Act (Public Law 106—

1 102; 113 Stat. 1338), the Legal Certainty for Bank
2 Products Act of 2000 (7 U.S.C. 27 et seq.), the se-
3 curities laws (as defined in section 3(a) of the Secu-
4 rities Exchange Act of 1934 (15 U.S.C. 78c(a)), and
5 the Commodity Exchange Act (7 U.S.C. 1 et seq.).

6 (g) PAYMENT OF STABLECOIN LIABILITIES.—

7 (1) IN GENERAL.—In case of the liquidation of,
8 or other closing or winding up of the affairs of a
9 payment stablecoin issuer, payment of the out-
10 standing payment stablecoin liabilities of the issuer
11 shall be made by the Corporation as soon as pos-
12 sible, subject to the provisions of subsection (h), ei-
13 ther by cash or by making available to each deposi-
14 tor a transferred deposit in an insured depository in-
15 stitution.

16 (2) PROOF OF CLAIMS.—The Corporation, in its
17 discretion, may require proof of claims to be filed
18 and may approve or reject such claims for payment
19 stablecoin liabilities.

20 (3) RESOLUTION OF DISPUTES.—A determina-
21 tion by the Corporation regarding any claim for pay-
22 ment of stablecoin liabilities shall be treated as a
23 final determination for purposes of this section. In
24 its discretion, the Corporation may promulgate regu-

1 lations prescribing procedures for resolving any dis-
2 puted claim.

3 (4) REVIEW OF CORPORATION DETERMINA-
4 TION.—A final determination made by the Corpora-
5 tion regarding any claim for payment of stablecoin
6 liabilities shall be a final agency action reviewable in
7 accordance with chapter 7 of title 5, United States
8 Code, by the United States district court for the
9 Federal judicial district where the principal place of
10 business of the payment stablecoin issuer is located.

11 (5) STATUTE OF LIMITATIONS.—Any request
12 for review of a final determination by the Corpora-
13 tion regarding any claim regarding payment of
14 stablecoin liabilities shall be filed with the appro-
15 priate United States district court not later than 60
16 days after the date on which such determination is
17 issued.

18 (h) SUBROGATION OF CORPORATION.—

19 (1) IN GENERAL.—Notwithstanding any other
20 provision of Federal law, the law of any State, or the
21 constitution of any State, the Corporation, upon the
22 payment to any customer as provided in subsection
23 (g) in connection with a payment stablecoin issuer
24 described in such subsection or the assumption of
25 payment stablecoin liabilities by another payment

1 stablecoin issuer pursuant to this section, shall be
2 subrogated to all rights of the customer against such
3 issuer to the extent of such payment or assumption.

4 (2) DIVIDENDS ON SUBROGATED AMOUNTS.—

5 The subrogation of the Corporation under paragraph
6 (1) with respect to any payment stablecoin issuer
7 shall include the right on the part of the Corporation
8 to receive the same dividends from the proceeds of
9 the assets of such issuer and recoveries on account
10 of stockholders' liability as would have been payable
11 to the customer on a claim for the stablecoin liability.
12 ity.

13 (3) WAIVER OF CERTAIN CLAIMS.—With re-
14 spect to a payment stablecoin issuer, the Corpora-
15 tion shall waive, in favor only of any person against
16 whom stockholders' individual liability may be as-
17 serted, any claim on account of such liability in ex-
18 cess of the liability, if any, to the issuer or its credi-
19 tors, for the amount unpaid upon such stock in such
20 issuer; but any such waiver shall be effected in such
21 manner and on such terms and conditions as will
22 not increase recoveries or dividends on account of
23 claims to which the Corporation is not subrogated.

24 (4) APPLICABILITY OF STATE LAW.—Subject to
25 subsection (e)(11), if the Corporation is appointed

1 pursuant to subsection (d)(3), the rights of cus-
2 tomers and other creditors of any State-chartered
3 payment stablecoin issuer shall be determined in ac-
4 cordance with the applicable provisions of State law.

5 (i) VALUATION OF CLAIMS IN DEFAULT.—

6 (1) IN GENERAL.—Notwithstanding any other
7 provision of Federal law or the law of any State and
8 regardless of the method which the Corporation de-
9 termines to utilize with respect to a payment
10 stablecoin issuer in default or in danger of default,
11 including transactions authorized under subsection
12 (o), this subsection shall govern the rights of the
13 creditors (other than customers) of such institution.

14 (2) MAXIMUM LIABILITY.—The maximum li-
15 ability of the Corporation, acting as receiver or in
16 any other capacity, to any person having a claim
17 against the receiver or the payment stablecoin issuer
18 for which such receiver is appointed shall equal the
19 amount such claimant would have received if the
20 Corporation had liquidated the assets and liabilities
21 of such institution without exercising the Corpora-
22 tion's authority under subsection (o) of this section.

23 (j) LIMITATION ON COURT ACTION.—Except as pro-
24 vided in this section, no court may take any action, except
25 at the request of the Board of Directors of the Corpora-

1 tion by regulation or order, to restrain or affect the exer-
 2 cise of powers or functions of the Corporation as a conser-
 3 vator or a receiver.

4 (k) LIABILITY OF DIRECTORS AND OFFICERS.—A di-
 5 rector or officer of a payment stablecoin issuer may be
 6 held personally liable for monetary damages in any civil
 7 action by, on behalf of, or at the request or direction of
 8 the Corporation, which action is prosecuted wholly or par-
 9 tially for the benefit of the Corporation—

10 (1) acting as conservator or receiver of such
 11 issuer;

12 (2) acting based upon a suit, claim, or cause of
 13 action purchased from, assigned by, or otherwise
 14 conveyed by such receiver or conservator; or

15 (3) for gross negligence, including any similar
 16 conduct or conduct that demonstrates a greater dis-
 17 regard of a duty of care (than gross negligence) in-
 18 cluding intentional tortious conduct, as such terms
 19 are defined and determined under applicable State
 20 law, provided that nothing in this paragraph shall
 21 impair or affect any right of the Corporation under
 22 other applicable law.

23 (l) DAMAGES.—In any proceeding related to any
 24 claim against a payment stablecoin issuer’s director, offi-
 25 cer, employee, agent, attorney, accountant, appraiser, or

1 any other party employed by or providing services to a
 2 payment stablecoin issuer, recoverable damages deter-
 3 mined to result from the improvident or otherwise im-
 4 proper use or investment of any payment stablecoin
 5 issuer's assets shall include principal losses and appro-
 6 priate interest.

7 (m) BRIDGE PAYMENT STABLECOIN ISSUERS.—

8 (1) ORGANIZATION.—

9 (A) PURPOSE.—When 1 or more payment
 10 stablecoin issuers are in default, or when the
 11 Corporation anticipates that 1 or more payment
 12 stablecoin issuers may become in default, the
 13 Corporation may, in its discretion, organize,
 14 and the Office of the Comptroller of the Cur-
 15 rency, with respect to 1 or more payment
 16 stablecoin issuers, shall charter, 1 or more de-
 17 pository institutions, as appropriate, with re-
 18 spect thereto with the powers and attributes of
 19 payment stablecoin issuers as applicable, sub-
 20 ject to the provisions of this subsection, to be
 21 referred to as “bridge payment stablecoin
 22 issuers”.

23 (B) AUTHORITIES.—Upon the granting of
 24 a charter to a bridge payment stablecoin issuer,
 25 the bridge issuer may—

(i) assume such payment stablecoin assets and liabilities of the payment stablecoin issuer that is or are in default or in danger of default as the Corporation may, in its discretion, determine to be appropriate; and

(ii) perform any other temporary function which the Corporation may, in its discretion, prescribe in accordance with this the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.).

(C) ARTICLES OF ASSOCIATION.—The articles of association and organization certificate of a bridge payment stablecoin issuer as approved by the Corporation shall be executed by 3 representatives designated by the Corporation.

(D) INTERIM DIRECTORS.—A bridge payment stablecoin issuer shall have an interim board of directors consisting of not fewer than 5 nor more than 10 members appointed by the Corporation.

(E) NATIONAL BANK OR FEDERAL SAVINGS ASSOCIATION.—A bridge payment stablecoin issuer shall be organized as a deposi-

1 tory institution under the National Bank Act
2 (12 U.S.C. 21 et seq.).

3 (2) CHARTERING.—

4 (A) CONDITIONS.—A depository institution
5 may be chartered by the Comptroller as a
6 bridge payment stablecoin issuer only if the
7 Board of Directors of the Corporation deter-
8 mines that—

9 (i) the amount which is reasonably
10 necessary to operate such bridge issuer will
11 not exceed the amount which is reasonably
12 necessary to save the cost of liquidating,
13 including paying the liabilities of, 1 or
14 more payment stablecoin issuers in default
15 or in danger of default with respect to
16 which the bridge payment stablecoin issuer
17 is chartered;

18 (ii) the continued operation of such
19 payment stablecoin issuer or issuers in de-
20 fault or in danger of default with respect
21 to which the bridge payment stablecoin
22 issuer is chartered is essential to provide
23 continued services to the customers of the
24 issuer; or

1 (iii) the continued operation of such
2 payment stablecoin issuer or issuers in de-
3 fault or in danger of default with respect
4 to which the bridge issuer is chartered is
5 in the best interest of the customer of such
6 issuer or issuers in default or in danger of
7 default or the public.

8 (B) INSURED NATIONAL BANK OR FED-
9 ERAL SAVINGS ASSOCIATION.—A bridge deposi-
10 tory institution shall be a national payment
11 stablecoin issuer from the time it is chartered
12 by the Comptroller as a depository institution.

13 (C) BRIDGE BANK TREATED AS BEING IN
14 DEFAULT FOR CERTAIN PURPOSES.—A bridge
15 payment stablecoin issuer shall be treated as an
16 issuer in default at such times and for such
17 purposes as the Corporation may, in its discre-
18 tion, determine.

19 (D) MANAGEMENT.—A bridge payment
20 stablecoin issuer, upon the granting of its char-
21 ter, shall be under the management of a board
22 of directors consisting of not fewer than 5 nor
23 more than 10 members appointed by the Cor-
24 poration.

1 (E) BYLAWS.—The board of directors of a
2 bridge payment stablecoin issuer shall adopt
3 such bylaws as may be approved by the Cor-
4 poration.

5 (3) TRANSFER OF ASSETS AND LIABILITIES.—

6 (A) IN GENERAL.—

7 (i) TRANSFER UPON GRANT OF CHAR-
8 TER.—Upon the granting of a charter to a
9 bridge payment stablecoin issuer pursuant
10 to this subsection, the Corporation, as re-
11 ceiver, or any other receiver appointed with
12 respect to any payment stablecoin issuer in
13 default with respect to which the bridge
14 payment stablecoin issuer is chartered may
15 transfer any assets and liabilities of such
16 issuer in default to the bridge issuer in ac-
17 cordance with paragraph (1).

18 (ii) SUBSEQUENT TRANSFERS.—At
19 any time after a charter is granted to a
20 bridge payment stablecoin issuer, the Cor-
21 poration, as receiver, or any other receiver
22 appointed with respect to a payment
23 stablecoin issuer in default may transfer
24 any assets and liabilities of such issuer in
25 default as the Corporation may, in its dis-

cretion, determine to be appropriate in accordance with paragraph (1).

(iii) EFFECTIVE WITHOUT APPROVAL.—The transfer of any assets or liabilities of a payment stablecoin issuer in default transferred to a bridge payment stablecoin issuer shall be effective without any further approval under Federal or State law, assignment, or consent with respect thereto.

(4) POWERS OF BRIDGE PAYMENT STABLECOIN ISSUERS.—Each bridge payment stablecoin issuer chartered under this subsection shall have all corporate powers of, and be subject to the same provisions of law as, a payment stablecoin issuer that is a depository institution chartered by the Comptroller, as appropriate, except that—

(A) the Corporation may—

(i) remove the interim directors and directors of a bridge issuer;

(ii) fix the compensation of members of the interim board of directors and the board of directors and senior management, as determined by the Corporation in its discretion, of a bridge issuer; and

1 (iii) waive any requirement established
2 under section 5145, 5146, 5147, 5148, or
3 5149 of the Revised Statutes (relating to
4 directors of national banks) or section 31
5 of the Banking Act of 1933 (12 U.S.C.
6 71a) which would otherwise be applicable
7 with respect to directors of a bridge issuer
8 by operation of paragraph (2)(B);

9 (B) the Corporation may indemnify the
10 representatives for purposes of paragraph
11 (1)(B) and the interim directors, directors, offi-
12 cers, employees, and agents of a bridge pay-
13 ment stablecoin issuer on such terms as the
14 Corporation determines to be appropriate;

15 (C) no requirement under any provision of
16 law relating to the capital of a payment
17 stablecoin issuer shall apply with respect to a
18 bridge issuer;

19 (D) the Comptroller of the Currency may
20 establish a limitation on the extent to which
21 any person may become indebted to a bridge
22 issuer without regard to the amount of the
23 bridge issuer's capital or surplus;

24 (E)(i) the board of directors of a bridge
25 payment stablecoin issuer shall elect a chair-

1 person who may also serve in the position of
2 chief executive officer, except that such person
3 shall not serve either as chairperson or as chief
4 executive officer without the prior approval of
5 the Corporation; and

6 (ii) the board of directors of a bridge pay-
7 ment stablecoin issuer may appoint a chief ex-
8 ecutive officer who is not also the chairperson,
9 except that such person shall not serve as chief
10 executive officer without the prior approval of
11 the Corporation;

12 (F) the Comptroller shall waive any re-
13 quirement for a fidelity bond with respect to a
14 bridge payment stablecoin issuer at the request
15 of the Corporation;

16 (G) any judicial action to which a bridge
17 payment stablecoin issuer becomes a party by
18 virtue of its acquisition of any assets or as-
19 sumption of any liabilities of a payment
20 stablecoin issuer in default shall be stayed from
21 further proceedings for a period of up to 45
22 days at the request of the bridge issuer;

23 (H) no agreement which tends to diminish
24 or defeat the right, title or interest of a bridge
25 payment stablecoin issuer in any asset of a pay-

1 ment stablecoin issuer in default acquired by it
2 shall be valid against the bridge issuer unless
3 such agreement—

4 (i) is in writing;

5 (ii) was executed by such payment
6 stablecoin issuer in default and the person
7 or persons claiming an adverse interest
8 thereunder, including the obligor, contemporaneously with the acquisition of the
9 asset by such issuer in default;

10 (iii) was approved by the board of directors of such payment stablecoin issuer
11 in default, which approval shall be reflected in the minutes of said board; and

12 (iv) has been, continuously from the
13 time of its execution, an official record of
14 such payment stablecoin issuer in default;
15 and

16 (I) except with the prior approval of the
17 Corporation, a bridge payment stablecoin issuer
18 may not, in any transaction or series of transactions, issue capital stock or be a party to any
19 merger, consolidation, disposition of assets or liabilities, sale or exchange of capital stock, or
20 similar transaction, or change its charter.
21
22
23
24
25

1 (5) CAPITAL.—

2 (A) NO CAPITAL REQUIRED.—The Cor-
3 poration shall not be required to—

4 (i) issue any capital stock on behalf of
5 a bridge payment stablecoin issuer char-
6 tered under this subsection; or

7 (ii) purchase any capital stock of a
8 bridge payment stablecoin issuer.

9 (B) CAPITAL OF INSOLVENT INSTITU-
10 TION.—Upon the organization of a bridge pay-
11 ment stablecoin issuer, the capital of the insol-
12 vent payment stablecoin issuer shall be used to
13 fund the operations of the bridge issuer.

14 (C) AUTHORITY TO ISSUE CAPITAL
15 STOCK.—Whenever the Board of Directors of
16 the Corporation determines it is advisable to do
17 so, the Corporation shall cause capital stock of
18 a bridge payment stablecoin issuer to be issued
19 and offered for sale in such amounts and on
20 such terms and conditions as the Corporation
21 may, in its discretion, determine.

22 (D) CAPITAL LEVELS.—A bridge payment
23 stablecoin issuer shall not be considered under-
24 capitalized under any other provision of Federal
25 law.

1 (6) NO FEDERAL STATUS.—

2 (A) AGENCY STATUS.—A bridge payment
3 stablecoin issuer shall not be considered an
4 agency, establishment, or instrumentality of the
5 United States.

6 (B) EMPLOYEE STATUS.—Representatives
7 for purposes of paragraph (1)(C), interim direc-
8 tors, directors, officers, employees, or agents of
9 a bridge payment stablecoin issuer shall not be
10 considered, solely by virtue of service in any
11 such capacity, officers or employees of the
12 United States. Any employee of the Corporation
13 or of any Federal instrumentality who serves at
14 the request of the Corporation as a representa-
15 tive for purposes of paragraph (1)(C), interim
16 director, director, officer, employee, or agent of
17 a bridge payment stablecoin issuer shall not—

18 (i) solely by virtue of service in any
19 such capacity lose any existing status as
20 an officer or employee of the United States
21 for purposes of title 5, United States Code,
22 or any other provision of law; or

23 (ii) receive any salary or benefits for
24 service in any such capacity with respect to
25 a bridge payment stablecoin issuer in addi-

tion to such salary or benefits as are obtained through employment with the Corporation or such Federal instrumentality.

(7) DURATION OF BRIDGE PAYMENT STABLECOIN ISSUER.—Subject to paragraphs (8) and (9), the status of a bridge payment stablecoin issuer as such shall terminate at the end of the 2-year period following the date it was granted a charter. The Board of Directors of the Corporation may, in its discretion, extend the status of the bridge payment stablecoin issuer as such for 3 additional 1-year periods.

(8) TERMINATION OF BRIDGE PAYMENT STABLECOIN ISSUER STATUS.—The status of any bridge payment stablecoin issuer as such shall terminate upon the earliest of—

(A) the merger or consolidation of the bridge issuer with a payment stablecoin issuer that is not a bridge issuer;

(B) at the election of the Corporation, the sale of a majority of the capital stock of the bridge payment stablecoin issuer to an entity other than the Corporation and other than another bridge issuer;

1 (C) the sale of 80 percent, or more, of the
2 capital stock of the bridge payment stablecoin
3 issuer to an entity other than the Corporation
4 and other than another bridge issuer;

5 (D) at the election of the Corporation, ei-
6 ther the assumption of all or substantially all of
7 the payment stablecoin liabilities of the bridge
8 payment stablecoin issuer by another payment
9 stablecoin issuer, or the acquisition of all or
10 substantially all of the assets of the bridge
11 issuer by a payment stablecoin issuer that is
12 not a bridge issuer, or other entity as permitted
13 under applicable law; and

14 (E) the expiration of the period provided in
15 paragraph (7), or the earlier dissolution of the
16 bridge payment stablecoin issuer as provided in
17 paragraph (10).

18 (9) EFFECT OF TERMINATION EVENTS.—

19 (A) MERGER OR CONSOLIDATION.—A
20 bridge payment stablecoin issuer that partici-
21 pates in a merger or consolidation as provided
22 in paragraph (8)(A) shall be for all purposes a
23 payment stablecoin issuer that is a depository
24 institution under the supervision and regulation
25 of the Comptroller, as the case may be, with all

1 the rights, powers, and privileges thereof, and
2 such merger or consolidation shall be conducted
3 in accordance with, and shall have the effect
4 provided in, the provisions of applicable law.

5 (B) CHARTER CONVERSION.—Following
6 the sale of a majority of the capital stock of the
7 bridge payment stablecoin issuer as provided in
8 paragraph (8)(B), the Corporation may amend
9 the charter of the bridge payment stablecoin
10 issuer to reflect the termination of the status of
11 the bridge issuer as such, whereupon the issuer
12 shall remain a depository institution under the
13 supervision of the Comptroller, as the case may
14 be, with all of the rights, powers, and privileges
15 thereof, subject to all laws and regulations ap-
16 plicable thereto.

17 (C) SALE OF STOCK.—Following the sale
18 of 80 percent or more of the capital stock of a
19 bridge payment stablecoin issuer as provided in
20 paragraph (8)(C), the payment stablecoin issuer
21 shall remain a depository institution that is a
22 payment stablecoin issuer under the supervision
23 of the Comptroller, with all of the rights, pow-
24 ers, and privileges thereof, subject to all laws
25 and regulations applicable thereto.

1 (D) ASSUMPTION OF LIABILITIES AND
 2 SALE OF ASSETS.—Following the assumption of
 3 all or substantially all of the liabilities of the
 4 bridge payment stablecoin issuer, or the sale of
 5 all or substantially all of the assets of the
 6 bridge issuer, as provided in paragraph (8)(D),
 7 at the election of the Corporation, the bridge
 8 issuer may retain its status as such for the pe-
 9 riod provided in paragraph (7).

10 (E) AMENDMENTS TO CHARTER.—Fol-
 11 lowing the consummation of a transaction de-
 12 scribed in subparagraph (A), (B), (C), or (D)
 13 of paragraph (8), the charter of the resulting
 14 issuer shall be amended to reflect the termi-
 15 nation of bridge payment stablecoin issuer sta-
 16 tus, if appropriate.

17 (10) DISSOLUTION OF BRIDGE PAYMENT
 18 STABLECOIN ISSUER.—

19 (A) IN GENERAL.—Notwithstanding any
 20 other provision of State or Federal law, if the
 21 bridge payment stablecoin issuer's status as
 22 such has not previously been terminated by the
 23 occurrence of an event specified in subpara-
 24 graph (A), (B), (C), or (D) of paragraph (8)—

1 (i) the Board of Directors of the Cor-
2 poration may, in its discretion, dissolve a
3 bridge payment stablecoin issuer in accord-
4 ance with this paragraph at any time; and

5 (ii) the Board of Directors of the Cor-
6 poration shall promptly commence dissolu-
7 tion proceedings in accordance with this
8 paragraph upon the expiration of the 2-
9 year period following the date the bridge
10 payment stablecoin issuer was chartered,
11 or any extension thereof, as provided in
12 paragraph (7).

13 (B) PROCEDURES.—The Comptroller shall
14 appoint the Corporation as receiver for a bridge
15 payment stablecoin issuer upon certification by
16 the Board of Directors of the Corporation to
17 the Comptroller of its determination to dissolve
18 the bridge issuer. The Corporation as such re-
19 ceiver shall wind up the affairs of the bridge
20 issuer. With respect to any such bridge pay-
21 ment stablecoin issuer, the Corporation as such
22 receiver shall have all the rights, powers, and
23 privileges and shall perform the duties related
24 to the exercise of such rights, powers, or privi-
25 leges granted by law to a receiver of payment

1 stablecoin issuers and notwithstanding any
 2 other provision of law in the exercise of such
 3 rights, powers, and privileges the Corporation
 4 shall not be subject to the direction or super-
 5 vision of any State agency or other Federal
 6 agency.

7 (11) MULTIPLE BRIDGE PAYMENT STABLECOIN
 8 ISSUERS.—Subject to paragraph (1)(B)(i), the Cor-
 9 poration may, in the Corporation’s discretion, orga-
 10 nize 2 or more bridge payment stablecoin issuers
 11 under this subsection to assume any payment
 12 stablecoin liabilities, and purchase any assets of a
 13 single payment stablecoin issuer in default.

14 (n) SUPERVISORY RECORDS.—Whenever the Cor-
 15 poration has been appointed as receiver for a payment
 16 stablecoin issuer, the Comptroller or State bank super-
 17 visor, and the Board, shall make available all supervisory
 18 records to the receiver which may be used by the receiver
 19 in any manner the receiver determines to be appropriate.

20 (o) CERTAIN SALES OF ASSETS PROHIBITED.—

21 (1) PERSONS WHO ENGAGED IN IMPROPER CON-
 22 DUCT WITH, OR CAUSED LOSSES TO, PAYMENT
 23 STABLECOIN ISSUERS.—The Corporation shall pre-
 24 scribe regulations which, at a minimum, shall pro-

hibit the sale of assets of a failed payment stablecoin issuer by the Corporation to—

(A) any person who—

(i) has defaulted, or was a member of a partnership or an officer or director of a corporation that has defaulted, on 1 or more obligations the aggregate amount of which exceed \$1,000,000, to such failed payment stablecoin issuer; and

(ii) proposes to purchase any such asset in whole or in part through the use of the proceeds of a loan or advance of credit from the Corporation or from any institution for which the Corporation has been appointed as conservator or receiver;

(B) any person who participated, as an officer or director of such failed issuer or of any affiliate of such issuer, in a material way in transactions that resulted in a substantial loss to such failed issuer;

(C) any person who has been removed from, or prohibited from participating in the affairs of, such failed issuer pursuant to any final enforcement action by the Comptroller, State bank supervisor or the Board; or

1 (D) any person who has demonstrated a
2 pattern or practice of defalcation regarding ob-
3 ligations to such failed issuer.

4 (2) CONVICTED DEBTORS.—Except as provided
5 in paragraph (3), any person who has been convicted
6 of an offense under section 215, 656, 657, 1005,
7 1006, 1007, 1008, 1014, 1032, 1341, 1343, or 1344
8 of title 18, United States Code, or of conspiring to
9 commit such an offense, affecting any payment
10 stablecoin issuer for which the Corporation was ap-
11 pointed conservator or receiver, may not purchase
12 any asset of such institution from the Corporation
13 as conservator or receiver.

14 (3) SETTLEMENT OF CLAIMS.—Paragraphs (1)
15 and (2) shall not apply to the sale or transfer by the
16 Corporation of any asset of any payment stablecoin
17 issuer to any person if the sale or transfer of the
18 asset resolves or settles, or is part of the resolution
19 or settlement, of—

20 (A) 1 or more claims that have been, or
21 could have been, asserted by the Corporation
22 against the person; or

23 (B) obligations owed by the person to any
24 payment stablecoin issuer or the Corporation.

1 (p) EXPEDITED PROCEDURES FOR CERTAIN
2 CLAIMS.—

3 (1) TIME FOR FILING NOTICE OF APPEAL.—

4 The notice of appeal of any order, whether interlocu-
5 tory or final, entered in any case brought by the
6 Corporation against a payment stablecoin issuer's
7 director, officer, employee, agent, attorney, account-
8 ant, or appraiser or any other person employed by
9 or providing services to a payment stablecoin issuer
10 shall be filed not later than 30 days after the date
11 of entry of the order. The hearing of the appeal shall
12 be held not later than 120 days after the date of the
13 notice of appeal. The appeal shall be decided not
14 later than 180 days after the date of the notice of
15 appeal.

16 (2) SCHEDULING.—Consistent with section
17 1657 of title 28, United States Code, a court of the
18 United States shall expedite the consideration of any
19 case brought by the Corporation against a payment
20 stablecoin issuer's director, officer, employee, agent,
21 attorney, accountant, or appraiser or any other per-
22 son employed by or providing services to the issuer.
23 As far as practicable, the court shall give such case
24 priority on its docket.

1 (3) JUDICIAL DISCRETION.—The court may
2 modify the schedule and limitations stated in para-
3 graphs (1) and (2) in a particular case, based on a
4 specific finding that the ends of justice that would
5 be served by making such a modification would out-
6 weigh the best interest of the public in having the
7 case resolved expeditiously.

8 (q) FOREIGN INVESTIGATIONS.—The Corporation, as
9 conservator or receiver of a payment stablecoin and for
10 purposes of carrying out any power, authority, or duty
11 with respect to an issuer—

12 (1) may request the assistance of any foreign
13 banking authority and provide assistance to any for-
14 eign banking authority in accordance with section
15 8(v) of the Federal Deposit Insurance Act (12
16 U.S.C. 1818(v)); and

17 (2) may each maintain an office to coordinate
18 foreign investigations or investigations on behalf of
19 foreign banking authorities.

20 (r) PROHIBITION ON ENTERING SECRECY AGREE-
21 MENTS AND PROTECTIVE ORDERS.—The Corporation
22 may not enter into any agreement or approve any protec-
23 tive order which prohibits the Corporation from disclosing
24 the terms of any settlement of an administrative or other
25 action for damages or restitution brought by the Corpora-

1 tion in its capacity as conservator or receiver for a pay-
 2 ment stablecoin issuer.

3 (s) AGENCIES MAY SHARE INFORMATION WITHOUT
 4 WAIVING PRIVILEGE.—

5 (1) IN GENERAL.—A covered agency, in any ca-
 6 pacity, shall not be deemed to have waived any privi-
 7 lege applicable to any information by transferring
 8 that information to or permitting that information
 9 to be used by—

10 (A) any other covered agency, in any ca-
 11 pacity; or

12 (B) any other agency of the Federal Gov-
 13 ernment (as defined in section 6 of title 18,
 14 United States Code).

15 (2) DEFINITIONS.—For purposes of this sub-
 16 section:

17 (A) COVERED AGENCY.—The term “cov-
 18 ered agency” means any of the following:

19 (i) Any Federal banking agency or
 20 State bank supervisor.

21 (ii) The Farm Credit Administration.

22 (iii) The Farm Credit System Insur-
 23 ance Corporation.

24 (iv) The National Credit Union Ad-
 25 ministration.

1 (v) The Government Accountability
2 Office.

3 (vi) The Bureau of Consumer Finan-
4 cial Protection.

5 (vii) The Federal Housing Finance
6 Agency.

7 (B) PRIVILEGE.—The term “privilege” in-
8 cludes any work-product, attorney-client, or
9 other privilege recognized under Federal or
10 State law.

11 (3) RULE OF CONSTRUCTION.—Paragraph (1)
12 shall not be construed as implying that any person
13 waives any privilege applicable to any information
14 because paragraph (1) does not apply to the transfer
15 or use of that information.

16 **SEC. 10. CONFORMING AMENDMENTS.**

17 (a) TITLE 11.—Section 109(b)(2) of title 11, United
18 States Code, is amended to read as follows:

19 “(2) a domestic insurance company, bank (as
20 defined in section 3 of the Federal Deposit Insur-
21 ance Act (12 U.S.C. 1813)), savings bank, coopera-
22 tive bank, savings and loan association, building and
23 loan association, depository institution, homestead
24 association, a New Markets Venture Capital com-
25 pany as defined in section 351 of the Small Business

1 Investment Act of 1958 (15 U.S.C. 689), a small
2 business investment company licensed by the Small
3 Business Administration under section 301 of the
4 Small Business Investment Act of 1958 (15 U.S.C.
5 681), credit union, payment stablecoin issuer (as de-
6 fined in section ____01 of the Lummis-Gillibrand
7 Payment Stablecoin Act), or industrial bank or simi-
8 lar institution that is an insured bank (as defined in
9 section 3(h) of the Federal Deposit Insurance Act
10 (12 U.S.C. 1813(h)); or”.

11 (b) FEDERAL DEPOSIT INSURANCE ACT.—Section
12 13(e)(1) of the Federal Deposit Insurance Act (12 U.S.C.
13 1823(e)(1)) is amended—

14 (1) in the matter preceding subparagraph (A),
15 by inserting “or a payment stablecoin issuer” after
16 “any insured depository institution”;

17 (2) in subparagraph (B), by inserting “or the
18 payment stablecoin issuer” after “the depository in-
19 stitution” each place it appears;

20 (3) in subparagraph (C), by striking the “the
21 depository institution or its loan committee” and in-
22 serting “the depository institution (or its loan com-
23 mittee) or a payment stablecoin issuer”; and

1 (4) in subparagraph (D), by inserting “or the
2 payment stablecoin issuer” after “the depository in-
3 stitution”.

4 **SEC. 11. ENFORCEMENT.**

5 (a) CIVIL ACTION.—The applicable payment
6 stablecoin regulator may bring an action in the appro-
7 priate district court of the United States, or the court of
8 any territory of the United States, to seek an order for
9 the enforcement of this Act and such court shall have ju-
10 risdiction and power to order and require compliance here-
11 with, including through injunctive relief.

12 (b) PROHIBITION ON UNAUTHORIZED PARTICIPA-
13 TION BY CONVICTED INDIVIDUALS.—

14 (1) IN GENERAL.—No person who has been
15 convicted of any criminal offense involving insider
16 trading, embezzlement, cybercrime, money laun-
17 dering, or financing of terrorism, or of felony finan-
18 cial fraud may serve as an executive officer or a per-
19 son with control of more than 5 percent of the
20 shares of a payment stablecoin issuer.

21 (2) WAIVER; EXCEPTIONS.—The Board shall
22 provide by rule a process to apply for a waiver of the
23 prohibition under paragraph (1) and may provide for
24 de minimis exceptions to the prohibition under such
25 paragraph that would not require a waiver.

1 (c) SUSPENSION OR REVOCATION.—The applicable
2 payment stablecoin regulator may prohibit a payment
3 stablecoin issuer from issuing payment stablecoins under
4 a registration or authorization if the regulator determines
5 that the payment stablecoin issuer, or an institution-affili-
6 ated party, is—

7 (1) violating or has violated an applicable law,
8 regulation, or order;

9 (2) violating or has violated any condition im-
10 posed in writing by the Comptroller, State bank su-
11 pervisor, or Board in connection with a written
12 agreement entered into between the payment
13 stablecoin issuer and the appropriate regulator or a
14 condition imposed in connection with any application
15 or other request; or

16 (3) operating in an unsafe or unsound manner.

17 (d) CEASE-AND-DESIST PROCEEDINGS.—If the appli-
18 cable payment stablecoin regulator has reasonable cause
19 to believe that a payment stablecoin issuer or any institu-
20 tion-affiliated party is violating or has violated this Act,
21 any rule or order issued pursuant to this Act, or any writ-
22 ten agreement entered into with the Comptroller, State
23 bank supervisor, or Board, or condition imposed in writing
24 in connection with any application or other request, the
25 applicable payment stablecoin regulator may, by provisions

1 that are mandatory or otherwise, order the payment
2 stablecoin issuer or institution-affiliated party of the pay-
3 ment stablecoin issuer to—

4 (1) cease and desist from such violation or
5 practice;

6 (2) take affirmative action to correct the condi-
7 tions resulting from any such violation or practice;
8 or

9 (3) take such other action, as determined to be
10 appropriate.

11 (e) REMOVAL AND PROHIBITION AUTHORITY.—The
12 applicable payment stablecoin regulator may remove an in-
13 stitution-affiliated party from their position or office or
14 prohibit further participation of the institution-affiliated
15 party in the affairs of the payment stablecoin issuer or
16 in the affairs of all payment stablecoin issuers if the appli-
17 cable payment stablecoin regulator determines that—

18 (1) the institution-affiliated party has, directly
19 or indirectly, committed a violation or attempted vio-
20 lation of this Act;

21 (2) the institution-affiliated party has com-
22 mitted a violation of any provision of sub-chapter II
23 of chapter 53 of title 31, United States Code; or

24 (3) the institution-affiliated party is otherwise
25 disqualified pursuant to subsection (b).

1 (f) ENFORCEMENT AND PENALTY AUTHORITIES
2 WITH RESPECT TO SAFETY AND SOUNDNESS.—With re-
3 spect to a payment stablecoin issuer, if the applicable pay-
4 ment stablecoin regulator has reasonable cause to believe
5 that the payment stablecoin issuer or an institution-affili-
6 ated party of the payment stablecoin issuer is engaging
7 or has engaged in an unsafe or unsound practice, the ap-
8 plicable payment stablecoin regulator shall have the same
9 authorities and responsibilities as the Federal Deposit In-
10 surance Corporation with respect to an insured depository
11 institution and an institution-affiliated party under section
12 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818).

13 (g) PROCEDURE.—

14 (1) NOTICE.—For each violation or attempted
15 violation of this Act, the applicable payment
16 stablecoin regulator shall provide notice to the pay-
17 ment stablecoin issuer and any institution-affiliated
18 party of the payment stablecoin issuer, which shall
19 include—

20 (A) a statement of facts constituting the
21 identified violation or attempted violation; and

22 (B) a notice of a hearing that will be held
23 with respect to the violation or attempted viola-
24 tion, including the time and place of the hear-

1 ing, that is set not less than 30 days after the
2 date of the notice.

3 (2) HEARING.—A hearing described in para-
4 graph (1) shall be held in a Federal judicial district
5 or in the territory in which the payment stablecoin
6 issuer or institution-affiliated party is located, unless
7 the issuer or institution-affiliated party consents to
8 another place, and shall be conducted in accordance
9 with the provisions of chapter 5 of title 5, United
10 States Code.

11 (3) WRITTEN DECISION.—Not later than 90
12 days after the applicable payment stablecoin regu-
13 lator has notified the parties that the case has been
14 submitted for a final decision, the applicable pay-
15 ment stablecoin regulator shall render a written de-
16 cision that includes a statement of the findings of
17 fact upon which the decision is predicated and shall
18 be served upon each party to the proceeding an
19 order or orders consistent with the provisions of this
20 section.

21 (4) ORDERS.—An order issued under this sub-
22 section shall—

23 (A) be effective as of the date set by the
24 appropriate payment stablecoin regulator after
25 the date of the decision, except in the case of

1 a cease-and-desist order issued upon consent,
2 which shall become effective at the time speci-
3 fied therein; and

4 (B) remain effective and enforceable as
5 provided in the order, except to such extent as
6 it is stayed, modified, terminated, or set aside
7 by the action of a regulator or a reviewing
8 court.

9 (5) APPEARANCE.—Unless a payment
10 stablecoin issuer or institution-affiliated party of
11 such issuer appears at the hearing, personally or by
12 a duly authorized representative, such issuer or
13 party shall be deemed to have consented to the sus-
14 pension or revocation of registration or authoriza-
15 tion, a cease-and-desist order, or removal, as appli-
16 cable.

17 (h) JUDICIAL REVIEW.—

18 (1) IN GENERAL.—With respect to a final order
19 under this section not issued by consent of a pay-
20 ment stablecoin issuer or an institution-affiliated
21 party, an aggrieved person may, not later than 30
22 days after the date of service of the order and writ-
23 ten decision, file a petition for review in an appro-
24 priate court of appeals of the United States, or in
25 the United States Court of Appeals for the District

1 of Columbia Circuit to request that the order be
2 modified, terminated, or set aside.

3 (2) TRANSMISSION OF THE RECORD.—Upon the
4 filing of a petition under paragraph (1) with the ap-
5 propriate court, the clerk of that court shall trans-
6 mit a copy of the petition to the applicable payment
7 stablecoin regulator which shall transmit to the
8 court the record of the proceeding relating to the pe-
9 tition, as provided in section 2112 of title 28, United
10 States Code.

11 (3) EXCLUSIVE JURISDICTION.—

12 (A) IN GENERAL.—Upon the filing of a pe-
13 tition under paragraph (1) with the appropriate
14 court, that court shall have exclusive jurisdic-
15 tion to—

16 (i) review the final action, as provided
17 in chapter 7 of title 5, United States Code;
18 and

19 (ii) affirm, modify, terminate, or set
20 aside, in whole or in part, the applicable
21 order.

22 (B) FINAL JUDGEMENT.—Except upon re-
23 view by the Supreme Court upon writ of certio-
24 rari, as provided in section 1254 of title 28,

1 United States Code, the judgment and decree of
2 the court is final.

3 (i) COMMENCEMENT OF PROCEEDINGS NOT TREAT-
4 ED AS A STAY.—

5 (1) IN GENERAL.—The commencement of pro-
6 ceedings for judicial review under subsection (h)
7 shall not, unless specifically ordered by the appro-
8 priate court, operate as a stay of any order.

9 (2) ENFORCEMENT.—The applicable payment
10 stablecoin regulator may, in its discretion, apply to
11 the appropriate United States district court or the
12 United States court of any territory, for the enforce-
13 ment of any effective and outstanding notice or
14 order issued under this section, and such court shall
15 have jurisdiction and power to order and require
16 compliance herewith, but, except as otherwise pro-
17 vided in this section, no court shall have jurisdiction
18 to affect by injunction or otherwise the issuance or
19 enforcement of any notice or order under this sec-
20 tion, or to review, modify, suspend, terminate, or set
21 aside any such notice or order.

22 (j) TEMPORARY CEASE AND DESIST PRO-
23 CEEDINGS.—

24 (1) IN GENERAL.—If the applicable payment
25 stablecoin regulator determines that a violation or

1 attempted violation identified under this section, or
2 the continuation thereof, is likely to cause a receiver-
3 ship, insolvency, or significant dissipation of assets
4 or earnings of a payment stablecoin issuer, or is
5 likely to weaken the condition of the payment
6 stablecoin issuer or otherwise prejudice the interests
7 of its customers prior to the completion of the pro-
8 ceedings conducted pursuant to subsection (h), the
9 applicable payment stablecoin regulator may issue a
10 temporary order requiring a payment stablecoin
11 issuer or institution-affiliated party to cease and de-
12 sist from any such violation or practice and to take
13 affirmative action to prevent or remedy such receiv-
14 ership, insolvency, dissipation, condition, or preju-
15 dice pending completion of such proceedings.

16 (2) EFFECTIVE DATE.—An order described
17 under paragraph (1) shall become effective upon
18 service on the payment stablecoin issuer or the insti-
19 tution-affiliated party and, unless set aside, limited,
20 or suspended by a court, remain effective and en-
21 forceable pending the completion of the administra-
22 tive proceedings pursuant to such notice and until
23 such time as the applicable payment stablecoin regu-
24 lator removes the suspension or the cease-and-desist
25 order has expired.

1 (k) JUDICIAL REVIEW.—Not later than 10 days after
2 the date a payment stablecoin issuer concerned or any in-
3 stitution-affiliated party has been served with a temporary
4 cease-and-desist order, the payment stablecoin issuer or
5 such party may apply to the appropriate United States
6 district court, or the United States District Court for the
7 District of Columbia, for an injunction setting aside, lim-
8 iting, or suspending the enforcement, operation, or effec-
9 tiveness of such order pending the completion of the ad-
10 ministrative proceeding pursuant to the notice of charges
11 served upon the payment stablecoin issuer or such party
12 under subsection (g)(4), and such court shall have juris-
13 diction to issue such injunction.

14 (l) ENFORCEMENT OF TEMPORARY CEASE AND DE-
15 SIST ORDERS.—In the case of a violation or attempted
16 violation of, or failure to obey, a temporary cease-and-de-
17 sist order issued pursuant to this section, the applicable
18 payment stablecoin regulator may apply to the appropriate
19 United States district court, or the United States court
20 of any territory, for an injunction to enforce such order,
21 and, if the court determines that there has been such vio-
22 lation or attempted violation or failure to obey, it shall
23 be the duty of the court to issue such injunction.

24 (m) FAILURE TO REGISTER OR BE AUTHORIZED.—
25 Any payment stablecoin issuer that fails to obtain the ap-

1 plicable registration or authorization under this Act, or an
2 institution-affiliated party that knowingly participates in
3 such a failure, shall be liable for a civil penalty of not more
4 than \$1,000,000 to the Board for each day during which
5 such failure continues. The Board may also seek appro-
6 priate relief under subsection (a) for failure of a payment
7 stablecoin issuer or other person to register or be author-
8 ized under section 6 or 7, as appropriate.

9 (n) FIRST TIER CIVIL MONETARY PENALTIES.—Ex-
10 cept as provided in subsection (m), a payment stablecoin
11 issuer or institution-affiliated party of such payment
12 stablecoin issuer that violates this Act or any rule or order
13 issued pursuant to this Act, or that violates any condition
14 imposed in writing in connection with a written agreement
15 entered into between the payment stablecoin issuer and
16 the applicable payment stablecoin regulator, or a condition
17 imposed in connection with any application or other re-
18 quest, shall be liable for a civil penalty of up to \$100,000
19 for each day during which the violation continues.

20 (o) SECOND TIER CIVIL MONETARY PENALTIES.—
21 Except as provided in subsection (m), a payment
22 stablecoin issuer or any institution-affiliated party of such
23 payment stablecoin issuer that knowingly participates in
24 a violation of any provision of this Act, or any rule or
25 order issued pursuant thereto, is liable for a civil penalty

1 of up to an additional \$100,000 for each day during which
2 the violation continues.

3 (p) CIVIL MONETARY PENALTY PROCEDURE.—

4 (1) ASSESSMENT AND COLLECTION.—Any civil
5 monetary penalty imposed under this section may be
6 assessed and collected by the applicable payment
7 stablecoin regulator by following the procedure set
8 forth under subsection (g).

9 (2) DEADLINE.—The applicable payment
10 stablecoin regulator may commence an action for a
11 civil penalty resulting from a violation of this Act at
12 any time before the end of the 6-year period begin-
13 ning on the date of such violation.

14 (q) ENFORCEMENT OF CIVIL MONETARY PEN-
15 ALTIES.—

16 (1) IN GENERAL.—If a payment stablecoin
17 issuer or institution-affiliated party fails to pay a
18 civil monetary penalty assessed under this section,
19 the applicable payment stablecoin regulator shall re-
20 cover the amount assessed by action in the appro-
21 priate United States district court. The validity and
22 appropriateness of a civil monetary penalty assessed
23 under this section shall not be subject to review.

24 (2) RESTRAINING ORDER.—In any action
25 brought pursuant to this subsection, or in an action

1 brought in aid of, or to enforce an order in, any ad-
 2 ministrative or other civil action for money damages,
 3 restitution, or civil money penalties, the court may,
 4 upon application, issue a restraining order that—

5 (A) prohibits any person subject to the
 6 proceeding from withdrawing, transferring, re-
 7 moving, dissipating, or disposing of any assets;
 8 and

9 (B) appoints a temporary receiver to ad-
 10 minister the restraining order.

11 (r) NOTICE UNDER THIS SECTION AFTER SEPARA-
 12 TION FROM SERVICE.—The resignation, termination of
 13 employment or participation, or separation of an institu-
 14 tion-affiliated party (including a separation caused by the
 15 closing of a payment stablecoin issuer) shall not affect the
 16 jurisdiction and authority of the applicable payment
 17 stablecoin regulator to issue any notice or order and pro-
 18 ceed under this section against any such party, if such
 19 notice or order is served before the end of the 6-year pe-
 20 riod beginning on the date such party ceased to be an in-
 21 stitution-affiliated party with respect to the payment
 22 stablecoin issuer.

23 (s) EXERCISE OF AUTHORITY.—

24 (1) IN GENERAL.—In exercising authority
 25 under this section with respect to a depository insti-

1 tution that issues a payment stablecoin under sec-
2 tion 7 of this Act, the Comptroller or State bank su-
3 pervisor, as applicable, and the Board shall endeavor
4 to act jointly whenever possible.

5 (2) CONSULTATION.—

6 (A) INITIAL CONSULTATION REQUIRED.—

7 Prior to opening an investigation, beginning the
8 process of an enforcement action or exercising
9 other authority under this section, the applica-
10 ble payment stablecoin regulator shall provide
11 notice and consult with the other applicable reg-
12 ulator relating to the necessity and scope of the
13 action.

14 (B) EXERCISE OF AUTHORITY.—After an

15 initial consultation under this paragraph, the
16 applicable payment stablecoin regulator may ex-
17 ercise authority independently under this sec-
18 tion, but shall keep the other applicable regu-
19 lator reasonably informed about the progress of
20 the action and shall provide not less than 7
21 days' prior notice of the timing and scope of the
22 final action.

23 **SEC. 12. INTEROPERABILITY STANDARDS.**

24 The Board, in consultation with the Comptroller,
25 State bank supervisors, the National Institute of Stand-

ards and Technology and other relevant standard setting organizations, shall assess and, if necessary, may, pursuant to section 553 of title 5, United States Code, and in a manner consistent with the utilization of consensus technical standards under section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note), prescribe standards for payment stablecoin issuers and payment stablecoin service providers to promote compatibility and interoperability among payment stablecoin systems and between payment stablecoin systems and other payment systems, including mandatory or minimum technical or legal specifications that enable participants in one payment system to clear and settle payments across payment systems without participating directly in multiple payment systems.

SEC. 13. RESERVATION OF AUTHORITY.

(a) LIMITATION OF AUTHORITY.—Nothing in this Act shall limit the authority of the Board, Comptroller, State bank supervisors, the Secretary of the Treasury, the Bureau of Consumer Financial Protection, the Securities and Exchange Commission, or the Commodity Futures Trading Commission under any provision of law with respect to any person subject to this Act.

(b) EFFECT ON STATE LAWS.—The provisions of this Act and rules issued pursuant to this Act shall not pre-

1 empt a law of a State except to the extent such law con-
2 flicts with the provisions of this Act, and then only to the
3 extent of such conflict.

4 (c) ANTITRUST SAVINGS CLAUSE.—Nothing in this
5 Act shall be construed to modify, impair, or supersede the
6 operation of any of the Federal antitrust laws, as defined
7 in subsection (a) of the first section of the Clayton Act
8 (15 U.S.C. 12(a)) or statutes proscribing unfair or decep-
9 tive acts or practices, as defined in section 5(a)(4) of the
10 Federal Trade Commission Act (15 U.S.C. 45(a)(4)).

11 (d) INSURED DEPOSITORY INSTITUTION SAVINGS
12 CLAUSE.—Nothing in this Act shall be construed to limit
13 the authority of an insured depository institution (as de-
14 fined in section 3 of the Federal Deposit Insurance Act
15 (12 U.S.C. 1813)) to engage in activities permissible pur-
16 suant to applicable State and Federal law, including ac-
17 cepting or receiving deposits and issuing crypto assets that
18 represent, and have the same legal standing as, deposits,
19 or to limit the authority of the Federal banking agencies
20 to interpret or establish limitations and conditions on such
21 activities.

22 **SEC. 14. ACCOUNTING TREATMENT OF CUSTODIAL ASSETS.**

23 Crypto assets properly held in a custodial account
24 shall not be considered assets or liabilities of the custodian
25 for any purpose and shall be maintained on an off-balance

1 sheet basis, including for the purpose of accounting treat-
 2 ment for the custodian, notwithstanding the form in which
 3 the assets are maintained, and for the purposes of the cap-
 4 ital calculations of depository institutions and all other fi-
 5 nancial institutions.

6 **SEC. 15. EFFECTIVE DATE; IMPLEMENTATION AND RULES.**

7 (a) **EFFECTIVE DATE.**—This Act shall take effect on
 8 the earlier of—

9 (1) the date that is 540 days after the date of
 10 enactment of this Act; or

11 (2) the date that is 90 days after the date on
 12 which the Board—

13 (A) issues final rules implementing this
 14 Act; and

15 (B) notifies Congress and the public that
 16 final rules have been issued.

17 (b) **TRANSITIONAL PROVISIONS FOR EXISTING NON-**
 18 **DEPOSITORY INSTITUTIONS.**—

19 (1) **APPLICATION PRIORITY.**—An application
 20 for authorization under this Act of a State non-de-
 21 pository trust company, or the holder of a State li-
 22 cense that only persons engaged in crypto asset ac-
 23 tivities may obtain, which was chartered or issued
 24 under the laws of a State and granted permission by
 25 its regulator to issue payment stablecoins before

1 May 1, 2024, shall be approved by the Board before
2 an application from another entity that is filed on or
3 after May 1, 2024.

4 (2) APPROVAL.—An application described in
5 paragraph (1), shall be approved unless the Board
6 finds, by unanimous vote of all members, that the
7 non-depository institution is unlikely to come into
8 compliance with the requirements of section 6(b) not
9 later than 1 year after the effective date of this Act
10 under subsection (a).

11 (3) ISSUANCE PERMITTED.—A State non-depos-
12 itory trust company or holder of a State license to
13 which this subsection applies may continue with
14 issuance, redemption and other similar activities re-
15 lating to a payment stablecoin under this subsection
16 under this subsection until its application is ap-
17 proved or denied by the Board.

18 (c) TRANSITIONAL PROVISIONS FOR EXISTING DE-
19 POSITORY INSTITUTIONS.—

20 (1) APPLICATION PRIORITY.—The application
21 of a depository institution for authorization to be-
22 come a national payment stablecoin issuer under
23 section 7 of this Act, which was chartered and
24 granted permission by its regulator to issue payment
25 stablecoins before May 1, 2024, shall be decided

1 upon by the Board before any other application for
2 authorization to become a national payment
3 stablecoin issuer which is filed on or after May 1,
4 2024.

5 (2) DEEMED APPROVED.—The application de-
6 scribed in paragraph (1) shall be deemed approved
7 unless the Board finds, by unanimous vote of all
8 members, that the depository institution is unlikely
9 to come into compliance with the requirements of
10 section 7(b) not later than 1 year after the date of
11 enactment of this Act.

12 (3) ISSUANCE PERMITTED.—A depository insti-
13 tution to which this subsection applies may continue
14 with issuance, redemption and other similar activi-
15 ties relating to a payment stablecoin under this sub-
16 section until its application is approved or denied by
17 the Board.

18 (d) FINDINGS RELATING TO CERTAIN ACTIVITIES.—
19 Congress finds the following:

20 (1) In determining whether an activity is finan-
21 cial in nature under the Bank Holding Company Act
22 (12 U.S.C. 1841 et seq.), Congress has required the
23 Board under such Act to—

1 (A) consider changes or reasonably ex-
2 pected changes in the marketplace in which fi-
3 nancial companies compete;

4 (B) consider changes or reasonably ex-
5 pected changes in the technology for delivering
6 financial services; and

7 (C) consider the ability of financial compa-
8 nies to compete effectively and efficiently to de-
9 liver information and services that are financial
10 in nature through the use of technological
11 means, including any application necessary to
12 protect the security or efficacy of systems for
13 the transmission of data or financial trans-
14 actions.

15 (2) Lending, exchanging, transferring, investing
16 for others, and safeguarding money and crypto as-
17 sets, and activities incidental to these functions, are
18 analogous to similar activities permissible for banks
19 under the Bank Holding Company Act (12 U.S.C.
20 1841 et seq.).

21 (3) The activities described in paragraph (2)
22 shall be deemed financial in nature, or incidental to
23 a financial activity, under the Bank Holding Com-
24 pany Act (12 U.S.C. 1841 et seq.) for purposes of
25 section 5 of this Act.

1 (e) REPORT ON RULEMAKING STATUS.—Not later
2 than 180 days after the effective date of this Act under
3 subsection (a), the Board shall submit to the Committee
4 on Banking, Housing, and Urban Affairs of the Senate
5 and the Committee on Financial Services of the House of
6 Representatives a status update on the development of the
7 rulemaking under this Act.

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