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STABLECOIN TRANSPARENCY AND ACCOUNTABILITY FOR A BETTER LEDGER ECONOMY ACT OF 2025

MAY 6, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 2392]

The Committee on Financial Services, to whom was referred the bill (H.R. 2392) to provide for the regulation of payment stablecoins, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

59–006

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Stablecoin Transparency and Accountability for a Better Ledger Economy Act of 2025" or the "STABLE Act of 2025".

SEC. 2. DEFINITIONS.

In this Act:

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term "appropriate Federal banking agency" has the meaning given that term under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(2) BANK SECRECY ACT.—The term "Bank Secrecy Act" means—

(A) section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

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

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

(3) BOARD.—The term "Board" means the Board of Governors of the Federal Reserve System.

(4) COMPTROLLER.—The term "Comptroller" means the Comptroller of the Currency.

(5) CORPORATION.—The term "Corporation" means the Federal Deposit Insurance Corporation.

(6) CREDIT UNION TERMS.—The terms "Federal credit union", "insured credit union", and "State credit union" have the meanings given those terms, respectively, in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(7) DIGITAL ASSET.—The term "digital asset" means any digital representation of value which is recorded on a cryptographically-secured distributed ledger.

(8) DISTRIBUTED LEDGER.—The term "distributed ledger" means technology where data is shared across a network that creates a public digital ledger of verified transactions or information among network participants and the data is linked using cryptography to maintain the integrity of the public digital ledger and execute other functions.

(9) FEDERAL QUALIFIED NONBANK PAYMENT STABLECOIN ISSUER.—The term "Federal qualified nonbank payment stablecoin issuer" means a subsidiary of a nonbank entity approved by the primary Federal payment stablecoin regulator, pursuant to section 5, to issue payment stablecoins.

(10) INSTITUTION-AFFILIATED PARTY.—With respect to a permitted payment stablecoin issuer, the term "institution-affiliated party" means any director, officer, employee, or person in control of, or agent for, the permitted payment stablecoin issuer.

(11) INSURED DEPOSITORY INSTITUTION.—The term "insured depository institution" means—

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

(B) an insured credit union.

(12) MONETARY VALUE.—The term "monetary value"—

(A) means—

(i) a national currency;

(ii) a deposit (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) that is denominated in a national currency; or

(iii) an account (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)); and

(B) does not include any agricultural or other physical commodity (as defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a)).

(13) NATIONAL CURRENCY.—The term "national currency" means a Federal Reserve note (as the term is used in the first undesignated paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 411)), money standing to the credit of an account with a Federal reserve bank, money issued by a central bank, and money issued by an intergovernmental organization pursuant to an agreement by one or more governments.

(14) NONBANK ENTITY.—The term "nonbank entity" means a person that is not an insured depository institution or subsidiary of an insured depository institution.

(15) PAYMENT STABLECOIN.—The term "payment stablecoin" means a digital asset—

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

(B) that is denominated in a national currency;

(C) the issuer of which—

(i) is obligated to convert, redeem, or repurchase for a fixed amount of monetary value; or

(ii) represents that the digital asset will maintain or creates the reasonable expectation that the digital asset will maintain a stable value relative to the value of a fixed amount of monetary value; and

(D) that is not—

(i) a national currency;

(ii) a security issued by—

(I) an investment company registered under section 8(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–8(a)); or

(II) a person that would be an investment company under the Investment Company Act of 1940 but for paragraphs (1) and (7) of section 3(c) of that Act (15 U.S.C. 80a-3(c));

(iii) a deposit (as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)), regardless of the technology used to record such deposit; or

(iv) an account (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)), regardless of the technology used to record such account.

(16) PERMITTED PAYMENT STABLECOIN ISSUER.—The term "permitted payment stablecoin issuer" means—

(A) a subsidiary of an insured depository institution that has been approved to issue payment stablecoins under section 5;

(B) a Federal qualified nonbank payment stablecoin issuer; or

(C) a State qualified payment stablecoin issuer.

(17) PERSON.—The term "person" means an individual, partnership, company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity.

(18) PRIMARY FEDERAL PAYMENT STABLECOIN REGULATOR.—

(A) IN GENERAL.—The term "primary Federal payment stablecoin regulator" means—

(i) with respect to an insured depository institution (other than an insured credit union) or a subsidiary of an insured depository institution (other than an insured credit union), the appropriate Federal banking agency of such insured depository institution;

(ii) with respect to an insured credit union or a subsidiary of an insured credit union, the National Credit Union Administration;

(iii) with respect to a Federal qualified nonbank payment stablecoin issuer and any nonbank entity that seeks to have a subsidiary approved as a Federal qualified nonbank payment stablecoin issuer, the Comptroller; and

(iv) with respect to any entity chartered by the Comptroller, the Comptroller.

(B) PRIMARY FEDERAL PAYMENT STABLECOIN REGULATORS.—The term "primary Federal payment stablecoin regulators" means the Comptroller, the Board, the Corporation, and the National Credit Union Administration.

(19) REGISTERED PUBLIC ACCOUNTING FIRM.—The term "registered public accounting firm" has the meaning given that term under section 2 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7201).

(20) STATE.—The term "State" means each of the several States, the District of Columbia, and each territory of the United States.

(21) STATE QUALIFIED PAYMENT STABLECOIN ISSUER.—The term "State qualified payment stablecoin issuer" means an entity that—

(A) is approved to issue payment stablecoins by a State payment stablecoin regulator;

(B) issues a payment stablecoin in compliance with the laws and regulations of a State regulatory regime certified under section 4(b); and

(C) is not—

(i) chartered by the Comptroller;

(ii) a Federal credit union; or

(iii) a subsidiary of a State credit union that—

(I) has at least a partial ownership interest or loan from a Federal credit union; or

(II) has at least a partial ownership interest or loan from a State credit union that is organized in a different State than such subsidiary.

(22) STATE PAYMENT STABLECOIN REGULATOR.—The term "State payment stablecoin regulator" means—

(A) a State agency that has primary regulatory and supervisory authority in such State over entities that issue payment stablecoins; and

(B) with respect to a State qualified payment stablecoin issuer that is a subsidiary of a State-chartered depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) or a State credit union, the State agency that has primary regulatory and supervisory authority over entities that issue payment stablecoins in the State in which such State-chartered depository institution or State credit union is chartered.

(23) SUBSIDIARY OF AN INSURED CREDIT UNION.—With respect to an insured credit union, the term "subsidiary of an insured credit union" means—

(A) an organization providing services to the insured credit union that are associated with the routine operations of credit unions, as described under section 107(7)(I) of the Federal Credit Union Act (12 U.S.C. 1757(7)(I));

(B) a credit union service organization, as such term is used under part 712 of title 12, Code of Federal Regulations, with respect to which the insured credit union has an ownership interest or to which the insured credit union has extended a loan; and

(C) any subsidiary of the insured credit union that is a State credit union.

SEC. 3. LIMITATION ON WHO MAY ISSUE A PAYMENT STABLECOIN.

(a) LIMITATION ON ISSUERS.—It shall be unlawful for any person other than a permitted payment stablecoin issuer to issue a payment stablecoin in the United States.

(b) LIMITATION ON OFFERING OR SELLING.—

(1) IN GENERAL.—After the end of the 18-month period beginning on the date of enactment of this Act, it shall be unlawful for any custodial intermediary to offer or sell a payment stablecoin in the United States unless the payment stablecoin was issued by a permitted payment stablecoin issuer.

(2) EXCEPTIONS FOR COMPARABLE PAYMENT STABLECOIN REGIMES.—

(A) IN GENERAL.—Paragraph (1) and subsection (a) shall not apply to the offer or sale of a payment stablecoin if—

(i) the payment stablecoin was issued by a foreign payment stablecoin issuer;

(ii) the foreign payment stablecoin issuer is subject to regulation by a foreign payment stablecoin regulator of a nation with a payment stablecoin regulatory regime that the Secretary of the Treasury determines under subparagraph (B) is comparable to the requirements under this Act; and

(iii) the foreign payment stablecoin issuer consents to be subject to reporting and examination requirements, as determined by—

(I) the Comptroller, if the foreign payment stablecoin issuer is a nonbank; or

(II) the Board, if the foreign payment stablecoin issuer is a banking institution or subsidiary thereof.

(B) DETERMINATION.—With respect to a foreign nation, the Secretary of the Treasury shall determine, upon request of a foreign payment stablecoin issuer, a foreign payment stablecoin regulator, or on the Secretary's own initiative, and in consultation with the Federal payment stablecoin regulators, whether the payment stablecoin regulatory regime of such nation is comparable to the requirements under this Act.

(C) PUBLIC NOTICE.—The Secretary shall make the list of nations for which a determination has been made under subparagraph (B) available to the public, and keep such list current.

(D) RESCINDING DETERMINATIONS.—

(i) SECRETARIAL ACTION.—The Secretary may, in consultation with the primary Federal payment stablecoin regulators, rescind a determination made under subparagraph (B) with respect to a foreign nation, if the Secretary determines that the regulatory regime of such nation is no longer comparable to the requirements under this Act.

(ii) SAFEHARBORS.—If the Secretary rescinds a determination pursuant to clause (i), a custodial intermediary shall not be in violation of this subsection by reason of the offer or sale of a payment stablecoin issued by such nation's foreign payment stablecoin issuer until 90 days after the determination is rescinded.

(3) PENALTY.—Any person who violates this subsection shall be subject to a civil penalty of not more than $100,000 for each day during which such violation continues.

(c) RULEMAKING.—Not later than 12 months after the date of enactment of this Act, the Secretary shall issue such rules as may be required to carry out this section.

(d) RULE OF CONSTRUCTION.—This section does not apply to transactions in digital assets for an individual's own lawful purposes by means of a software or hardware wallet that facilitates such individual's own custody of digital assets.

SEC. 4. REQUIREMENTS FOR ISSUING PAYMENT STABLECOINS.

(a) STANDARDS FOR THE ISSUANCE OF PAYMENT STABLECOINS.—

(1) IN GENERAL.—Each permitted payment stablecoin issuer shall—

(A) maintain reserves backing the issuer's outstanding payment stablecoins on an at least 1 to 1 basis, with reserves comprising—

(i) United States currency (including Federal reserve notes) or money standing to the credit of an account with a Federal reserve bank;

(ii) funds held as demand deposits (or other deposits that may be withdrawn upon request at any time) at insured depository institutions (including foreign branches and agencies of insured depository institutions) or approved foreign depository institutions (as determined in paragraph (5)(A)(v)) or share drafts (or other deposits that may be withdrawn upon request at any time) at insured credit unions, subject to limitations established by the Corporation and the National Credit Union Administration, respectively, to address safety and soundness risks of such insured depository institutions;

(iii) Treasury bills, notes, or bonds—

(I) with a remaining maturity of 93 days or less; or

(II) issued with a maturity of 93 days or less;

(iv) repurchase agreements, wherein the permitted payment stablecoin issuer is acting as a seller of securities, or reverse repurchase agreements, wherein the permitted payment stablecoin issuer is acting as a purchaser of securities, with an overnight maturity and that are backed by Treasury bills with a maturity of 93 days or less that are—

(I) centrally cleared through a clearing agency registered with the Securities and Exchange Commission; or

(II) bilateral, settling either through delivery versus payment or through a tri-party control account, with a counterparty that the issuer has determined to be adequately credit worthy even in the event of severe market stress; or

(v) securities issued by an investment company under section 8(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-8) that operates as a money market fund in compliance with Rule 2a-7 under the Investment Company Act of 1940 (or any successor rule) and that are invested solely in the underlying assets described in clauses (i) through (iv);

(B) publicly disclose the issuer's redemption policy;

(C) establish procedures for timely redemption of the issuer's outstanding payment stablecoins; and

(D) publish a report on the monthly composition of the issuer's reserves on the website of the issuer, containing—

(i) the total number of outstanding payment stablecoins issued by the issuer; and

(ii) the amount and composition of the reserves described under subparagraph (A).

(2) ELIGIBILITY.—Nothing in this Act shall be construed as expanding or contracting legal eligibility to make deposits, or hold an account, at a Federal reserve bank.

(3) PROHIBITION ON REHYPOTHECATION.—Reserves described under paragraph (1)(A) may not be pledged, rehypothecated, or reused, except for the purpose of satisfying obligations associated with reserves described under paragraph (1)(A)(iv).

(4) MONTHLY CERTIFICATION; EXAMINATION OF REPORTS BY REGISTERED PUBLIC ACCOUNTING FIRM.—

(A) IN GENERAL.—A permitted payment stablecoin issuer shall, each month, have the information disclosed in the previous month-end report required under paragraph (1)(D) examined by an independent registered public accounting firm.

(B) CERTIFICATION.—Each month, the Chief Executive Officer and Chief Financial Officer of a permitted payment stablecoin issuer shall submit to, as applicable, the primary Federal payment stablecoin regulator or, in the case of a State qualified payment stablecoin issuer, the State payment stablecoin regulator, a certification that, based on such officers' knowledge, the previous month-end report required under paragraph (1)(D)—

(i) does not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading; and

(ii) fairly presented in all material respects the information required under paragraph (1)(D) for the period presented in such report.

(C) CRIMINAL PENALTIES.—Whoever—

(i) submits a certification set forth in subparagraph (B) knowing that the report to which the certification relates does not fairly present, in all material respects, the information required to be contained in such report shall be fined not more than $1,000,000 or imprisoned not more than 10 years, or both; or

(ii) willfully submits a certification set forth in subparagraph (B) knowing that the report to which the certification relates does not fairly present, in all material respects, the information required to be contained in such report shall be fined not more than $5,000,000, or imprisoned not more than 20 years, or both.

(5) CAPITAL, LIQUIDITY, RISK MANAGEMENT, AND OTHER REQUIREMENTS.—

(A) IN GENERAL.—The primary Federal payment stablecoin regulators shall, jointly and in consultation with the State payment stablecoin regulators, issue rules to establish—

(i) capital requirements applicable to a permitted payment stablecoin issuer that—

(I) are tailored to the business model and risk profile of a permitted payment stablecoin issuer;

(II) do not exceed requirements which are sufficient to ensure the ongoing operations of a permitted payment stablecoin issuer; and

(III) if such regulators determine that a capital buffer is necessary to ensure the ongoing operations of a permitted payment stablecoin issuer, may include capital buffers that are tailored to the business model and risk profile of a permitted payment stablecoin issuer;

(ii) requirements implementing liquidity standards applicable to reserves described in paragraph (1) for a permitted payment stablecoin issuer, which may not exceed an amount that is sufficient to ensure the financial integrity of a permitted payment stablecoin issuer and the ability of the issuer to meet the financial obligations of the issuer, including redemptions;

(iii) reserve asset diversification and interest rate risk management standards applicable to a permitted payment stablecoin issuer that—

(I) are tailored to the business model and risk profile of a permitted payment stablecoin issuer; and

(II) do not exceed standards which are sufficient to ensure the ongoing operations of a permitted payment stablecoin issuer; and

(iv) appropriate operational, compliance, information technology, and cybersecurity risk management standards that are tailored to the business model and risk profile of a permitted payment stablecoin issuer; and

(v) requirements regarding the approval of foreign depository institutions that may hold demand deposits of a permitted payment stablecoin issuer.

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed to limit—

(i) the authority of the primary Federal payment stablecoin regulators, in prescribing standards under this paragraph, to tailor or differentiate among permitted payment stablecoin issuers on an individualized basis or by category, taking into consideration the capital structure, business model risk profile, complexity, financial activities, size, and any other risk related factors of permitted payment stablecoin issuers that the primary Federal payment stablecoin regulators determine appropriate; or

(ii) the supervisory, regulatory, or enforcement authority of a Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) or the National Credit Union Administration to further the ability of an institution under the supervision of the Federal banking agency or the National Credit Union Administration to maintain safe and sound operations or comply with this Act.

(C) APPLICABILITY OF EXISTING CAPITAL STANDARDS.—

(i) APPLICABILITY OF THE FINANCIAL STABILITY ACT OF 2010.—Section 171 of the Financial Stability Act of 2010 (12 U.S.C. 5371) shall not apply to requirements issued under this paragraph.

(ii) RULES RELATING TO LEVERAGE CAPITAL REQUIREMENTS OR RISK-BASED CAPITAL REQUIREMENTS.—Where an insured depository institution or depository institution holding company, as defined under section 171(a)(3) of the Financial Stability Act of 2010 (12 U.S.C. 5371(a)(3)), includes, on a consolidated basis, a permitted payment stablecoin issuer, any rule issued by an appropriate Federal banking agency that imposes, on a consolidated basis, a leverage capital requirement or risk-based capital requirement on such insured depository institution or depository institution holding company, shall not require such insured depository institution or depository institution holding company to hold, with respect to the permitted payment stablecoin issuer and its assets and operations, any amount of regulatory capital in excess of the capital that such permitted payment stablecoin issuer must maintain under the capital requirements promulgated pursuant to subparagraph (A)(i).

(iii) RULEMAKING.—Not later than the date the primary Federal payment stablecoin regulators issue regulations to carry out this section, each Federal banking agency, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813), shall amend or otherwise modify any rule described in clause (ii) so that it complies with such clause (ii).

(6) TREATMENT UNDER THE BANK SECRECY ACT.—

(A) IN GENERAL.—A permitted payment stablecoin issuer shall be treated as a financial institution for purposes of the Bank Secrecy Act.

(B) REGULATIONS.—The Secretary of the Treasury, acting through the Director of the Financial Crimes Enforcement Network, and in consultation with the primary Federal payment stablecoin regulators, shall issue regulations to apply the Bank Secrecy Act to permitted payment stablecoin issuers that are tailored to the size and complexity of such issuers, including by requiring each permitted payment stablecoin issuer to—

(i) establish and maintain an anti-money laundering and countering the financing of terrorism program, which shall include—

(I) an appropriate risk assessment;

(II) the development of internal policies, procedures, and controls;

(III) the designation of a compliance officer;

(IV) an ongoing employee training program; and

(V) an independent audit function to test such program;

(ii) retain appropriate records of payment stablecoin transactions;

(iii) monitor and report suspicious activity, which may include use of appropriate distributed ledger analytics; and

(iv) maintain an effective customer identification program to identify and verify initial holders of a payment stablecoin for the purposes of carrying out appropriate customer due diligence.

(7) COMPLIANCE WITH SANCTIONS.—A permitted payment stablecoin issuer shall comply with all laws and regulations related to United States sanctions administered by the Office of Foreign Assets Control.

(8) LIMITATION ON PAYMENT STABLECOIN ACTIVITIES.—A permitted payment stablecoin issuer may only—

(A) issue payment stablecoins;

(B) redeem payment stablecoins;

(C) manage related reserves (including purchasing, selling, and holding reserve assets);

(D) provide custodial or safekeeping services for payment stablecoins and private keys of payment stablecoins;

(E) provide custodial or safekeeping services for reserves, consistent with this Act;

(F) undertake other functions that directly support activities described in subparagraphs (A) through (E); and

(G) undertake such non-payment stablecoin activities that are allowed by the primary Federal payment stablecoin regulator.

(9) PROHIBITION ON YIELD.—A permitted payment stablecoin issuer may not pay interest or yield to holders of its payment stablecoins.

(10) REGULATION OF FEDERAL QUALIFIED NONBANK PAYMENT STABLECOIN ISSUERS BY THE COMPTROLLER.—A Federal qualified nonbank payment stablecoin issuer shall be regulated and supervised exclusively by the Comptroller.

(b) STATE-LEVEL REGULATORY REGIMES.—

(1) IN GENERAL.—A State qualified payment stablecoin issuer may only issue payment stablecoins pursuant to the regulation of a State payment stablecoin regulator of a State with a regulatory regime for issuing payment stablecoins that is certified under this subsection as meeting or exceeding the standards and requirements described in subsection (a).

(2) CERTIFICATION.—

(A) IN GENERAL.—Beginning on the date that is 1 year after the date of enactment of this Act or 60 days after the rulemaking described in subsection (d) is completed, whichever is earlier, a State payment stablecoin regulator may submit to the Secretary of the Treasury a certification that the regulatory regime of the State for issuing payment stablecoins meets or exceeds the standards and requirements described in subsection (a).

(B) VALIDITY OF CERTIFICATION.—A certification under subparagraph (A) shall be valid upon submission and remain valid unless the Secretary of the Treasury rejects the certification under paragraph (6).

(3) FORM OF CERTIFICATION.—A certification described under paragraph (2)—

(A) shall contain an attestation that the regulatory regime of the State for issuing payment stablecoins meets or exceeds the standards and requirements described in subsection (a); and

(B) may include supporting information, such as a copy of any State law or regulation implementing such standards and requirements.

(4) REPORT AND ATTESTATION.—

(A) IN GENERAL.—A State payment stablecoin regulator with a valid certification under this subsection that has made subsequent material changes to its State regulatory regime and wishes to maintain a valid certification shall submit to the Secretary of the Treasury an explanation of all such material changes.

(B) FORM OF MATERIAL CHANGES EXPLANATION.—With respect to a State payment stablecoin regulator that submits an explanation of material changes to the State regulatory regime under subparagraph (A), the payment stablecoin regulator shall make such explanation in the same manner, and containing the same attestation, as described under paragraph (3) for a certification.

(5) ADVISORY OPINIONS ON PROPOSED LAWS OR REGULATIONS.—Upon request of any State payment stablecoin regulator, the Secretary of the Treasury shall—

(A) review any proposed law or regulation of the State provided by the State payment stablecoin regulator; and

(B) not later than 30 days after being provided the proposed law or regulation, either—

(i) inform the State payment stablecoin regulator that the proposed law or regulation is consistent with a State regulatory regime for issuing payment stablecoins that meets or exceeds the standards and requirements described in subsection (a); or

(ii) provide the State payment stablecoin regulator with a detailed explanation of why the proposed law or regulation is not consistent with a State regulatory regime for issuing payment stablecoins that meets or exceeds the standards and requirements described in subsection (a).

(6) REGIMES THAT ARE NOT SUBSTANTIALLY SIMILAR.—

(A) IN GENERAL.—The Secretary of the Treasury may reject a certification under paragraph (2) or a certification with respect to which a State payment stablecoin regulator has submitted an explanation of material changes under paragraph (4), if the Secretary, not later than 30 days after the date on which the initial certification or explanation of material changes is submitted—

(i) determines that the State regulatory regime does not meet or exceed the standards and requirements described in subsection (a); and

(ii) provides the State payment stablecoin regulator with a written explanation for the rejection, describing the reasoned basis for the rejection with sufficient detail such that the State can bring the State regulatory regime into compliance based on the explanation.

(B) OPPORTUNITY TO CURE.—

(i) IN GENERAL.—With respect to a rejection described under subparagraph (A), the Secretary of the Treasury shall provide the State payment stablecoin regulator with not less than a 180-day period from the date on which the State payment stablecoin regulator is notified of such rejection to—

(I) make such changes as may be necessary to ensure the regulatory regime of the State for issuing payment stablecoins meets or

exceeds the standards and requirements described in subsection (a); and

(II) resubmit the certification or explanation of material changes.

(ii) REJECTION.—If, after a State payment stablecoin regulator makes changes described under clause (i) during the period described in clause (i), the Secretary of the Treasury determines that the certification should be rejected, the Secretary of the Treasury shall, not later than 30 days after such determination, provide the State payment stablecoin regulator with a written explanation for the determination, describing the reasoned basis for the determination with sufficient detail such that the State can bring its regime into compliance based on the explanation.

(C) APPEAL OF REJECTION.—

(i) IN GENERAL.—A State payment stablecoin regulator that has had a certification rejected under this paragraph may, after the cure period described under subparagraph (B)(i), appeal such rejection to the United States Court of Appeals for the District of Columbia Circuit, which shall, upon a determination that the regulatory regime of the State for issuing payment stablecoins meets or exceeds the standards and requirements described in subsection (a), reverse such rejection.

(ii) REVIEW BY THE SUPREME COURT.—The judgment and decree of the Court of Appeals shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28, United States Code.

(D) RIGHT TO RESUBMIT.—A State payment stablecoin regulator that has had a certification rejected under this paragraph may resubmit a new certification under paragraph (2).

(7) APPROPRIATE EXEMPTIVE RELIEF.—The Secretary of the Treasury shall issue such rules and orders as are necessary to provide appropriate exemptive relief and safe harbors for State qualified payment stablecoin issuers to continue operations during such periods in which any rules promulgated pursuant to subsection (a) materially affect a previously certified State regulatory regime's ability to meet or exceed the standards and requirements described in subsection (a).

(c) NOT INSURED BY THE FEDERAL GOVERNMENT; MISREPRESENTATION OF INSURED STATUS.—

(1) IN GENERAL.—Payment stablecoins are not backed by the full faith and credit of the United States, guaranteed by the United States Government, subject to deposit insurance by the Corporation, or subject to share insurance by the National Credit Union Administration.

(2) MISREPRESENTATION OF INSURED STATUS.—It shall be unlawful to represent that a payment stablecoin is backed by the full faith and credit of the United States, guaranteed by the United States Government, or subject to Federal deposit insurance or Federal share insurance.

(3) DISCLOSURE.—Permitted payment stablecoin issuers shall clearly and prominently disclose on their website that payment stablecoins issued by such permitted payment stablecoin issuer are not guaranteed by the United States Government, covered by deposit insurance by the Federal Deposit Insurance Corporation, or covered by share insurance of the National Credit Union Administration.

(4) PENALTIES.—Any person who violates this subsection may be prosecuted to the fullest extent of the law, including, as applicable, under—

(A) section 18(a)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1828(a)(4); relating to the prohibition on false advertising in connection with deposit insurance, the misuse of FDIC names, and misrepresentations of insured status);

(B) section 709 of title 18, United States Code (relating to false advertising or misuse of names to indicate a Federal agency);

(C) criminal penalties under title 18, United States Code, related to fraud; and

(D) other remedies available under the law.

(d) OFFICERS AND DIRECTORS CONVICTED OF CERTAIN FELONIES.—No individual who has been convicted of a felony offense involving insider trading, embezzlement, cybercrime, money laundering, financing of terrorism, or financial fraud may serve as—

(1) an officer of a payment stablecoin issuer; or

(2) a director of a payment stablecoin issuer.

(e) RULEMAKING.—

(1) IN GENERAL.—The primary Federal payment stablecoin regulators may issue such orders and regulations as may be necessary to administer and carry out the requirements of this section, including to establish conditions, and to prevent evasions thereof.

(2) JOINT ISSUANCE OF REGULATION.—All regulations issued to carry out this section by the primary Federal payment stablecoin regulators shall be issued jointly, after consultation with State payment stablecoin regulators.

(3) RULEMAKING DEADLINE.—Not later than the end of the 180-day period beginning on the date of enactment of this Act, the Federal payment stablecoin regulators shall issue regulations to carry out this section.

SEC. 5. APPROVAL OF SUBSIDIARIES OF INSURED DEPOSITORY INSTITUTIONS AND SUBSIDIARIES OF NONBANK ENTITIES.

(a) IN GENERAL.—

(1) APPLICATION.—

(A) IN GENERAL.—The primary Federal payment stablecoin regulator shall receive, review, and consider for approval applications from any insured depository institution that seeks to issue payment stablecoins through a subsidiary and any nonbank entity that seeks to issue payment stablecoins through a subsidiary.

(B) SHARING OF INFORMATION.—With respect to applications submitted by State-chartered insured depository institutions, the primary Federal payment stablecoin regulator shall share such applications with the relevant State bank or State credit union supervisor.

(C) COMPLETION OF APPLICATION.—

(i) IN GENERAL.—The primary Federal payment stablecoin regulator shall consider an application complete if such application contains sufficient information for the primary Federal payment stablecoin regulator to render a decision on whether the application meets the requirements set forth in section 4.

(ii) MATERIAL CHANGE IN CIRCUMSTANCES.—An application described under clause (i) that is considered complete shall remain complete unless the primary Federal payment stablecoin regulator determines that a material change in circumstances requires otherwise.

(2) EVALUATION OF APPLICATIONS.—A complete application received under paragraph (1) shall be evaluated by the primary Federal payment stablecoin regulator based on the ability of the subsidiary of the applicant to meet the requirements set forth in section 4.

(3) TIMING FOR DECISION; GROUNDS FOR DENIAL.—

(A) TIMING.—The primary Federal payment stablecoin regulator shall—

(i) not later than 30 days after receiving the application—

(I) inform the applicant whether the applicant has submitted a complete application; and

(II) if the application is not complete, inform the applicant of the additional information the applicant must provide in order for the application to be considered complete; and

(ii) not later than 120 days after informing the applicant that the application is complete, render a decision on an application.

(B) DENIAL OF APPLICATION.—

(i) GROUNDS FOR DENIAL.—

(I) IN GENERAL.—The primary Federal payment stablecoin regulator may only deny a complete application received under paragraph (1) if the regulator determines that the activities of the applicant would be unsafe or unsound based on the ability of the subsidiary of the applicant to meet the requirements set forth in section 4.

(II) TREATMENT OF CERTAIN ISSUANCES.—The issuance of a payment stablecoin on an open, public, and decentralized network shall not be a valid ground for denial of an application received under paragraph (1).

(ii) EXPLANATION REQUIRED.—If the primary Federal payment stablecoin regulator denies a complete application received under paragraph (1), the regulator shall, not later than 30 days after the date of such denial, provide the applicant with—

(I) written notice explaining the denial with specificity, including all findings made by the regulator with respect to all identified material shortcomings in the application; and

(II) actionable recommendations on how the applicant could address the identified material shortcomings.

(iii) OPPORTUNITY FOR HEARING; FINAL DETERMINATION.—

(I) IN GENERAL.—Not later than 30 days after the date of receipt of any notice of the denial of an application under this subsection, the applicant may request, in writing, an opportunity for a written or oral hearing before the primary Federal payment stablecoin regulator to appeal the denial.

(II) TIMING.—Upon receipt of a timely request, the primary Federal payment stablecoin regulator shall notice a time (not later than 30 days after the date of receipt of the request) and place at which the applicant may appear, personally or through counsel, to appeal the denial, to submit written materials, or to provide oral testimony and oral argument.

(III) FINAL DETERMINATION.—Not later than 60 days after the date of a hearing under this clause, the primary Federal payment stablecoin regulator shall notify the applicant of the final determination of the primary Federal payment stablecoin regulator with respect to the appeal, which shall contain a statement of the basis for such determination, with specific findings.

(IV) NOTICE IF NO HEARING.—If an applicant does not make a timely request for a hearing under this clause, the primary Federal payment stablecoin regulator shall notify the applicant, not later than 10 days after the date by which the applicant may request a hearing under this clause, in writing, that the denial of the application is a final determination of the primary Federal payment stablecoin regulator.

(C) FAILURE TO RENDER A DECISION.—If the primary Federal payment stablecoin regulator fails to render a decision on a complete application within the time period specified in subparagraph (A), the application shall be deemed approved.

(D) RIGHT TO REAPPLY.—The denial of an application under this subsection shall not prohibit the applicant from filing a subsequent application.

(4) REPORT ON PENDING APPLICATIONS.—Each of the primary Federal payment stablecoin regulators shall annually report to Congress on—

(A) the number of calendar days each applicant waited for either an approval or denial of an application under this subsection;

(B) the number of calendar days each applicant with an outstanding application has waited for a decision; and

(C) the number of applications that have been pending for 6 months or longer since the date of the initial application filed under paragraph (1) where the applicant has been informed that the application remains incomplete, including providing documentation on the status of the application and why the application has not yet been approved.

(5) RULEMAKING.—

(A) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the primary Federal payment stablecoin regulators shall, jointly, issue rules to carry out this section, which may only relate to the application process under this subsection and may not implement the requirements set forth in section 4.

(B) TAILORING OF RULES.—The joint rulemaking required under subparagraph (A) shall be tailored so as to minimize any incremental burden placed on well capitalized and highly-rated insured depository institutions.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—This section shall take effect on the earlier of—

(A) 12 months after the date of enactment of this Act; or

(B) the date that is 120 days after the date on which the primary Federal payment stablecoin regulators issue final regulations implementing this section.

(2) NOTICE TO CONGRESS.—Each of the primary Federal payment stablecoin regulators shall notify Congress upon receiving their first application.

(c) EFFECT ON STATE LAW FOR PAYMENT STABLECOIN ISSUERS APPROVED BY FEDERAL PAYMENT STABLECOIN REGULATORS UNDER THIS SECTION.—The provisions of this section preempt any conflicting State law and supersede any State licensing requirement for any nonbank entity or subsidiary of an insured depository institution or credit union that is approved under this section to be a permitted payment stablecoin issuer.

SEC. 6. SUPERVISION AND ENFORCEMENT WITH RESPECT TO SUBSIDIARIES OF INSURED DEPOSITORY INSTITUTIONS AND FEDERAL QUALIFIED NONBANK PAYMENT STABLECOIN ISSUERS.

(a) SUPERVISION.—

(1) SUBSIDIARY OF AN INSURED DEPOSITORY INSTITUTION.—

(A) IN GENERAL.—Each permitted payment stablecoin issuer that is a subsidiary of an insured depository institution shall be subject to supervision by the primary Federal payment stablecoin regulator in the same manner as such insured depository institution.

(B) GRAMM-LEACH-BLILEY ACT.—For purposes of title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) each permitted payment stablecoin issuer that is a subsidiary of an insured depository institution shall be deemed a financial institution.

(2) FEDERAL QUALIFIED NONBANK PAYMENT STABLECOIN ISSUER.—

(A) SUBMISSION OF REPORTS.—Each Federal qualified nonbank payment stablecoin issuer shall, upon request, submit reports to the Comptroller as to—

(i) the financial condition of the Federal qualified nonbank payment stablecoin issuer;

(ii) the systems of the Federal qualified nonbank payment stablecoin issuer for monitoring and controlling financial and operating risks; and

(iii) compliance with this Act and regulations issued pursuant to this Act by the Federal qualified nonbank payment stablecoin issuer.

(B) EXAMINATIONS.—The Comptroller may examine a Federal qualified nonbank payment stablecoin issuer in order to inform the Comptroller of—

(i) the nature of the operations and financial condition of the Federal qualified nonbank payment stablecoin issuer;

(ii) the financial, operational, and other risks within the Federal qualified nonbank payment stablecoin issuer that may pose a threat to—

(I) the safety and soundness of the Federal qualified nonbank payment stablecoin issuer; or

(II) the stability of the financial system of the United States;

(iii) the systems of the Federal qualified nonbank payment stablecoin issuer for monitoring and controlling the risks described in clause (ii);

(iv) the compliance of the Federal qualified nonbank payment stablecoin issuer with this Act and regulations issued pursuant to this Act; and

(v) the compliance of the Federal qualified nonbank payment stablecoin issuer with the requirements of the Bank Secrecy Act and laws authorizing the imposition of sanctions and implemented by the Secretary of the Treasury.

(C) REQUIREMENTS FOR EFFICIENCY.—In supervising and examining a Federal qualified nonbank payment stablecoin issuer, the Comptroller shall, to the fullest extent possible, use existing reports and other supervisory information.

(D) AVOIDANCE OF DUPLICATION.—The Comptroller shall, to the fullest extent possible, avoid duplication of examination activities, reporting requirements, and requests for information in carrying out this Act with respect to a Federal qualified nonbank payment stablecoin issuer.

(E) GRAMM-LEACH-BLILEY ACT.—For purposes of title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) each Federal qualified nonbank payment stablecoin issuer shall be deemed a financial institution.

(b) ENFORCEMENT.—

(1) SUSPENSION OR REVOCATION OF REGISTRATION.—The primary Federal payment stablecoin regulator may prohibit a permitted payment stablecoin issuer from issuing payment stablecoins, if the primary Federal payment stablecoin regulator determines that such permitted payment stablecoin issuer, or an institution-affiliated party of the permitted payment stablecoin issuer, is—

(A) materially violating or has materially violated this Act or any regulation or order issued under this Act, including the issuer's obligations under the section 4(a)(6); or

(B) materially violating or has materially violated any condition imposed in writing by the primary Federal payment stablecoin regulator in connection with a written agreement entered into between the permitted payment stablecoin issuer and the primary Federal payment stablecoin regulator.

(2) CEASE-AND-DESIST PROCEEDINGS.—If the primary Federal payment stablecoin regulator has reasonable cause to believe that a permitted payment stablecoin issuer or any institution-affiliated party of a permitted payment stablecoin issuer is violating, has violated, or is attempting to violate this Act, any regulation or order issued under this Act, or any written agreement entered into with the primary Federal payment stablecoin regulator or condition imposed in writing by the primary Federal payment stablecoin regulator in connection with any application or other request, the primary Federal payment

stablecoin regulator may order the permitted payment stablecoin issuer or institution-affiliated party of the permitted payment stablecoin issuer to—

(A) cease and desist from such violation or practice; or

(B) take affirmative action to correct the conditions resulting from any such violation or practice.

(3) REMOVAL AND PROHIBITION AUTHORITY.—The primary Federal payment stablecoin regulator may remove an institution-affiliated party of a permitted payment stablecoin issuer from their position or office or prohibit further participation in the affairs of the permitted payment stablecoin issuer or all permitted payment stablecoin issuers by such institution-affiliated party, if the primary Federal payment stablecoin regulator determines that—

(A) the institution-affiliated party has, directly or indirectly, committed a violation or attempted violation of this Act or any regulation or order issued under this Act; or

(B) the institution-affiliated party has committed a violation of any provision of subchapter II of chapter 53 of title 31, United States Code.

(4) PROCEDURES.—

(A) IN GENERAL.—If the primary Federal payment stablecoin regulator identifies a violation or attempted violation of this Act or makes a determination under paragraph (1), (2), or (3), the primary Federal payment stablecoin regulator shall comply with the procedures set forth, as applicable, in—

(i) subsections (b) and (e) of sections 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818); or

(ii) subsections (e) and (g) of section 206 of the Federal Credit Union Act (12 U.S.C. 1786).

(B) JUDICIAL REVIEW.—A person aggrieved by a final action under this subsection may obtain judicial review of such action exclusively as provided, as applicable, in—

(i) section 8(h) of the Federal Deposit Insurance Act (12 U.S.C. 1818(h)); or

(ii) section 206(j) of the Federal Credit Union Act (12 U.S.C. 1786(j)).

(C) INJUNCTION.—The primary Federal payment stablecoin regulator may, in the discretion of the regulator, follow the procedures for judicial enforcement of any effective and outstanding notice or order issued under this subsection provided, as applicable, in—

(i) section 8(i)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i)(1)); or

(ii) section 206(k)(1) of the Federal Credit Union Act (12 U.S.C. 1786(k)(1)).

(D) TEMPORARY CEASE-AND-DESIST PROCEEDINGS.—If the primary Federal payment stablecoin regulator determines that a violation or attempted violation of this Act or an action with respect to which a determination was made under paragraph (1), (2), or (3), or the continuation thereof, is likely to cause insolvency or significant dissipation of assets or earnings of a permitted payment stablecoin issuer, or is likely to weaken the condition of the permitted payment stablecoin issuer or otherwise prejudice the interests of the customers of the permitted payment stablecoin issuer prior to the completion of the proceedings conducted under this paragraph, the primary Federal payment stablecoin regulator may follow the procedures provided, as applicable, in—

(i) section 8(c) of the Federal Deposit Insurance Act (12 U.S.C. 1818(c)) to issue a temporary cease-and-desist order; or

(ii) section 206(f) of the Federal Credit Union Act (12 U.S.C. 1786(f)) to issue a temporary cease-and-desist order.

(5) CIVIL MONEY PENALTIES.—

(A) FAILURE TO BE APPROVED.—Any person who issues a payment stablecoin and who is not a permitted payment stablecoin issuer, and any institution-affiliated party of such a person who knowingly participates in issuing such a payment stablecoin, shall be liable for a civil penalty of not more than $100,000 for each day during which such payment stablecoins are outstanding.

(B) FIRST TIER.—Except as provided in subparagraph (A), a permitted payment stablecoin issuer or institution-affiliated party of such permitted payment stablecoin issuer that materially violates this Act or any regulation or order issued under this Act, or that materially violates any condition imposed in writing by the primary Federal payment stablecoin regulator in connection with a written agreement entered into between the permitted payment stablecoin issuer and the primary Federal payment stablecoin reg-

ulator, shall be liable for a civil penalty of up to $100,000 for each day during which the violation continues.

(C) SECOND TIER.—Except as provided in subparagraph (A), and in addition to the penalties described under subparagraph (B), a permitted payment stablecoin issuer or institution-affiliated party of such permitted payment stablecoin issuer who knowingly participates in a violation of any provision of this Act, or any regulation or order issued thereunder, is liable for a civil penalty of up to an additional $100,000 for each day during which the violation continues.

(D) PROCEDURE.—Any penalty imposed under this paragraph may be assessed and collected by the primary Federal payment stablecoin regulator pursuant to the procedures set forth, as applicable, in—

(i) section 8(i)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i)(2)); or

(ii) section 206(k)(2) of the Federal Credit Union Act (12 U.S.C. 1786(k)(2)).

(E) NOTICE AND ORDERS AFTER SEPARATION FROM SERVICE.—The resignation, termination of employment or participation, or separation of an institution-affiliated party (including a separation caused by the closing of a permitted payment stablecoin issuer) shall not affect the jurisdiction and authority of the primary Federal payment stablecoin regulator to issue any notice or order and proceed under this subsection against any such party, if such notice or order is served before the end of the 6-year period beginning on the date such party ceased to be an institution-affiliated party with respect to such permitted payment stablecoin issuer.

(6) NON-APPLICABILITY TO A STATE QUALIFIED PAYMENT STABLECOIN ISSUER.—This subsection shall not apply to a State qualified payment stablecoin issuer, except as described in section 7(e).

(c) SHARING OF INFORMATION.—A State payment stablecoin regulator and the primary Federal payment stablecoin regulator shall share information on an ongoing basis with respect to a permitted payment stablecoin issuer that is a subsidiary of a State-chartered insured depository institution.

SEC. 7. STATE QUALIFIED PAYMENT STABLECOIN ISSUERS.

(a) IN GENERAL.—With respect to a State, a State payment stablecoin regulator shall have supervisory, examination, and enforcement authority over a State qualified payment stablecoin issuer of such State.

(b) AUTHORITY TO ENTER INTO AGREEMENTS.—

(1) IN GENERAL.—A State payment stablecoin regulator may enter into a memorandum of understanding with the primary Federal banking agency and Comptroller setting out the manner in which the primary Federal banking agency and Comptroller may participate in the supervision, examination, and enforcement authority with respect to the State qualified payment stablecoin issuers of such State.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection or a memorandum entered into under this subsection may be construed to limit the authority of the primary Federal banking agency or Comptroller under subsection (e) or any other provision of law.

(c) SHARING OF INFORMATION.—

(1) IN GENERAL.—A State payment stablecoin regulator and, as applicable, the Comptroller, the Board, the Corporation, or the National Credit Union Administration shall share information on an ongoing basis with respect to each State qualified payment stablecoin issuer of such State, including a copy of all initial applications and any accompanying documents.

(2) PRIVILEGES NOT AFFECTED BY SHARING OF INFORMATION.—The sharing of information under paragraph (1) shall not be construed as waiving, destroying, or otherwise affecting any privilege applicable to such information under Federal or State law as to any person or entity other than the State payment stablecoin regulator, the Comptroller, the Board, the Corporation, and the National Credit Union Administration.

(d) RULEMAKING.—A State payment stablecoin regulator may, to the same extent as the primary Federal payment stablecoin regulators issue orders and rules under section 4 applicable to a permitted payment stablecoin issuer that is not a State qualified payment stablecoin issuer, issue orders and rules related to the requirements under section 4 applicable to State qualified payment stablecoin issuers.

(e) BACK-UP ENFORCEMENT AUTHORITY.—

(1) BY THE PRIMARY FEDERAL BANKING AGENCY.—

(A) IN GENERAL.—Subject to subparagraph (C), the primary Federal banking agency may, after not less than 48 hours prior written notice to any

applicable State payment stablecoin regulator, take an enforcement action against a State qualified payment stablecoin issuer that is a subsidiary of an insured depository institution or an institution-affiliated party thereof for violations of this Act if—

(i) the applicable State payment stablecoin regulator has not commenced an enforcement action to correct such violation; and

(ii) failure to take such action would create a material risk of loss to holders of such issuer's stablecoins or create a material threat to U.S. financial stability.

(B) RULEMAKING.—Not later than the end of the 180-day period beginning on the date of enactment of this Act, the primary Federal banking agencies shall issue rules to set forth the standards that would be used by the primary Federal banking agencies to exercise the back-up authority under this paragraph.

(C) BACK-UP AUTHORITY UNDER SECTION 6(b).—Solely for purposes of carrying out this paragraph, section 6(b) shall apply to a State qualified payment stablecoin issuer that is a subsidiary of an insured depository institution as if the primary Federal banking agency were the primary Federal payment stablecoin regulator with respect to the State qualified payment stablecoin issuer.

(D) PRIMARY FEDERAL BANKING AGENCY DEFINED.—In this section—

(i) the term "primary Federal banking agency" means—

(I) the appropriate Federal banking agency; and

(II) the National Credit Union Administration, in the case of an insured credit union; and

(ii) the term "primary Federal banking agencies" means the Board, the Comptroller, the Corporation, and the National Credit Union Administration.

(2) BY THE COMPTROLLER.—

(A) IN GENERAL.—Subject to subparagraph (C), the Comptroller may, after not less than 48 hours prior written notice to any applicable State payment stablecoin regulator, take an enforcement action against a State qualified payment stablecoin issuer that is a nonbank entity or an institution-affiliated party thereof for violations of this Act if—

(i) the applicable State payment stablecoin regulator has not commenced an enforcement action to correct such violation; and

(ii) failure to take such action would create a material risk of loss to holders of such issuer's stablecoins or create a material threat to U.S. financial stability.

(B) RULEMAKING.—Not later than the end of the 180-day period beginning on the date of enactment of this Act, the Comptroller shall issue rules to set forth the standards that would be used by the Comptroller to exercise the back-up authority under this paragraph.

(C) BACK-UP AUTHORITY UNDER SECTION 6(b).—Solely for purposes of carrying out this paragraph, section 6(b) shall apply to a State qualified payment stablecoin issuer that is a nonbank entity as if the Comptroller were the primary Federal payment stablecoin regulator with respect to the State qualified payment stablecoin issuer.

(f) GRAMM-LEACH-BLILEY ACT.—For purposes of title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) a State qualified payment stablecoin issuer is deemed a financial institution.

(g) INTERSTATE PAYMENT STABLECOIN MARKET.—

(1) DEFINITIONS.—For the purposes of this subsection—

(A) the term "home State" means the State of a State qualified payment stablecoin issuer's State payment stablecoin regulator; and

(B) the term "host State" means a State other than that of the State qualified payment stablecoin issuer's State payment stablecoin regulator.

(2) AUTHORITY TO ISSUE PAYMENT STABLECOINS IN HOST STATES.—Subject to the requirements of paragraph (3), a State qualified payment stablecoin issuer may issue payment stablecoins in a host State without a charter or license to issue payment stablecoins from such host State.

(3) STATE OBLIGATIONS.—Where a State qualified payment stablecoin issuer issues a payment stablecoin in a host State pursuant to paragraph (2)—

(A) such State qualified payment stablecoin issuer shall notify any State payment stablecoin regulator in such host State of the issuer's intention to do business in the host State not less than 30 days before such issuer commences business in the host State and in a manner prescribed by the host State's State payment stablecoin regulator or State banking regulator if such State does not have a regime certified under section 4(b), provided

that such notice does not impose a de facto licensure or chartering requirement on such State qualified payment stablecoin issuer;

(B) such State qualified payment stablecoin issuer shall comply with all requirements of the issuer's home State regulatory regime when conducting business in the host State, and where the host State maintains a payment stablecoin regulatory regime that is certified under section 4(b), such issuer shall comply with any obligations of the host State's payment stablecoin regulatory regime that exceed those of such issuer's home State regulatory regime;

(C) where the host State does not maintain a payment stablecoin regulatory regime that is certified under section 4(b), such State qualified payment stablecoin issuer shall remain subject to all applicable consumer protection laws of such host State; and

(D) where the host State maintains a payment stablecoin regulatory regime that is certified under section 4(b), such State qualified payment stablecoin issuer shall remain subject to applicable consumer protection laws of such host State, but only to the same extent as State qualified payment stablecoin issuers chartered or licensed in that host State.

SEC. 8. CUSTOMER PROTECTION.

(a) IN GENERAL.—A person may only engage in the business of providing custodial or safekeeping services for payment stablecoins issued by permitted payment stablecoin issuers, reserves described in section 4(a)(1)(A), or private keys of payment stablecoins issued by permitted payment stablecoin issuers, if the person—

(1) is subject to—

(A) supervision or regulation by a primary Federal payment stablecoin regulator or a primary financial regulatory agency described under subparagraph (B) or (C) of section 2(12) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301(12)); or

(B) supervision by a State bank supervisor, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) or a State credit union supervisor, as defined in section 6003 of the Anti-Money Laundering Act of 2020 (31 U.S.C. 5311 note), and such State bank supervisor or State credit union supervisor makes available to the Board such information as the Board determines necessary and relevant to the categories of information under subsection (d); and

(2) complies with the segregation requirements under subsections (b), (c), and (d), unless such person complies with similar requirements as required by the Board, the Comptroller, the Corporation, the Securities and Exchange Commission, or the Commodity Futures Trading Commission, as applicable.

(b) CUSTOMER PROPERTY REQUIREMENTS.—A person described in subsection (a) shall—

(1) treat and deal with the payment stablecoins, private keys, cash, and other property of another person for whom or on whose behalf the person receives, acquires, or holds payment stablecoins, private keys, cash, and other property (hereinafter in this section referred to as the "customer") as belonging to such customer and not as the property of such person; and

(2) take such steps as are appropriate to protect the payment stablecoins, private keys, cash, and other property of a customer from the claims of creditors of the person.

(c) COMMINGLING PROHIBITED.—

(1) IN GENERAL.—Payment stablecoins, cash, and other property of a customer shall be separately accounted for by a person described in subsection (a) and shall not be commingled with the funds of the person.

(2) CUSTOMER PRIORITY.—In any insolvency, claims against reserves of a payment stablecoin issuer from persons holding payment stablecoins issued by the payment stablecoin issuer shall have priority over all other claims, other than for administrative expenses, against the payment stablecoin issuer.

(3) EXCEPTION.—Notwithstanding paragraph (1)—

(A) the payment stablecoins, cash, and other property of a customer may be commingled and deposited in an omnibus account holding the payment stablecoins, cash, and other property of more than 1 customer at a depository institution (as defined in section 3 of the Federal Deposit Insurance Act), trust company, Federal credit union, or State credit union;

(B) such share of the payment stablecoins, cash, and other property of the customer that shall be necessary to transfer, adjust, or settle a transaction or transfer of assets may be withdrawn and applied to such purposes, including the payment of commissions, taxes, storage, and other charges law-

fully accruing in connection with the provision of services by a person described in subsection (a);

(C) in accordance with such terms and conditions as the Board may prescribe by rule, regulation, or order, any customer payment stablecoin, cash, and other property described in this subsection may be commingled and deposited in customer accounts with payment stablecoins, cash, and other property received by the person and required by the Board to be separately accounted for, treated, and dealt with as belonging to customers; and

(D) an insured depository institution that provides custodial or safekeeping services for payment stablecoin reserves shall be permitted to hold payment stablecoin reserves in the form of cash on deposit.

(d) REGULATORY INFORMATION.—A person described under subsection (a) shall submit to the primary Federal payment stablecoin regulator (or, if the person does not have a primary Federal payment stablecoin regulator, to the Board) information concerning the person's business operations and processes to protect customer payment stablecoins, cash, and other property, in such form and manner as the primary Federal payment stablecoin regulator (or, if the person does not have a primary Federal payment stablecoin regulator, the Board) shall determine.

(e) EXCLUSION.—The requirements of this section shall not apply to any person solely on the basis that such person engages in the business of providing hardware or software to facilitate a customer's own custody or safekeeping of the customer's payment stablecoins or private keys.

SEC. 9. RULE OF CONSTRUCTION.

A digital asset shall not be construed to be a payment stablecoin if it is—

(1) redeemable exclusively for other digital assets, provided that such digital assets for which it is redeemable are not primarily—

(A) payment stablecoins; or

(B) representations of permissible reserves described under section 4(a)(1)(A) or similar such assets; or

(2) primarily used within a system controlled by such digital asset's issuer as a means of accessing products, services, or loyalty rewards.

SEC. 10. INTEROPERABILITY STANDARDS.

(a) IN GENERAL.—The primary Federal payment stablecoin regulators, in consultation with the National Institute of Standards and Technology, other relevant standard setting organizations, and State governments—

(1) shall assess compatibility and interoperability standards for permitted payment stablecoin issuers; and

(2) if necessary, may, pursuant to section 553 of title 5, United States Code, and in a manner consistent with the National Technology Transfer and Advancement Act of 1995 (Public Law 104–113), prescribe standards for payment stablecoin issuers to promote compatibility and interoperability.

(b) AGREEMENTS WITH FOREIGN REGULATORS.—The Secretary of the Treasury shall seek to enter into agreements with foreign jurisdictions with comparable payment stablecoin regulatory regimes to facilitate international transactions and interoperability with any United States dollar-denominated payment stablecoins issued overseas.

SEC. 11. MORATORIUM ON ENDOGENOUSLY COLLATERALIZED STABLECOINS.

(a) MORATORIUM.—During the 2-year period beginning on the date of enactment of this Act, it shall be unlawful to issue an endogenously collateralized stablecoin not in existence on the date of enactment of this Act.

(b) ENDOGENOUSLY COLLATERALIZED STABLECOIN DEFINED.—In this section, the term "endogenously collateralized stablecoin" means any digital asset—

(1) in which its issuer has represented will be converted, redeemed, or repurchased for a fixed amount of monetary value; and

(2) that relies solely on the value of another digital asset created or maintained by the same originator to maintain the fixed price.

SEC. 12. STUDIES AND REPORTS.

(a) STUDY BY TREASURY.—The Secretary of the Treasury, in consultation with the Board, the Comptroller, the Corporation, the National Credit Union Administration, and the Securities and Exchange Commission, shall carry out a study of non-payment stablecoins, including decentralized stablecoins.

(b) REPORT.—Not later than 365 days after the date of the enactment of this Act, the Secretary shall provide to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report that contains all findings made in carrying out the study under subsection (a), including an analysis of—

(1) the categories of non-payment stablecoins, including the benefits and risks of technological design features;
(2) the participants in non-payment stablecoin arrangements;
(3) utilization and potential utilization of non-payment stablecoins;
(4) nature of reserve compositions;
(5) governance structure, including aspects of decentralization;
(6) nature of public promotion and advertising; and
(7) clarity and availability of consumer notices and disclosures.

(c) IMPACT STUDY.—
(1) IN GENERAL.—The Secretary of the Treasury, in consultation with the Board, the Comptroller, the Corporation, the National Credit Union Administration, and the Securities and Exchange Commission, shall carry out a study on the impact of payment stablecoins.
(2) REPORT.—Not later than 365 days after the date of enactment of this Act, the Secretary shall provide the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report containing all findings made in carrying out the study under paragraph (1), including an analysis of—
(A) the impact of payment stablecoins on the cost of domestic and cross-border payments and remittances;
(B) the role of payment stablecoins in providing access to a stable currency in the Global South;
(C) the use of payment stablecoins by populations in the Global South to mitigate exposure to the effects of inflation;
(D) the extent to which payment stablecoin adoption reinforces the role of the United States dollar as the world's reserve currency; and
(E) the extent to which payment stablecoins may expand demand for United States Treasury securities and reduce the cost of United States Government borrowing.

SEC. 13. REPORT ON RULEMAKING STATUS.

Not later than 6 months after the date of enactment of this Act, the primary Federal payment stablecoin regulators shall provide a status update on the development of the rulemaking under this Act to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

SEC. 14. AUTHORITY OF BANKING INSTITUTIONS.

(a) RULE OF CONSTRUCTION.—Nothing in this Act may be construed to limit the authority of a depository institution, national bank, Federal credit union, State credit union, or trust company to engage in activities permissible pursuant to applicable State and Federal law, including—
(1) accepting or receiving deposits and issuing digital assets that represent deposits;
(2) utilizing a distributed ledger for the books and records of the entity and to affect intrabank transfers; and
(3) providing custodial services for payment stablecoins, private keys of payment stablecoins, or reserves backing payment stablecoins.

(b) REGULATORY REVIEW.—The primary Federal payment stablecoin regulators shall review all existing regulations and guidance and, if necessary, amend such regulations or guidance or issue new regulations or guidance to clarify that regulated entities can engage in the payment stablecoin activities contemplated in, and in accordance with, this Act.

(c) TREATMENT OF CUSTODY ACTIVITIES.—The appropriate Federal banking agency, the National Credit Union Administration (in the case of a credit union), and the Securities and Exchange Commission may not require a depository institution, national bank, Federal credit union, State credit union, or trust company, or any affiliate thereof (the "entity")—
(1) to include assets held in custody that are not owned by the entity as a liability on the financial statement or balance sheet of the entity, including payment stablecoin custody or safekeeping services;
(2) to hold regulatory capital against assets, including reserves backing such assets described in section 4(a)(1)(A), in custody or safekeeping, except as necessary to mitigate against operational risks inherent with the custody or safekeeping services, as determined by—
(A) the appropriate Federal banking agency;
(B) the National Credit Union Administration (in the case of a credit union);
(C) a State bank supervisor (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)); or

(D) a State credit union supervisor (as defined in section 6003 of the Anti-Money Laundering Act of 2020 (31 U.S.C. 5311 note)); and

(3) to recognize a liability for any obligations related to activities or services performed with respect to digital assets that the entity does not own if that liability would exceed the expense recognized in the income statement as a result of the corresponding obligation.

(d) DEPOSITORY INSTITUTION DEFINED.—In this section, the term "depository institution" has the meaning given that term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

SEC. 15. AMENDMENTS TO CLARIFY THAT PAYMENT STABLECOINS ARE NOT SECURITIES.

(a) INVESTMENT ADVISERS ACT OF 1940.—Section 202(a)(18) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(18)) is amended by adding at the end the following: "The term 'security' does not include a payment stablecoin issued by a permitted payment stablecoin issuer, as such terms are defined, respectively, in section 2 of the STABLE Act of 2025.".

(b) INVESTMENT COMPANY ACT OF 1940.—The Investment Company Act of 1940 is amended—

(1) in section 2(a)(36) (15 U.S.C. 80a–2(a)(36)), by adding at the end the following: "The term 'security' does not include a payment stablecoin issued by a permitted payment stablecoin issuer, as such terms are defined, respectively, in section 2 of the STABLE Act of 2025."; and

(2) in section 3(c) (15 U.S.C. 80a–3(c)), by adding at the end the following: "(15) Any permitted payment stablecoin issuer, as such term is defined in section 2 of the STABLE Act of 2025.".

(c) SECURITIES ACT OF 1933.—Section 2(a)(1) of the Securities Act of 1933 (15 U.S.C. 77b(a)(1)) is amended by adding at the end the following: "The term 'security' does not include a payment stablecoin issued by a permitted payment stablecoin issuer, as such terms are defined, respectively, in section 2 of the STABLE Act of 2025.".

(d) SECURITIES EXCHANGE ACT OF 1934.—Section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(10)) is amended by adding at the end the following: "The term 'security' does not include a payment stablecoin issued by a permitted payment stablecoin issuer, as such terms are defined, respectively, in section 2 of the STABLE Act of 2025.".

(e) SECURITIES INVESTOR PROTECTION ACT OF 1970.—Section 16(14) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78lll(14)) is amended by adding at the end the following: "The term 'security' does not include a payment stablecoin issued by a permitted payment stablecoin issuer, as such terms are defined, respectively, in section 2 of the STABLE Act of 2025.".

PURPOSE AND SUMMARY

Introduced on March 26, 2025, by Representative Steil, H.R. 2392, the *Stablecoin Transparency and Accountability for a Better Ledger Economy (STABLE) Act of 2025*, would establish a clear regulatory framework for the issuance of payment stablecoins and, consequently, protect consumers by setting necessary federal guardrails for payment stablecoin issuance, redemption, and reserves, while also promoting innovation in the United States through a tailored approach that supports new entrants into the marketplace.

BACKGROUND AND NEED FOR LEGISLATION

Stablecoins are digital assets designed to offer price stability, enabling them to be used for payments. Stablecoins seek to be less volatile than other digital assets by being pegged to another asset's value. Today, stablecoins are primarily used in the United States to facilitate trading, lending, or borrowing of other digital assets, predominantly on or through digital asset trading platforms. Stablecoins allow individuals to enter and exit the digital asset markets efficiently.

Currently, there is no federal regulatory framework for payment stablecoin issuers. Most states have yet to create regulatory frame-

works for digital asset businesses, forcing potential payment stablecoin issuers to leverage existing state money transmitter statutes. However, most state money transmitter statutes were not crafted to address digital asset businesses, including payment stablecoin issuance and related activities. New York is an example of one state that has established a strong regulatory framework specific to firms engaged in virtual currency activities. The framework sets forth baseline requirements focused on the backing and redeemability of payment stablecoins, stablecoin reserves, and attestations. The New York State Department of Financial Services (NYDFS) evaluates a range of additional risks prior to authorizing a regulated virtual currency entity to issue a stablecoin, including but not limited to cybersecurity, Bank Secrecy Act/anti-money-laundering (BSA/AML) and sanctions compliance, consumer protection, and safety and soundness of the issuing entity, among others. House Financial Services Committee (Committee) Republicans believe that while payment stablecoins hold promise as a potential cornerstone of a modern payment system, they must be issued under a clear regulatory framework.

Committee Republicans are not alone in recognizing the tremendous potential for payment stablecoins and the need for a federal regulatory framework. In November 2021, the President's Working Group on Financial Markets, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency released a Report on Stablecoins (PWG Report), which included a proposed federal regulatory framework to address existing and potential risks of stablecoins. The PWG Report identified several benefits and potential risks while recommending that Congress act promptly to enact legislation ensuring payment stablecoins are subject to a federal regulatory framework. Specifically, the PWG Report recommended that Congress enact legislation requiring stablecoins to be issued only by insured depository institutions. However, the Committee diverged from the recommendation in the PWG Report as Members support nonbanks also issuing payment stablecoins.

During the 117th Congress, following the PWG Report's release, the Committee began developing legislation to establish a federal framework for both banks and nonbanks to issue payment stablecoins. During this process, Committee Republicans developed a framework, hosted numerous roundtables, and participated in two hearings focused on payment stablecoin legislation.

At a hearing in December 2021, Charles Cascarilla, the CEO and Co-Founder of stablecoin issuer Paxos, highlighted concerns within the United States' payment system and potential benefits of stablecoins, stating:

> At any given time, there are trillions of dollars' worth of capital held up in transactions that have not yet settled. Remittance recipients and other payees don't have access to their funds. Money that could help others or be productively deployed is unnecessarily trapped in limbo. Whole industries have developed to take advantage of these delays, often to the detriment of those who can least afford it. How many overdraft fees could have been avoided if people received their money immediately after it was sent?

> [. . .]Digital assets, and the blockchains they're built on, offer a better alternative.

During the same hearing, Stellar Development Foundation CEO and Executive Director, Denelle Dixon, highlighted a pilot program that MoneyGram International was testing on the Stellar network to demonstrate that stablecoins are actively solving the issues that Mr. Cascarilla raised in his testimony. Several witnesses also highlighted the disparities between the United States' approach to regulation compared to other jurisdictions.

At a hearing in February 2022, the Department of the Treasury also highlighted the risks of Congress not enacting a comprehensive federal regulatory framework for payment stablecoin issuers. The former Under Secretary of the Treasury for Domestic Finance, Nellie Liang, emphasized that:

> Stablecoins are not subject to standards to address concerns about run risk, payment system risk, or concentration of economic power. Some of the largest stablecoin issuers operate with limited regulatory oversight, raising significant questions about whether these stablecoins are adequately backed and other aspects of their operations. The regulatory frameworks that apply to stablecoin issuers and service providers are inconsistent, creating opportunities for regulatory arbitrage and uncertainty among stablecoin users.

The Financial Stability Oversight Council (FSOC) also recognizes the need for legislation. At a hearing in May 2022, then Treasury Secretary Janet Yellen testified before the Committee in her capacity as Chair of FSOC and underscored the urgency of stablecoin legislation, explaining that FSOC is "eager to work with [the Committee] to ensure that payment stablecoins and their arrangements are subject to a federal prudential framework on a consistent and comprehensive basis." FSOC emphasized this point in its October 2022 Report on Digital Asset Financial Stability Risks and Regulation, recommending that "Congress pass legislation that would create a comprehensive federal prudential framework for stablecoin issuers that also addresses the associated market integrity, investor and consumer protection, and payment system risks."

During the 118th Congress, Committee Republicans held three hearings and several member roundtables focused on payment stablecoins. Through these hearings and roundtables, the Committee received feedback and input from Republican and Democratic members. This feedback resulted in the introduction of H.R. 4766, the Clarity for Payment Stablecoins Act of 2023.

This bill included bank and non-bank pathways for stablecoin issuers to obtain regulatory approval, as well as the establishment of uniform Federal standards for stablecoin issuers' reserves; redemption policies; and capital, liquidity, and risk management obligations, among others, all of which were incorporated in the *STABLE Act*. Another key aspect of H.R. 4766 is the preservation of stablecoin issuers' ability to seek regulatory approval at the State level, which is also reflected in the *STABLE Act*. Providing both State and Federal pathways for payment stablecoin issuers has been a key priority for Committee Republicans, reflecting the dual banking system that underpins U.S. financial regulation.

The precedents set by H.R. 4766 informed the drafting of the *STABLE Act*. During the first month of the 119th Congress, President Donald Trump signed an Executive Order titled "Strengthening United States Leadership in Digital Financial Technology." The Executive Order established the President's Working Group on Digital Asset Markets and tasked it with "propos[ing] a Federal regulatory framework governing the issuance and operation of digital assets, including stablecoins, in the United States." [1] In support of these efforts, the House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs (Senate Banking Committee), along with the White House's Artificial Intelligence and Crypto Czar, David Sacks, held a press conference prioritizing the passage of payment stablecoin legislation.[2]

Building on the work of the 118th Congress, Subcommittee Chairman Bryan Steil (R–WI) convened the first Digital Assets, Financial Technology, and Artificial Intelligence Subcommittee hearing of the 119th Congress in February of 2025 to discuss the importance of payment stablecoin legislation and the current state of the payment stablecoin market. Since the Committee first began to consider payment stablecoin legislation, the payments space has further developed with more traditional payments market participants engaging in payment stablecoins. During the February hearing, Senior Vice President and General Manager of Blockchain, Crypto, and Digital Currencies at PayPal, Jose Fernandez da Ponte, said:

> We have been active in the space of crypto for the last 5 years and in the stablecoins for the last year and a half, and the reason that we are there is because we are a payments company, not a blockchain company. We see the potential of the technology to bring [about] the next generation of payment rails. . . .

As the payment stablecoin ecosystem develops, it is essential that regardless of the type of market participant, high standards are adhered to, protecting both customers and the broader financial system. The *STABLE Act* took this into account and includes strong consumer protection standards with which issuers must comply. This would not only enable payment stablecoins' continued use in digital asset markets, but also in the next generation of payments and settlement. In March 2025, during a full committee hearing discussing payment stablecoin legislation, the CEO of Digital Assets at BNY Mellon, Caroline Butler, emphasized:

> The *STABLE Act* gives us the clarity and certainty to know what we can actually perform in terms of activities for our clients. . . . In addition, the consistency of applying those same standards across the ecosystem, so whilst we need the clarity as a bank to understand what activities we can perform, we need to know that the ecosystem we are performing those activities in is all players are

[1] White House Press Release, *Executive Order: Strengthening American Leadership in Digital Financial Technology*, (Jan. 23, 2025) https://www.whitehouse.gov/presidential-actions/2025/01/strengthening-american-leadership-in-digital-financial-technology/.

[2] MacKenzie Sigalos, White House Crypto Czar David Sacks Says First Priority is Stablecoin Legislation, CNBC (Feb. 4 2025) https://www.cnbc.com/2025/02/04/trump-crypto-czar-david-sacks-says-priority-is-stablecoin-legislation.html?msockid=35025b825bd66cea30044eec5a5d6d5c.

> meeting the same set of standards. And that is going to be very important to ensure that there is a system of trust with regulatory oversight to ensure that we can protect the safety and soundness of financial markets.

The *STABLE Act* provides for uniformly high standards regardless of the market participant engaging in the payment stablecoin ecosystem.

Senator Bill Hagerty (R–TN), along with the Chairman of the Senate Banking Committee Senator Tim Scott (R–SC), Senator Cynthia Lummis (R–WY), and Senator Kirsten Gillibrand (D–NY), introduced the *Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act*,[3] which was marked up on March 13, 2025. The *GENIUS Act* passed out of Senate Banking Committee by a vote of 18 yeas and 6 nays.

COMMITTEE CONSIDERATION

115TH CONGRESS

The Subcommittee on Capital Markets of the Committee on Financial Services held a hearing on March 14, 2018, titled "Examining the Cryptocurrencies and ICO Markets."

The Subcommittee on Monetary and Trade of the Committee on Financial Services held a hearing on July 18, 2018, titled "The Future of Money: Digital Currency."

116TH CONGRESS

The Committee on Financial Services held a hearing on July 27, 2019, titled "Examining Facebook's Proposed Cryptocurrency and Its Impact on Consumers, Investors, and the American Financial System."

The Committee on Financial Services held a hearing on October 23, 2019, titled "An Examination of Facebook and Its Impact on the Financial Services and Housing Sectors."

117TH CONGRESS

The Subcommittee on Oversight and Investigations of the Committee on Financial Services held a hearing on June 30, 2021, titled "Will the Crypto Frenzy Lead to Financial Independence and Early Retirement or Financial Ruin?"

The Committee on Financial Services held a hearing on December 8, 2021, titled "Digital Assets and the Future of Finance: Understanding the Challenges and Benefits of Financial Innovation in the United States."

The Committee on Financial Services held a hearing on February 8, 2022, titled "Digital Assets and the Future of Finance: The President's Working Group on Financial Markets' Report on Stablecoins."

The Committee on Financial Services held a hearing on March 2, 2022, titled Monetary Policy and the State of the Economy."

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[3] Senator Bill Hagerty Press Release, *Hagerty Leads Legislation to Establish a Stablecoin Regulatory Framework* (Feb. 4, 2025) https://www.hagerty.senate.gov/press-releases/2025/02/04/hagerty-leads-legislation-to-establish-a-stablecoin-regulatory-framework/.

The Committee on Financial Services held a hearing on May 26, 2022, titled "Digital Assets and the Future of Finance: Examining the Benefits and Risks of a U.S. Central Bank Digital Currency."

The Committee on Financial Services held a hearing on June 23, 2022, titled "Monetary Policy and the State of the Economy."

118TH CONGRESS

The Committee on Financial Services held a hearing on March 8, 2023, titled "The Federal Reserve's Semi-Annual Monetary Policy Report."

The Subcommittee on Digital Assets, Financial Technology and Inclusion of the Committee on Financial Services held a hearing on March 9, 2023, titled "Coincidence or Coordinated? The Administration's Attack on the Digital Asset Ecosystem."

The Committee on Financial Services held a hearing on April 18, 2023, titled "Oversight of the Securities and Exchange Commission."

The Subcommittee on Digital Assets, Financial Technology and Inclusion of the Committee on Financial Services held a hearing on April 19, 2023, titled "Understanding Stablecoins" Role in Payments and the Need for Legislation."

The Committee on Financial Services held a hearing on May 16, 2023, titled "Oversight of Prudential Regulators."

The Subcommittee on Digital Assets, Financial Technology and Inclusion of the Committee on Financial Services held a hearing on May 18, 2023, titled "Putting the 'Stable' in 'Stablecoins:' How Legislation Will Help Stablecoins Achieve Their Promise."

The Committee on Financial Services held a hearing on June 13, 2023, titled "The Future of Digital Assets: Providing Clarity for the Digital Asset Ecosystem."

The Committee on Financial Services held a hearing on June 21, 2023, titled "The Federal Reserve's Semi-Annual Monetary Policy Report."

119TH CONGRESS

On March 26, 2025, Representative Steil introduced H.R. 2392, the *STABLE Act of 2025*, with Committee on Financial Services Chairman French Hill (R–AR) and Representatives Ritchie Torres (D–NY), Tom Emmer (R–MN), Bill Huizenga (R–MI), Dan Meuser (R–PA), Young Kim (R–CA), Tim Moore (R–NC), Troy Downing (R–MT), Mike Haridopolos (R–FL), Josh Gottheimer (D–NJ), and Sam Liccardo (D–CA) as original cosponsors. Representatives William Timmons (R–SC), Mike Lawler (R–NY), Zach Nunn (R–IA), John Rose (R–TN), Marlin Stutzman (R–IN), and Shri Thanedar (D–MI) were added subsequently as cosponsors. The bill was referred solely to the Committee on Financial Services.

The Committee on Financial Services met in open session on April 2, 2025, to consider, among others, H.R. 2392.

RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearings were used to develop H.R. 2392:

The Subcommittee on Digital Assets, Financial Technology, and Artificial Intelligence of the Committee on Financial Services held a hearing on February 11, 2025, entitled "A Golden Age of Digital Assets: Charting a Path Forward." A discussion draft version of the bill was considered in this hearing. The following witnesses testified: Jonathan Jachym, Deputy General Counsel and Global Head of Policy & Government Relations, Kraken Digital Asset Exchange, San Francisco, CA; Ji Hun Kim, President and Acting CEO, Crypto Council for Innovation, Washington, D.C.; Coy Garrison, Partner, Steptoe LLP, Washington, D.C.; Jose Fernandez da Ponte, Senior Vice President and General Manager of Blockchain, Crypto and Digital Currencies, PayPal, San Jose, CA; Timothy Massad, Research Fellow and Director of Digital Assets Policy Project, Kennedy School of Government, Harvard University, Cambridge, MA.

The Committee on Financial Services held a hearing on March 11, 2025, titled, "Navigating the Digital Payments Ecosystem: Examining a Federal Framework for Payment Stablecoins and Consequences of a U.S. Central Bank Digital Currency." A discussion draft version of the bill was considered in this hearing. The following witnesses testified: Caroline Butler, Global Head of Digital Assets, The Bank of New York Mellon Corporation, New York, NY; Charles Cascarilla, CEO and Co-Founder, Paxos, New York, NY; Patrick Collison, Co-Founder and CEO, Stripe, San Francisco, CA; Randall Guynn, Chairman, Financial Institutions Group, Davis Polk & Wardwell, New York, NY; Carole House, Senior Fellow, GeoEconomics Center, Atlantic Council, Washington, D.C.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

On April 2, 2025, the Committee ordered H.R. 2392, as amended, to be reported favorably to the House by a recorded vote of 32 yeas and 17 nays, a quorum being present. (Record Vote No. FC–058).

The Committee considered the following amendments to H.R. 2392:

- Representative Steil offered an amendment in the nature of a substitute, which made minor edits and technical changes. This amendment was adopted by a voice vote.
- Ranking Member Maxine Waters (D–CA) offered an amendment (No. 1) that would prevent an entity with a 20% ownership stake from the President, Vice President, Executive Department heads, and Members of Congress from reviewing proposed or final rule text before it is made available to the public. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–027).
- Representative Sam Liccardo (D–CA) offered an amendment (No. 2) that would prohibit the President, the Vice President, public officials, certain employees in the Executive Branch and uniformed service, any other position determined by the Special Counsel of the United States, and any spouse

or dependent child of the aforementioned positions from serving as an officer or director of a permitted payment stablecoin issuer or from issuing, sponsoring, or promoting a payment stablecoin. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–028).

• Ranking Member Waters offered an amendment (No. 3) that would prevent the government from requiring the use of payment stablecoins to transact with the Government if the issuer is owned, affiliated, or controlled by the President, Vice President, a Member of Congress, any other employee of the United States, and certain members of their family. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–029).

• Ranking Member Waters offered an amendment (No. 4) that would require the Board of Governors of the Federal Reserve System (hereinafter "Board") to issue regulations for State qualified and non-bank issuers that prohibits non-financial commercial companies from controlling these issuers and requires the activities of affiliates to be financial activities. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–030).

• Representative Brad Sherman (D–CA) offered an amendment (No. 5) that would require the President, members of the President's Cabinet, and special Government employees who hold more than $10,000,000 in digital assets to submit disclosures to the Board, the Office of the Comptroller of the Currency (hereinafter "OCC"), the Treasury, and the Securities and Exchange Commission (hereinafter "SEC"). This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–031).

• Representative Sherman offered an amendment (No. 6) that would require the President, members of the President's Cabinet, and special Government employees who hold more than $10,000,000 in payment stablecoins to submit disclosures to the Board, the OCC, the Treasury, and the SEC around all purchases and holdings of payment stablecoins as well as a description of any relationship between the aforementioned individuals and any payment stablecoin issuer. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–032).

• Representative Stephen Lynch (D–MA) offered an amendment (No. 7) that would limit the activities of payment stablecoin issuers to issuing, repurchasing, and transferring payment stablecoins, acquiring and managing payment stablecoin reserves, providing custody of payment stablecoins and the associated private keys, and undertaking activities necessary to carry out the aforementioned activities. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–033).

• Representative Sylvia Garcia (D–TX) offered an amendment (No. 8) that would prohibit payment stablecoin issuers from offering or selling payment stablecoins with certain conditions, including requiring purchasers to obtain or provide an additional product or service to the issuer and preventing pur-

chasers from obtaining additional products from competitors. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–034).

• Representative Rashida Tlaib (D–MI) offered an amendment (No. 9) that would prohibit a special Government employee from having any ownership interest in a payment stablecoin issuer. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–035).

• Representative Sherman offered an amendment (No. 10) that would prevent the head of a Federal agency from providing financial assistance to an issuer in order to prevent failure or bankruptcy, prohibit issuers from having access to any Federal Reserve emergency liquidity facility, and prevent the Treasury Secretary from using any amounts in the Exchange Stabilization Fund for the benefit of a payment stablecoin issuer. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–036).

• Representative Bill Foster (D–IL) offered an amendment (No. 11) that would prohibit payment stablecoin issuers from accessing any Federal Reserve emergency liquidity facility and prevent the Treasury Secretary from using any amounts in the Exchange Stabilization Fund for the benefit of a payment stablecoin issuer. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–037).

• Representative Lynch offered an amendment (No. 12) that would prevent a payment stablecoin issuer that has received a government bailout or other emergency assistance from the Government from issuing any new stablecoins until a year after the bailout or the Secretary of the Treasury conducts a full review and approves the issuing of new payment stablecoins. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–038).

• Representative Lynch offered an amendment (No. 13) that would require State qualified payment stablecoin issuers to submit a copy of their application with a given state to the Board and register with the Board no later than 45 days after being approved by the State. The Board is allowed to reject the registration of a State qualified issuer. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–039).

• Representative Tlaib offered an amendment (No. 14) that would clarify that nothing in this Act may be construed to limit the authority of the Consumer Financial Protection Bureau, including with respect to payment stablecoin issuers and users. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–040).

• Representative Nikema Williams (D–GA) offered an amendment (No. 15) that would allow payment stablecoin issuers to have tokenized versions of the approved reserves.

This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–041).

• Representative Lynch offered an amendment (No. 16) that would prevent cryptocurrency exchanges and institution-affiliated parties of permitted payment stablecoin issuers from paying interest or yield to payment stablecoin holders. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–042).

• Representative Lynch offered an amendment (No. 17) that would limit issuance of payment stablecoins to subsidiaries of insured depository institutions. The amendment was defeated by a voice vote.

• Representative Sean Casten (D IL) offered an amendment (No. 18) that would include requirements for prohibiting payment stablecoin issuers from employing or attempting to employ manipulative and deceptive devices. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–043).

• Representative Casten offered an amendment (No. 19) that would require a permitted payment stablecoin issuer with more than $1,000,000,000 in total assets that is not already subject to SEC reporting requirements to prepare an annual financial statement and have an independent public accountant perform an audit of that financial statement. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–044).

• Representative Lynch offered an amendment (No. 20) that would require permitted payment stablecoin issuers to only issue payment stablecoins on permissioned blockchain networks. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–045).

• Representative Casten offered an amendment (No. 21) that would modify the list of permitted reserve assets from funds held as demand deposits at Insured Depository Institutions (hereinafter "IDI") to funds held as insured demand deposits or insured shares at IDIs. The amendment also removes the requirement that the primary Federal payment stablecoin regulators shall jointly issue rules specifying the requirements for the approval of foreign depository institutions to hold demand deposits of a permitted payment stablecoin issuer. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–046).

• Representative Liccardo offered an amendment (No. 22) that would add criminal penalties. This amendment was withdrawn.

• Representative Foster offered an amendment (No. 23) that would modify the list of permitted reserve assets from funds held as demand deposits at IDIs to funds held as insured demand deposits or insured shares. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–047).

• Representative Lynch offered an amendment (No. 24) that would impose criminal penalties on an individual person for holding a foreign payment stablecoin. This amendment failed

by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–048).

• Representative Sherman offered an amendment (No. 25) that would require FinCEN to issue rules to apply anti-money laundering and "know your customer" requirements under the *Bank Secrecy Act* to any person who transfers payment stablecoins between wallets, including self-hosted wallets. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–049).

• Representative Sherman offered an amendment (No. 26) that would prohibit payment stablecoins from being used in mixers. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–050).

• Representative Foster offered an amendment (No. 27) that would require payment stablecoin issuers to block, freeze, and reject specific transactions. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–051).

• Representative Casten offered an amendment (No. 28) that would require the Treasury Secretary, in consultation with the Office of Foreign Assets Control and the Department of Justice, to promulgate a rulemaking for permitted payment stablecoin issuers and foreign payment stablecoin issuers to freeze or prevent the transfer of payment stablecoins involved in illegal activity. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–052).

• Representative Lynch offered an amendment (No. 29) that would prohibit reserves comprised of government and central bank obligations of any nation whose government, officials, or state-owned/controlled enterprises are subject to sanctions or designated as a state sponsor of terrorism. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–053).

• Representative Foster offered an amendment (No. 30) that would require payment stablecoin issuers to establish policies and procedures to attach credentials to digital wallets that indicate appropriate due diligence and know your customer checks have been applied to owner of the digital wallet. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–054).

• Representative Liccardo offered an amendment (No. 31) that would have required the Secretary of Treasury to consider specific considerations when assessing a foreign nation's payment stablecoin regulatory regime. This amendment was withdrawn.

• Representative Nydia Velázquez (D–NY) offered an amendment (No. 32) that would require the Financial Stability Oversight Council to include an assessment of the threat payment stablecoins pose to financial stability. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–055).

• Representative Velázquez offered an amendment (No. 33) to the Internal Revenue Code—Section 865—that would ex-

clude income derived from digital assets by certain individuals from being considered derived in Puerto Rico. This amendment was withdrawn.

- Representative Lynch offered an amendment (No. 34) that would strike the section in the *STABLE Act* that deems an issuer approved by the primary federal payment stablecoin if they fail to render a decision in the allotted time. This amendment failed by a recorded vote of 22 yeas and 27 nays, a quorum being present. (Record Vote No. FC–056).
- Representative Warren Davidson (R–OH) offered an amendment (No. 35) that emphasized that a commodity-backed settlement token (i.e. commodity-backed stablecoin) issuer may issue such token consistent with regulations imposed by State regulators. This amendment was withdrawn.
- Representative Davidson offered an amendment (No. 36) that would prohibit FinCEN from issuing any rule or order that would impair the ability of an individual to self-custody and transact with their digital assets. This amendment failed by a recorded vote of 1 yea and 47 nays, a quorum being present. (Record Vote No. FC–057).

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Waters 1 to ANS to H.R. 2392 (D94)**

Record Vote No.
FC-027

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Liccardo 1 to ANS to H.R. 2392 (LICCAR_007)**

Record Vote No.
FC-028

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Waters 2 to ANS to H.R. 2392 (D141)**

Record Vote No.
FC-029

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Waters 3 to ANS to H.R. 2392 (D88)**

Record Vote No.
FC-030

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:

22	27	5
Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Sherman 1 to ANS to H.R. 2392 (SHERMA_031)**

Record Vote No.
FC-031

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Sherman 2 to ANS to H.R. 2392 (SHERMA_032)**

Record Vote No.
FC-032

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Lynch 1 to ANS to H.R. 2392 (LYNCH_013)**

Record Vote No.
FC-033

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Garcia 1 to ANS to H.R. 2392 (D111)**

Record Vote No.
FC-034

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:

22	27	5
Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Tlaib 1 to ANS to H.R. 2392 (D96)**

Record Vote No.
FC-035

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Sherman 3 to ANS to H.R. 2392 (SHERMA_035)**

Record Vote No.
FC-036

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Foster 1 to ANS to H.R. 2392 (FOSTER_017)**

Record Vote No.
FC-037

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Lynch 2 to ANS to H.R. 2392 (LYNCH_031)**

Record Vote No.
FC-038

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	22	27	5
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Lynch 3 to ANS to H.R. 2392 (LYNCH_022)**

Record Vote No.
FC-039

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Tlaib 2 to ANS to H.R. 2392 (TLAIB_033)**

Record Vote No.
FC-040

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Williams of GA 1 to ANS to H.R. 2392**

Record Vote No.
FC-041

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Lynch 4 to ANS to H.R. 2392 (LYNCH_029)**

Record Vote No.
FC-042

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Casten 1 to ANS to H.R. 2392 (CASTEN_038)**

Record Vote No.
FC-043

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Casten 2 to ANS to H.R. 2392 (CASTEN_035)**

Record Vote No.
FC-044

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Lynch 6 to ANS to H.R. 2392 (LYNCH_028)**

Record Vote No.
FC-045

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Casten 3 to ANS to H.R. 2392 (CASTEN_039)**

Record Vote No.
FC-046

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Foster 2 to ANS to H.R. 2392 (FOSTER_022)**

Record Vote No.
FC-047

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Lynch 7 to ANS to H.R. 2392 (LYNCH_020)**

Record Vote No.
FC-048

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Sherman 4 to ANS to H.R. 2392 (SHERMA_028)**

Record Vote No.
FC-049

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Sherman 5 to ANS to H.R. 2392 (SHERMA_027)**

Record Vote No.
FC-050

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Foster 3 to ANS to H.R. 2392 (FOSTER_018)**

Record Vote No.
FC-051

Disposition **NOT AGREED TO (22-27)**

Member	Yea.	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Casten 4 to ANS to H.R. 2392 (CASTEN_036)**

Record Vote No.
FC-052

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Lynch 8 to ANS to H.R. 2392 (LYNCH_021)**

Record Vote No.
FC-053

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Foster 4 to ANS to H.R. 2392 (FOSTER_019)**

Record Vote No.
FC-054

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Velázquez 1 to ANS to H.R. 2392**

Record Vote No.
FC-055

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Lynch 9 to ANS to H.R. 2392 (LYNCH_023)**

Record Vote No.
FC-056

Disposition **NOT AGREED TO (22-27)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)	X		
Mr. Fitzgerald		X		Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	**27**	**3**		**22**	**0**	**2**

Committee Totals:	**22**	**27**	**5**
	Yeas	Nays	Not Voting

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to adopt the amendment**
Measure **Davidson 2 to ANS to H.R. 2392 (DAVIOH_043)**

Record Vote No.
FC-057

Disposition **NOT AGREED TO (1-47)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill		X		Ranking Member Waters		X	
Mr. Lucas		X		Ms. Velázquez		X	
Mr. Sessions		X		Mr. Sherman		X	
Mr. Huizenga		X		Mr. Meeks		X	
Mrs. Wagner		X		Mr. Scott		X	
Mr. Barr		X		Mr. Lynch		X	
Mr. Williams (TX)		X		Mr. Green (TX)		X	
Mr. Emmer			X	Mr. Cleaver			X
Mr. Loudermilk		X		Mr. Himes		X	
Mr. Davidson	X			Mr. Foster		X	
Mr. Rose		X		Mrs. Beatty		X	
Mr. Steil		X		Mr. Vargas		X	
Mr. Timmons		X		Mr. Gottheimer		X	
Mr. Stutzman		X		Mr. Gonzalez		X	
Mr. Norman			X	Mr. Casten		X	
Mr. Meuser		X		Ms. Pressley		X	
Mrs. Kim		X		Ms. Tlaib		X	
Mr. Donalds			X	Mr. Torres (NY)		X	
Mr. Garbarino		X		Ms. Garcia (TX)		X	
Mr. Fitzgerald		X		Ms. Williams of GA		X	
Mr. Flood		X		Ms. Pettersen			X
Mr. Lawler		X		Mr. Fields		X	
Ms. De La Cruz		X		Ms. Bynum		X	
Mr. Ogles			X	Mr. Liccardo		X	
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	1	**25**	**4**		**0**	**22**	**2**

Committee Totals:

Yeas	Nays	Not Voting
1	47	6

Committee on Financial Services

Markup 2
April 2, 2025

Bill **H.R. 2392**
Motion **to report favorably**
Measure **H.R. 2392 (as amended)**

Record Vote No.
FC-058

Disposition **AGREED TO (32-17)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill	X			Ranking Member Waters		X	
Mr. Lucas	X			Ms. Velázquez		X	
Mr. Sessions	X			Mr. Sherman		X	
Mr. Huizenga	X			Mr. Meeks	X		
Mrs. Wagner	X			Mr. Scott		X	
Mr. Barr	X			Mr. Lynch		X	
Mr. Williams (TX)	X			Mr. Green (TX)		X	
Mr. Emmer	X			Mr. Cleaver			X
Mr. Loudermilk	X			Mr. Himes	X		
Mr. Davidson		X		Mr. Foster		X	
Mr. Rose	X			Mrs. Beatty		X	
Mr. Steil	X			Mr. Vargas		X	
Mr. Timmons	X			Mr. Gottheimer	X		
Mr. Stutzman	X			Mr. Gonzalez		X	
Mr. Norman			X	Mr. Casten		X	
Mr. Meuser	X			Ms. Pressley		X	
Mrs. Kim	X			Ms. Tlaib		X	
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino	X			Ms. Garcia (TX)		X	
Mr. Fitzgerald	X			Ms. Williams of GA		X	
Mr. Flood	X			Ms. Pettersen			X
Mr. Lawler	X			Mr. Fields		X	
Ms. De La Cruz	X			Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn	X						
Mrs. McClain	X						
Ms. Salazar	X						
Mr. Downing	X						
Mr. Haridopolos	X						
Mr. Moore (NC)	X						
	26	**1**	**3**		**6**	**16**	**2**

Committee Totals:	**32**	**17**	**5**
	Yeas	Nays	Not Voting

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 2392 is to establish a clear regulatory framework for the issuance of payment stablecoins that protects consumers by setting necessary federal guardrails for payment stablecoin issuance, redemption, and reserves, while also promoting innovation in the U.S. through a tailored approach that supports new entrants into the marketplace.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 2392. The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of House rule XIII, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

UNFUNDED MANDATES STATEMENT

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the Unfunded Mandates Reform Act. The Committee will adopt the estimate once it has been prepared by the Director.

EARMARK STATEMENT

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the resolution and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides the short title is the "Stablecoin Transparency and Accountability for a Better Ledger Economy Act of 2025" or the "STABLE Act of 2025."

Section 2. Definitions

Section 2 defines various terms, including digital asset, distributed ledger, payment stablecoin, permitted payment stablecoin issuer, and primary federal payment stablecoin regulator, among others. A permitted payment stablecoin issuer is one that has been approved under one of the pathways made available under the Act.

Section 3. Limitation on who may issue a payment stablecoin

Section 3 prohibits the issuance of payment stablecoins in the United States by any entity other than those approved as permitted stablecoin issuers under the Act. Eighteen months after the Act is enacted, custodial intermediaries will be prohibited from offering or selling payment stablecoins unless they are issued by a permitted payment stablecoin issuer. The prohibition on offering and selling payment stablecoins of non-permitted issuers will not apply to foreign payment stablecoin issuers that are subject to a foreign payment stablecoin regulatory regime that the Secretary of Treasury determines is comparable to the Act's requirements in Section 4. In addition, foreign issuers under such comparable foreign regimes must consent to examination and reporting requirements by a federal regulator. The prohibition also does not apply to individuals transacting in payment stablecoins and other digital assets for their own lawful purposes using a self-custody wallet.

Section 4. Requirements for issuing payment stablecoins

Section 4 establishes minimum standards that all payment stablecoin issuers must comply with, regardless of the regulatory path that they choose. Payment stablecoin issuers must maintain

reserves on a one-to-one basis with assets comprised of U.S. currency; deposits held at insured depository institutions, approved foreign depository institutions, or insured credit unions; short-term Treasury bills, notes, or bonds; short-term repurchase and reverse repurchase agreements; and money market funds invested solely in the other assets included in the list of permissible payment stablecoin reserves.

Such reserves may not be rehypothecated except for limited purposes. Payment stablecoin issuers must establish and publicly disclose policies and procedures regarding redemption. Issuers must publish the composition of their reserves monthly, have those reports examined monthly by an independent registered public accounting firm, and provide monthly certifications from their Chief Executive Officer and Chief Financial Officer to the issuer's primary regulator regarding the truthfulness of these reports. This section also clarifies that the STABLE Act does not alter the status quo as it relates to legal eligibility for master account access.

Additionally, payment stablecoin issuers are treated as financial institutions for purposes of applying the Bank Secrecy Act (BSA). Section 4 requires the Secretary of Treasury, in coordination with the primary federal payment stablecoin regulators, to issue regulations applying tailored BSA obligations to payment stablecoin issuers. These obligations will require issuers to establish and maintain an anti-money laundering and countering the financing of terrorism program, retain appropriate records of transactions in their permitted payment stablecoins, monitor and report suspicious activity, and maintain an effective customer identification program for initial holders of their permitted payment stablecoins. In addition, Section 4 clarifies that permitted payment stablecoin issuers must comply with all U.S. sanctions laws.

This section also places limitations on the activities of payment stablecoin issuers and requires the primary federal payment stablecoin regulators in consultation with state payment stablecoin regulators to issue joint rulemakings establishing tailored capital requirements, liquidity standards, and risk management requirements for reserve asset diversification, cybersecurity, operations, and compliance. Payment stablecoin issuers are also prohibited from paying interest or yield on their payment stablecoins.

Section 4 also requires state qualified payment stablecoin issuers to issue payment stablecoins through state regulatory regimes that have been certified by the Secretary of Treasury as meeting or exceeding the requirements of this section.

This section clarifies that payment stablecoins are not subject to deposit insurance by the FDIC or share insurance by the National Credit Union Administration (NCUA) and requires payment stablecoin issuers to disclose this information on its website. Section 4 also prohibits individuals convicted of a felony offense for certain financial crimes from serving as an officer or director of a payment stablecoin issuer.

Rulemakings issued under this section must be issued jointly by the federal payment stablecoin regulators. The deadline for rulemakings under this section is 180 days after enactment of the Act.

Section 5. Approval of subsidiaries for insured depository institutions and subsidiaries of nonbank entities

Section 5 establishes a process for payment stablecoin issuers that seek to gain approval through the federal pathway. The Act enables a depository institution to issue payment stablecoins through a subsidiary that is approved by the appropriate federal banking agency or the NCUA, as applicable. Entities chartered by the Office of the Comptroller of the Currency (OCC) may issue a payment stablecoin, if approved by the OCC. Lastly, a nonbank entity can become a federal qualified nonbank payment stablecoin issuer, if approved by the OCC.

This section requires the primary federal payment stablecoin regulator to render a decision on applications within a certain timeframe. If the primary federal payment stablecoin regulator fails to issue a decision within the timeframe, the application will be deemed approved. Factors that the primary federal payment stablecoin regulator may consider when assessing the application include the payment stablecoin issuer's ability to meet the standards established in Section 4 of the Act. The regulator may only deny an application if it determines the activities of the applicant would be unsafe or unsound based on the applicant's ability to meet the requirements of Section 4. The regulator must provide a written explanation for the denial that includes the shortcomings of the application and actionable recommendations on how those shortcomings could be addressed.

The payment stablecoin issuer is permitted to appeal the denial through a process established under the Act. The primary federal payment stablecoin regulators must report to Congress on payment stablecoin issuer applications that have been pending for 6 months or more, as well as the number of calendar days applicants have waited for decisions. The primary federal payment stablecoin regulator shall notify Congress once beginning to process applications. The provisions of this section would preempt any conflicting state law or licensing requirement.

Rulemakings issued under this section must be issued jointly by the federal payment stablecoin regulators. The deadline for rulemakings under this section is 180 days after enactment of the Act.

Section 6. Supervision and enforcement with respect to subsidiaries of insured depository institutions and federal qualified nonbank payment stablecoin issuers

Section 6 establishes supervision and enforcement standards for payment stablecoin issuers under the oversight of a primary federal payment stablecoin regulator. Subsidiaries of IDIs are subject to supervision by the primary federal payment stablecoin regulator in the same manner as such IDI.

Federal qualified nonbank stablecoin issuers are required to submit reports on their financial condition and compliance with the Act to the OCC upon request and are subject to examinations. Both federal qualified nonbank payment stablecoin issuers and subsidiaries of IDIs that issue payment stablecoins must comply with the requirements of the Gramm-Leach Bliley Act.

The enforcement provisions are similar to the enforcement powers under the Federal Deposit Insurance Act and provides federal

payment stablecoin regulators authority to pursue suspension and prohibition actions, cease-and-desist actions, and civil money penalties against a payment stablecoin issuer or institution-affiliated party of a permitted payment stablecoin issuer if the primary federal payment stablecoin regulator determines that such permitted payment stablecoin issuer or institution-affiliated party is violating or has violated the Act or any regulation or order issued thereunder.

Section 7. State qualified payment stablecoin issuers

Section 7 establishes that state payment stablecoin regulators can license and supervise state qualified payment stablecoin issuers provided that their state regulatory regime is certified by the Treasury Secretary as meeting or exceeding the requirements of Section 4.

The state regulator will retain supervisory, examination, and enforcement authority over state qualified payment stablecoins issuers. State regulators may enter into memorandums of understanding with the appropriate primary Federal banking agencies to jointly carry out supervision and enforcement, and must share information with the appropriate federal banking agency. The primary federal banking agency has back-up enforcement authority, as specified in Section 6, over state qualified payment stablecoin issuers that are subsidiaries of insured depository institutions or institution-affiliated parties of such issuers for violations of the Act under certain circumstances. The OCC has back-up enforcement authority, as specified in Section 6, over state qualified, non-bank payment stablecoin issuers or institution-affiliated parties of such issuers for violations of the Act under certain circumstances. State qualified payment stablecoin issuers also must comply with the requirements of the Gramm-Leach Bliley Act. Primary federal banking agencies have 180 days after enactment of the Act to set standards that would be used by the agencies to exercise their back-up authority.

This section also allows state qualified payment stablecoin issuers that are chartered or licensed in a certified state to issue payment stablecoins in other states without a license. In order to operate in states other than that in which the issuer has been chartered or licensed, the state qualified payment stablecoin issuer must notify regulators in those states before commencing business. If an issuer wishes to operate in a state that does not have a regulatory regime certified under Section 4 of the Act, the issuer will be subject to all applicable consumer protection laws of the state in which the issuer seeks to operate and must adhere to the standards of the home state. If the issuer is seeking to operate in a state with a regulatory regime that has been certified under Section 4, the issuer will still be subject to the host state's applicable consumer protection laws to the same extent as state qualified issuers licensed or chartered in that state, as well as be required to comply with any payment stablecoin obligations that exceed those of their home state regime.

Section 8. Customer protection

Section 8 establishes standards for entities that provide custodial services for payment stablecoins and payment stablecoin reserves.

These custodians must be regulated by a federal regulator or subject to supervision by a state bank or credit union supervisor that meets certain standards, including segregation or other similar requirements. Entities must treat customer property as belonging to the customer and take steps to protect the property from claims of creditors.

Payment stablecoins and other property of a customer must be separately accounted for and not commingled with the funds of the custodian. Finally, the entities must submit information to the primary federal payment stablecoin regulator on their business operations and processes to protect customer assets. The requirements of this section shall not apply to any entity solely on the basis that such entity engages in the business of providing hardware or software to facilitate a customer's own custody or safekeeping of the customer's payment stablecoins or private keys.

Section 9. Rule of construction

Section 9 clarifies that a digital asset will not be considered a payment stablecoin if it is redeemable exclusively for other digital assets that are not primarily payment stablecoins or representations of the permissible reserves in Section 4 (or similar assets), or if the digital asset is primarily used within a system controlled by the issuer to access products, services, or loyalty rewards.

Section 10. Interoperability standards

Section 10 requires the primary federal payment stablecoin regulators to work with the National Institute of Standards and Technology, other relevant standard setting organizations, and state governments to consider standards for compatibility and interoperability of permitted payment stablecoins both within the United States and in foreign jurisdictions with comparable payment stablecoin regulatory regimes.

Section 11. Moratorium on endogenously collateralized stablecoins

Section 11 imposes a two-year moratorium on the issuance of endogenously collateralized stablecoins. An endogenously collateralized stablecoin is any digital asset for which its originator has represented will be converted, redeemed, or repurchased for a fixed amount of monetary value; and that relies solely on the value of another digital asset created or maintained by the same originator to maintain the fixed price.

Section 12. Studies and reports

Section 12 requires the Secretary of Treasury in consultation with the Federal Reserve, the OCC, the FDIC, the NCUA, and the SEC to carry out a study on non-payment stablecoins, including decentralized stablecoins, and provide a report to the relevant congressional Committees on this study within a year of this Act being enacted. This section also requires the Secretary in consultation with the Board, the OCC, the FDIC, the NCUA, and the SEC to carry out a study on the impact of payment stablecoins, including an analysis of payment stablecoins' use in domestic and cross-border payments and remittances, the role and use of payment stablecoins in the Global South, and the extent to which payment stablecoins reinforce the U.S. dollar's role as the world's reserve

currency and increase demand for U.S. Treasury securities. Both studies shall be completed 1-year after enactment of the Act.

Section 13. Report on rulemaking status

Section 13 requires the primary federal payment stablecoin regulators to provide the relevant Committees with an update on the status of rulemakings required under this Act within 6 months.

Section 14. Authority of banking institutions

Section 14 clarifies the authority of depository institutions and trust companies, as appropriate, to tokenize deposits, utilize distributed ledgers for books and records, and provide custodial services for payment stablecoins.

Additionally, this section prevents federal agencies from requiring entities to account for assets held in custody on their balance sheet; hold regulatory capital against these assets, including for payment stablecoins' reserves, except as necessary to mitigate against operational risks inherent with the custody or safekeeping services, as determined by the appropriate federal banking agency, NCUA, state bank supervisor, or state credit union supervisor; or recognize a liability for any obligations related to activities or services performed for digital assets that the entity does not own if that liability would exceed the expense recognized in the income statement as a result of the corresponding obligation. This language would prevent the SEC or other federal regulators from issuing guidance similar to the SEC's SAB 121.

Section 15. Amendments to clarify that payment stablecoins are not securities

Section 15 clarifies that the term "security" under the securities laws does not include a payment stablecoin issued by a permitted payment stablecoin issuer.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

INVESTMENT ADVISERS ACT OF 1940

TITLE II—INVESTMENT ADVISERS

* * * * * * *

DEFINITIONS

SEC. 202. (a) When used in this title, unless the context otherwise requires, the following definitions shall apply:

(1) "Assignment" includes any direct or indirect transfer or hypothecation of an investment advisory contract by the assignor or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor; but if the investment adviser is a partnership, no assignment of an investment advisory contract shall be deemed to result from the

death or withdrawal of a minority of the members of the investment adviser having only a minority interest in the business of the investment adviser, or from the admission to the investment adviser of one or more members who, after such admission, shall be only a minority of the members and shall have only a minority interest in the business.

(2) "Bank" means (A) a banking institution organized under the laws of the United States or a Federal savings association, as defined in section 2(5) of the Home Owners' Loan Act, (B) a member bank of the Federal Reserve System, (C) any other banking institution, savings association, as defined in section 2(4) of the Home Owners' Loan Act, or trust company, whether incorporated or not, doing business under the laws of any State or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to national banks under the authority of the Comptroller of the Currency, and which is supervised and examined by State or Federal authority having supervision over banks or savings associations, and which is not operated for the purpose of evading the provisions of this title, and (D) a receiver, conservator, or other liquidating agent of any institution or firm included in clauses (A), (B), or (C) of this paragraph.

(3) The term "broker" has the same meaning as given in section 3 of the Securities Exchange Act of 1934.

(4) "Commission" means the Securities and Exchange Commission.

(5) "Company" means a corporation, a partnership, an association, a joint-stock company, a trust, or any organized group of persons, whether incorporated or not; or any receiver, trustee in a case under title 11 of the United States Code, or similar official, or any liquidating agent for any of the foregoing, in his capacity as such.

(6) "Convicted" includes a verdict, judgment, or plea of guilty, or a finding of guilt on a plea of nolo contendere, if such verdict, judgment, plea, or finding has not been reversed, set aside, or withdrawn, whether or not sentence has been imposed.

(7) The term "dealer" has the same meaning as given in section 3 of the Securities Exchange Act of 1934, but does not include an insurance company or investment company.

(8) "Director" means any director of a corporation or any person performing similar functions, with respect to any organization, whether incorporated or unincorporated.

(9) "Exchange" means any organization, association, or group of persons, whether incorporated or unincorporated, which constitutes, maintains, or provides a market place or facilities for bringing together purchasers and sellers of securities or for otherwise performing with respect to securities the functions commonly performed by a stock exchange as that term is generally understood, and includes the market place and the market facilities maintained by such exchange.

(10) "Interstate commerce" means trade, commerce, transportation, or communication among the several States, or between

any foreign country and any State, or between any State and any place or ship outside thereof.

(11) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities; but does not include (A) a bank, or any bank holding company as defined in the Bank Holding Company Act of 1956, which is not an investment company, except that the term "investment adviser" includes any bank or bank holding company to the extent that such bank or bank holding company serves or acts as an investment adviser to a registered investment company, but if, in the case of a bank, such services or actions are performed through a separately identifiable department or division, the department or division, and not the bank itself, shall be deemed to be the investment adviser; (B) any lawyer, accountant, engineer, or teacher whose performance of such services is solely incidental to the practice of his profession; (C) any broker or dealer whose performance of such services is solely incidental to the conduct of his business as a broker or dealer and who receives no special compensation therefor; (D) the publisher of any bona fide newspaper, news magazine or business or financial publication of general and regular circulation; (E) any person whose advice, analyses, or reports relate to no securities other than securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States, or securities issued or guaranteed by corporations in which the United States has a direct or indirect interest which shall have been designated by the Secretary of the Treasury, pursuant to section 3(a)(12) of the Securities Exchange Act of 1934, as exempted securities for the purposes of that Act; (F) any nationally recognized statistical rating organization, as that term is defined in section 3(a)(62) of the Securities Exchange Act of 1934, unless such organization engages in issuing recommendations as to purchasing, selling, or holding securities or in managing assets, consisting in whole or in part of securities, on behalf of others;; (G) any family office, as defined by rule, regulation, or order of the Commission, in accordance with the purposes of this title; or (H) such other persons not within the intent of this paragraph, as the Commission may designate by rules and regulations or order.

(12) "Investment company", affiliated person, and "insurance company" have the same meanings as in the Investment Company Act of 1940. "Control" means the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of an official position with such company.

(13) "Investment supervisory services" means the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client.

(14) "Means or instrumentality of interstate commerce" includes any facility of a national securities exchange.

(15) "National securities exchange" means an exchange registered under section 6 of the Securities Exchange Act of 1934.

(16) "Person" means a natural person or a company.

(17) The term "person associated with an investment adviser" means any partner, officer, or director of such investment adviser (or any person performing similar functions), or any person directly or indirectly controlling or controlled by such investment adviser, including any employee of such investment adviser, except that for the purposes of section 203 of this title (other than subsection (f) thereof), persons associated with an investment adviser whose functions are clerical or ministerial shall not be included in the meaning of such term. The Commission may by rules and regulations classify, for the purposes of any portion or portions of this title, persons, including employees controlled by an investment adviser.

(18) "Security" means any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guaranty of, or warrant or right to subscribe to or purchase any of the foregoing. *The term "security" does not include a payment stablecoin issued by a permitted payment stablecoin issuer, as such terms are defined, respectively, in section 2 of the STABLE Act of 2025.*

(19) "State" means any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, or any other possession of the United States.

(20) "Underwriter" means any person who has purchased from an issuer with a view to, or sells for an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking; but such term shall not include a person whose interest is limited to a commission from an underwriter or dealer not in excess of the usual and customary distributor's or seller's commission. As used in this paragraph the term "issuer" shall include in addition to an issuer, any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer.

(21) "Securities Act of 1933", "Securities Exchange Act of 1934", and "Trust Indenture Act of 1939", mean those Acts, respectively, as heretofore or hereafter amended.

(22) "Business development company" means any company which is a business development company as defined in section 2(a)(48) of title I of this Act and which complies with section 55 of title I of this Act, except that—

(A) the 70 per centum of the value of the total assets condition referred to in sections 2(a)(48) and 55 of title I of this Act shall be 60 per centum for purposes of determining compliance therewith;

(B) such company need not be a closed-end company and need not elect to be subject to the provisions of sections 55 through 65 of title I of this Act; and

(C) the securities which may be purchased pursuant to section 55(a) of title I of this Act may be purchased from any person.

For purposes of this paragraph, all terms in sections 2(a)(48) and 55 of title I of this Act shall have the same meaning set forth in such title as if such company were a registered closed-end investment company, except that the value of the assets of a business development company which is not subject to the provisions of sections 55 through 65 of title I of this Act shall be determined as of the date of the most recent financial statements which it furnished to all holders of its securities, and shall be determined no less frequently than annually.

(23) "Foreign securities authority" means any foreign government, or any governmental body or regulatory organization empowered by a foreign government to administer or enforce its laws as they relate to securities matters.

(24) "Foreign financial regulatory authority" means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above.

(25) "Supervised person" means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

(26) The term "separately identifiable department or division" of a bank means a unit—

(A) that is under the direct supervision of an officer or officers designated by the board of directors of the bank as responsible for the day-to-day conduct of the bank's investment adviser activities for one or more investment companies, including the supervision of all bank employees engaged in the performance of such activities; and

(B) for which all of the records relating to its investment adviser activities are separately maintained in or extractable from such unit's own facilities or the facilities of the

bank, and such records are so maintained or otherwise accessible as to permit independent examination and enforcement by the Commission of this Act or the Investment Company Act of 1940 and rules and regulations promulgated under this Act or the Investment Company Act of 1940.

(27) The terms "security future" and "narrow-based security index" have the same meanings as provided in section 3(a)(55) of the Securities Exchange Act of 1934.

(28) The term "credit rating agency" has the same meaning as in section 3 of the Securities Exchange Act of 1934.

(29) The term "private fund" means an issuer that would be an investment company, as defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a–3), but for section 3(c)(1) or 3(c)(7) of that Act.

(30) The term "foreign private adviser" means any investment adviser who—

(A) has no place of business in the United States;

(B) has, in total, fewer than 15 clients and investors in the United States in private funds advised by the investment adviser;

(C) has aggregate assets under management attributable to clients in the United States and investors in the United States in private funds advised by the investment adviser of less than $25,000,000, or such higher amount as the Commission may, by rule, deem appropriate in accordance with the purposes of this title; and

(D) neither—

(i) holds itself out generally to the public in the United States as an investment adviser; nor

(ii) acts as—

(I) an investment adviser to any investment company registered under the Investment Company Act of 1940; or

(II) a company that has elected to be a business development company pursuant to section 54 of the Investment Company Act of 1940 (15 U.S.C. 80a–53), and has not withdrawn its election.

(29) The terms "commodity pool", "commodity pool operator", "commodity trading advisor", "major swap participant", "swap", "swap dealer", and "swap execution facility" have the same meanings as in section 1a of the Commodity Exchange Act (7 U.S.C. 1a).

(b) No provision in this title shall apply to, or be deemed to include, the United States, a State, or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing, or any corporation which is wholly owned directly or indirectly by any one or more of the foregoing, or any officer, agent, or employee of any of the foregoing acting as such in the course of his official duty, unless such provision makes specific reference thereto.

(c) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the

public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.

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INVESTMENT COMPANY ACT OF 1940

TITLE I—INVESTMENT COMPANIES

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GENERAL DEFINITIONS

SEC. 2. (a) When used in this title, unless the context otherwise requires—

(1) "Advisory board" means a board, whether elected or appointed, which is distinct from the board of directors or board of trustees, of an investment company, and which is composed solely of persons who do not serve such company in any other capacity, whether or not the functions of such board are such as to render its members "directors" within the definition of that term, which board has advisory functions as to investments but has no power to determine that any security or other investment shall be purchased or sold by such company.

(2) "Affiliated company" means a company which is an affiliated person.

(3) "Affiliated person" of another person means (A) any person directly or indirectly owning, controlling, or holding with power to vote, 5 per centum or more of the outstanding voting securities of such other person; (B) any person 5 per centum or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other person; (C) any person directly or indirectly controlling, controlled by, or under common control with, such other person; (D) any officer, director, partner, copartner, or employee of such other person; (E) if such other person is an investment company, any investment adviser thereof or any member of an advisory board thereof; and (F) if such other person is an unincorporated investment company not having a board of directors, the depositor thereof.

(4) "Assignment" includes any direct or indirect transfer or hypothecation of a contract or chose in action by the assignor, or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor; but does not include an assignment of partnership interests incidental to the death or withdrawal of a minority of the members of the partnership having only a minority interest in the partnership business or to the admission to the partnership of one or more members who, after such admission, shall be only a minority of the members and shall have only a minority interest in the business.

(5) "Bank" means (A) a depository institution (as defined in section 3 of the Federal Deposit Insurance Act) or a branch or agency of a foreign bank (as such terms are defined in section 1(b) of the International Banking Act of 1978), (B) a member

bank of the Federal Reserve System, (C) any other banking institution or trust company, whether incorporated or not, doing business under the laws of any State or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to national banks under the authority of the Comptroller of the Currency, and which is supervised and examined by State or Federal authority having supervision over banks, and which is not operated for the purpose of evading the provisions of this title, and (D) a receiver, conservator, or other liquidating agent of any institution or firm included in clause (A), (B), or (C) of this paragraph.

(6) The term "broker" has the same meaning as given in section 3 of the Securities Exchange Act of 1934, except that such term does not include any person solely by reason of the fact that such person is an underwriter for one or more investment companies.

(7) "Commission" means the Securities and Exchange Commission.

(8) "Company" means a corporation, a partnership, an association, a joint-stock company, a trust, a fund, or any organized group of persons whether incorporated or not; or any receiver, trustee in a case under title 11 of the United States Code or similar official or any liquidating agent for any of the foregoing, in his capacity as such.

(9) "Control" means the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of an official position with such company.

Any person who owns beneficially, either directly or through one or more controlled companies, more than 25 per centum of the voting securities of a company shall be presumed to control such company. Any person who does not so own more than 25 per centum of the voting securities of any company shall be presumed not to control such company. A natural person shall be presumed not to be a controlled person within the meaning of this title. Any such presumption may be rebutted by evidence, but except as hereinafter provided, shall continue until a determination to the contrary made by the Commission by order either on its own motion or on application by an interested person. If an application filed hereunder is not granted or denied by the Commission within sixty days after filing thereof, the determination sought by the application shall be deemed to have been temporarily granted pending final determination of the Commission thereon. The Commission, upon its own motion or upon application, may by order revoke or modify any order issued under this paragraph whenever it shall find that the determination embraced in such original order is no longer consistent with the facts.

(10) "Convicted" includes a verdict, judgment, or plea of guilty, or a finding of guilt on a plea of nolo contendere, if such verdict, judgment, plea, or finding has not been reversed, set aside, or withdrawn, whether or not sentence has been imposed.

(11) The term "dealer" has the same meaning as given in the Securities Exchange Act of 1934, but does not include an insurance company or investment company.

(12) "Director" means any director of a corporation or any person performing similar functions with respect to any organization, whether incorporated or unincorporated, including any natural person who is a member of a board of trustees of a management company created as a common-law trust.

(13) "Employees' securities company" means any investment company or similar issuer all of the outstanding securities of which (other than short-term paper) are beneficially owned (A) by the employees or persons on retainer of a single employer or of two or more employers each of which is an affiliated company of the other, (B) by former employees of such employer or employers, (C) by members of the immediate family of such employees, persons on retainer, or former employees, (D) by any two or more of the foregoing classes of persons, or (E) by such employer or employers together with any one or more of the foregoing classes of persons.

(14) "Exchange" means any organization, association, or group of persons, whether incorporated or unincorporated, which constitutes, maintains, or provides a market place or facilities for bringing together purchasers and sellers of securities or for otherwise performing with respect to securities the functions commonly performed by a stock exchange as that term is generally understood, and includes the market place and the market facilities maintained by such exchange.

(15) "Face-amount certificate" means any certificate, investment contract, or other security which represents an obligation on the part of its issuer to pay a stated or determinable sum or sums at a fixed or determinable date or dates more than twenty-four months after the date of issuance, in consideration of the payment of periodic installments of a stated or determinable amount (which security shall be known as a face-amount certificate of the "installment type"); or any security which represents a similar obligation on the part of a face-amount certificate company, the consideration for which is the payment of a single lump sum (which security shall be known as a "fully paid" face-amount certificate).

(16) "Government security" means any security issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States; or any certificate of deposit for any of the foregoing.

(17) "Insurance company" means a company which is organized as an insurance company, whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and which is subject to supervision by the insurance commissioner or a similar official or agency of a State; or any receiver or similar official or any liquidating agent for such a company, in his capacity as such.

(18) "Interstate commerce" means trade, commerce, transportation, or communication among the several States, or between

any foreign country and any State, or between any State and any place or ship outside thereof.

(19) "Interested person" of another person means—

(A) when used with respect to an investment company—

(i) any affiliated person of such company,

(ii) any member of the immediate family of any natural person who is an affiliated person of such company,

(iii) any interested person of any investment adviser of or principal underwriter for such company,

(iv) any person or partner or employee of any person who at any time since the beginning of the last two completed fiscal years of such company has acted as legal counsel for such company,

(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

(I) the investment company;

(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services; or

(III) any account over which the investment company's investment adviser has brokerage placement discretion,

(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

(I) the investment company;

(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services; or

(III) any account for which the investment company's investment adviser has borrowing authority, and

(vii) any natural person whom the Commission by order shall have determined to be an interested person by reason of having had, at any time since the beginning of the last two completed fiscal years of such company, a material business or professional relationship with such company or with the principal executive officer of such company or with any other investment company having the same investment adviser or principal underwriter or with the principal executive officer of such other investment company:

Provided, That no person shall be deemed to be an interested person of an investment company solely by reason of (aa) his being a member of its board of directors or advisory board or an owner of its securities, or (bb) his membership in the immediate family of any person specified in clause (aa) of this proviso; and

(B) when used with respect to an investment adviser of or principal underwriter for any investment company—

(i) any affiliated person of such investment adviser or principal underwriter,

(ii) any member of the immediate family of any natural person who is an affiliated person of such investment advisor or principal underwiter,

(iii) any person who knowingly has any direct or indirect beneficial interest in, or who is designated as trustee, executor, or guardian of any legal interest in, any security issued either by such investment adviser or principal underwriter or by a controlling person of such investment adviser or principal underwriter,

(iv) any person or partner or employee of any person who at any time since the beginning of the last two completed fiscal years of such investment company has acted as legal counsel for such investment adviser or principal underwriter,

(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

(I) any investment company for which the investment adviser or principal underwriter serves as such;

(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such; or

(III) any account over which the investment adviser has brokerage placement discretion,

(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

(I) any investment company for which the investment adviser or principal underwriter serves as such;

(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such; or

(III) any account for which the investment adviser has borrowing authority, and

(vii) any natural person whom the Commission by order shall have determined to be an interested person by reason of having had at any time since the beginning of the last two completed fiscal years of such investment company a material business or professional relationship with such investment adviser or principal underwriter or with the principal executive officer or any controlling person of such investment adviser or principal underwriter.

For the purposes of this paragraph (19), "member of the immediate family" means any parent, spouse of a parent, child, spouse of a child, spouse, brother, or sister, and includes step and adoptive relationships. The Commission may modify or revoke any order issued under clause (vii) of subparagaph (A) or (B) of this paragraph whenever it finds that such order is no longer consistent with the facts. No order issued pursuant to clause (vii) of subparagraph (A) or (B) of this paragraph shall become effective until at least sixty days after the entry thereof, and no such order shall affect the status of any person for the purposes of this title or for any other purpose for any period prior to the effective date of such order.

(20) "Investment adviser" of an investment company means (A) any person (other than a bona fide officer, director, trustee, member of an advisory board, or employee of such company, as such) who pursuant to contract with such company regularly furnishes advice to such company with respect to the desirability of investing in, purchasing or selling securities or other property, or is empowered to determine what securities or other property shall be purchased or sold by such company, and (B) any other person who pursuant to contract with a person described in clause (A) regularly performs substantially all of the duties undertaken by such person described in clause (A); but does not include (i) a person whose advice is furnished solely through uniform publications distributed to subscribers thereto, (ii) a person who furnishes only statistical and other factual information, advice regarding economic factors and trends, or advice as to occasional transactions in specific securities, but without generally furnishing advice or making recommendations regarding the purchase or sale of securities, (iii) a company furnishing such services at cost to one or more investment companies, insurance companies, or other financial institutions, (iv) any person the character and amount of whose compensation for such services must be approved by a court, or (v) such other persons as the Commission may by rules and regulations or order determine not to be within the intent of this definition.

(21) "Investment banker" means any person engaged in the business of underwriting securities issued by other persons, but does not include an investment company, any person who acts as an underwriter in isolated transactions but not as a part of a regular business, or any person solely by reason of

the fact that such person is an underwriter for one or more investment companies.

(22) "Issuer" means every person who issues or proposes to issue any security, or has outstanding any security which it has issued.

(23) "Lend" includes a purchase coupled with an agreement by the vendor to repurchase; "borrow" includes a sale coupled with a similar agreement.

(24) "Majority-owned subsidiary" of a person means a company 50 per centum or more of the outstanding voting securities of which are owned by such person, or by a company which, within the meaning of this paragraph, is a majority-owned subsidiary of such person.

(25) "Means or instrumentality of interstate commerce" includes any facility of a national securities exchange.

(26) "National securities exchange" means an exchange registered under section 6 of the Securities Exchange Act of 1934.

(27) "Periodic payment plan certificate" means (A) any certificate, investment contract, or other security providing for a series of periodic payments by the holder, and representing an undivided interest in certain specified securities or in a unit or fund of securities purchased wholly or partly with the proceeds of such payments, and (B) any security the issuer of which is also issuing securities of the character described in clause (A) and the holder of which has substantially the same rights and privileges as those which holders of securities of the character described in clause (A) have upon completing the periodic payments for which such securities provide.

(28) "Person" means a natural person or a company.

(29) "Principal underwriter" of or for any investment company other than a closed-end company, or of any security issued by such a company, means any underwriter who as principal purchases from such company, or pursuant to contract has the right (whether absolute or conditional) from time to time to purchase from such company, any such security for distribution, or who as agent for such company sells or has the right to sell any such security to a dealer or to the public or both, but does not include a dealer who purchases from such company through a principal underwriter acting as agent for such company. "Principal underwriter" of or for a closed-end company or any issuer which is not an investment company, or of any security issued by such a company or issuer, means any underwriter who, in connection with a primary distribution of securities, (A) is in privity of contract with the issuer or an affiliated person of the issuer; (B) acting alone or in concert with one or more other persons, initiates or directs the formation of an underwriting syndicate; or (C) is allowed a rate of gross commission, spread, or other profit greater than the rate allowed another underwriter participating in the distribution.

(30) "Promoter" of a company or a proposed company means a person who, acting alone or in concert with other persons, is initiating or directing, or has within one year initiated or directed, the organization of such company.

(31) "Prospectus", as used in section 22, means a written prospectus intended to meet the requirements of section 10(a) of

the Securities Act of 1933 and currently in use. As used elsewhere, "prospectus" means a prospectus as defined in the Securities Act of 1933.

(32) "Redeemable security" means any security, other than short-term paper, under the terms of which the holder, upon its presentation to the issuer or to a person designated by the issuer, is entitled (whether absolutely or only out of surplus) to receive approximately his proportionate share of the issuer's current net assets, or the cash equivalent thereof.

(33) "Reorganization" means (A) a reorganization under the supervision of a court of competent jurisdiction; (B) a merger or consolidation; (C) a sale of 75 per centum or more in value of the assets of a company; (D) a restatement of the capital of a company, or an exchange of securities issued by a company for any of its own outstanding securities; (E) a voluntary dissolution or liquidation of a company; (F) a recapitalization or other procedure or transaction which has for its purpose the alteration, modification, or elimination of any of the rights, preferences, or privileges of any class of securities issued by a company, as provided in its charter or other instrument creating or defining such rights, preferences, and privileges; (G) an exchange of securities issued by a company for outstanding securities issued by another company or companies, preliminary to and for the purpose of effecting or consummating any of the foregoing; or (H) any exchange of securities by a company which is not an investment company for securities issued by a registered investment company.

(34) "Sale", "sell", "offer to sell", or "offer for sale" includes every contract of sale or disposition of, attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security, for value. Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing, shall be conclusively presumed to constitute a part of the subject of such purchase and to have been sold for value.

(35) "Sales load" means the difference between the price of a security to the public and that portion of the proceeds from its sale which is received and invested or held for investment by the issuer (or in the case of a unit investment trust, by the depositor or trustee), less any portion of such difference deducted for trustee's or custodian's fee, insurance premiums, issue taxes, or administrative expenses or fees which are not properly chargeable to sales or promotional activities. In the case of a periodic payment plan certificate, "sales load" includes the sales load on any investment company securities in which the payments made on such certificate are invested, as well as the sales load on the certificate itself.

(36) "Security" means any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subsciption, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (in-

cluding any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. *The term "security" does not include a payment stablecoin issued by a permitted payment stablecoin issuer, as such terms are defined, respectively, in section 2 of the STABLE Act of 2025.*

(37) "Separate account" means an account established and maintained by an insurance company pursuant to the laws of any State or territory of the United States, or of Canada or any province thereof, under which income, gains and losses, whether or not realized, from assets allocated to such account, are, in accordance with the applicable contract, credited to or charged against such account without regard to other income, gains, or losses of the insurance company.

(38) "Short-term paper" means any note, draft, bill of exchange, or banker's acceptance payable on demand or having a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof payable on demand or having a maturity likewise limited; and such other classes of securities, of a commercial rather than an investment character, as the Commission may designate by rules and regulations.

(39) "State" means any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, or any other possession of the United States.

(40) "Underwriter" means any person who has purchased from an issuer with a view to, or sells for an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking; but such term shall not include a person whose interest is limited to a commission from an underwriter or dealer not in excess of the usual and customary distributor's or seller's commission. As used in this paragraph the term "issuer" shall include, in addition to an issuer, any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer. When the distribution of the securities in respect of which any person is an underwriter is completed such person shall cease to be an underwriter in respect of such securities or the issuer thereof.

(41) "Value", with respect to assets of registered investment companies, except as provided in subsection (b) of section 28 of this title, means—

(A) as used in sections 3, 5, and 12 of this title, (i) with respect to securities owned at the end of the last preceding fiscal quarter for which market quotations are readily available, the market value at the end of such quarter; (ii) with respect to other securities and assets owned at the end of the last preceding fiscal quarter, fair value at the

end of such quarter, as determined in good faith by the board of directors; and (iii) with respect to securities and other assets acquired after the end of the last preceding fiscal quarter, the cost thereof; and

(B) as used elsewhere in this title, (i) with respect to securities for which market quotations are readily available, the market value of such securities; and (ii) with respect to other securities and assets, fair value as determined in good faith by the board of directors;

in each case as of such time or times as determined pursuant to this title, and the rules and regulations issued by the Commission hereunder. Notwithstanding the fact that market quotations for securities issued by controlled companies are available, the board of directors may in good faith determine the value of such securities: *Provided,* That the value so determined is not in excess of the higher of market value or asset value of such securities in the case of majority-owned subsidiaries, and is not in excess of market value in the case of other controlled companies.

For purposes of the valuation of those assets of a registered diversified company which are not subject to the limitations provided for in section 5(b)(1), the Commission may, by rules and regulations or orders, permit any security to be carried at cost, if it shall determine that such procedure is consistent with the general intent and purposes of this title. For purposes of sections 5 and 12, in lieu of values determined as provided in clause (A) above, the Commission shall by rules and regulations permit valuation of securities at cost or other basis in cases where it may be more convenient for such company to make its computations on such basis by reason of the necessity or desirability of complying with the provisions of any United States revenue laws or rules and regulations issued thereunder, or the laws or the rules and regulations issued thereunder of any State in which the securities of such company may be qualified for sale.

The foregoing definition shall not derogate from the authority of the Commission with respect to the reports, information, and documents to be filed with the Commission by any registered company, or with respect to the accounting policies and principles to be following by any such company, as provided in sections 8, 30, and 31.

(42) "Voting security" means any security presently entitling the owner or holder thereof to vote for the election of directors of a company. A specified percentage of the outstanding voting securities of a company means such amount of its outstanding voting securities as entitles the holder or holders thereof to cast said specified percentage of the aggregate votes which the holders of all the outstanding voting securities of such company are entitled to cast. The vote of a majority of the outstanding voting securities of a company means the vote, at the annual or a special meeting of the security holders of such company duly called, (A) of 67 per centum or more of the voting securities present at such meeting, if the holders of more than 50 per centum of the outstanding voting securities of such company are present or represented by proxy; or (B) of more

than 50 per centum of the outstanding voting securities of such company, whichever is the less.

(43) "Wholly-owned subsidiary" of a person means a company 95 per centum or more of the outstanding voting securities of which are owned by such person, or by a company which, within the meaning of this paragraph, is a wholly-owned subsidiary of such person.

(44) "Securities Act of 1933", "Securities Exchange Act of 1934", and "Trust Indenture Act of 1939" means those Acts, respectively, as heretofore or hereafter amended.

(45) "Savings and loan association" means a savings and loan association, building and loan association, cooperative bank, homestead association, or similar institution, which is supervised and examined by State or Federal authority having supervision over any such institution, and a receiver, conservator, or other liquidating agent of any such institution.

(46) "Eligible portfolio company" means any issuer which—

(A) is organized under the laws of, and has its principal place of business in, any State or States;

(B) is neither an investment company as defined in section 3 (other than a small business investment company which is licensed by the Small Business Administration to operate under the Small Business Investment Act of 1958 and which is a wholly-owned subsidiary of the business development company) nor a company which would be an investment company except for the exclusion from the definition of investment company in section 3(c); and

(C) satisfies one of the following:

(i) it does not have any class of securities with respect to which a member of a national securities exchange, broker, or dealer may extend or maintain credit to or for a customer pursuant to rules or regulations adopted by the Board of Governors of the Federal Reserve System under section 7 of the Securities Exchange Act of 1934;

(ii) it is controlled by a business development company, either alone or as part of a group acting together, and such business development company in fact exercises a controlling influence over the management or policies of such eligible portfolio company and, as a result of such control, has an affiliated person who is a director of such eligible portfolio company;

(iii) it has total assets of not more than $4,000,000, and capital and surplus (shareholders' equity less retained earnings) of not less than $2,000,000, except that the Commission may adjust such amounts by rule, regulation, or order to reflect changes in 1 or more generally accepted indices or other indicators for small businesses; or

(iv) it meets such other criteria as the Commission may, by rule, establish as consistent with the public interest, the protection of investors, and the purposes fairly intended by the policy and provisions of this title.

(47) "Making available significant managerial assistance" by a business development company means—

(A) any arrangement whereby a business development company, through its directors, officers, employees, or general partners, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations, or business objectives and policies of a portfolio company;

(B) the exercise by a business development company of a controlling influence over the management or policies of a portfolio company by the business development company acting individually or as part of a group acting together which controls such portfolio company; or

(C) with respect to a small business investment company licensed by the Small Business Administration to operate under the Small Business Investment Act of 1958, the making of loans to a portfolio company.

For purposes of subparagraph (A), the requirement that a business development company make available significant managerial assistance shall be deemed to be satisfied with respect to any particular portfolio company where the business development company purchases securities of such portfolio company in conjunction with one or more other persons acting together, and at least one of the persons in the group makes available significant managerial assistance to such portfolio company, except that such requirement will not be deemed to be satisfied if the business development company, in all cases, makes available significant managerial assistance solely in the manner described in this sentence.

(48) "Business development company" means any closed-end company which—

(A) is organized under the laws of, and has its principal place of business in, any State or States;

(B) is operated for the purpose of making investments in securities described in paragraphs (1) through (3) of section 55(a), and makes available significant managerial assistance with respect to the issuers of such securities, provided that a business development company must make available significant managerial assistance only with respect to the companies which are treated by such business development company as satisfying the 70 per centum of the value of its total assets condition of section 55; and provided further that a business development company need not make available significant managerial assistance with respect to any company described in paragraph (46)(C)(iii), or with respect to any other company that meets such criteria as the Commission may by rule, regulation, or order permit, as consistent with the public interest, the protection of investors, and the purposes of this title; and

(C) has elected pursuant to section 54(a) to be subject to the provisions of sections 55 through 65.

(49) "Foreign securities authority" means any foreign government or any governmental body or regulatory organization em-

powered by a foreign government to administer or enforce its laws as they relate to securities matters.

(50) "Foreign financial regulatory authority" means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above.

(51)(A) "Qualified purchaser" means—

(i) any natural person (including any person who holds a joint, community property, or other similar shared ownership interest in an issuer that is excepted under section 3(c)(7) with that person's qualified purchaser spouse) who owns not less than $5,000,000 in investments, as defined by the Commission;

(ii) any company that owns not less than $5,000,000 in investments and that is owned directly or indirectly by or for 2 or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons;

(iii) any trust that is not covered by clause (ii) and that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in clause (i), (ii), or (iv); or

(iv) any person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than $25,000,000 in investments.

(B) The Commission may adopt such rules and regulations applicable to the persons and trusts specified in clauses (i) through (iv) of subparagraph (A) as it determines are necessary or appropriate in the public interest or for the protection of investors.

(C) The term "qualified purchaser" does not include a company that, but for the exceptions provided for in paragraph (1) or (7) of section 3(c), would be an investment company (hereafter in this paragraph referred to as an "excepted investment company"), unless all beneficial owners of its outstanding securities (other than short-term paper), determined in accordance with section 3(c)(1)(A), that acquired such securities on or before April 30, 1996 (hereafter in this paragraph referred to as "pre-amendment beneficial owners"), and all pre-amendment beneficial owners of the outstanding securities (other than short-term paper) of any excepted investment company that, directly or indirectly, owns any outstanding securities of such

excepted investment company, have consented to its treatment as a qualified purchaser. Unanimous consent of all trustees, directors, or general partners of a company or trust referred to in clause (ii) or (iii) of subparagraph (A) shall constitute consent for purposes of this subparagraph.

(52) The terms "security future" and "narrow-based security index" have the same meanings as provided in section 3(a)(55) of the Securities Exchange Act of 1934.

(53) The term "credit rating agency" has the same meaning as in section 3 of the Securities Exchange Act of 1934.

(54) The terms "commodity pool", "commodity pool operator", "commodity trading advisor", "major swap participant", "swap", "swap dealer", and "swap execution facility" have the same meanings as in section 1a of the Commodity Exchange Act (7 U.S.C. 1a).".

(b) No provision in this title shall apply to, or be deemed to include, the United States, a State, or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing, or any corporation which is wholly owned directly or indirectly by any one or more of the foregoing, or any officer, agent, or employee of any of the foregoing acting as such in the course of his official duty, unless such provision makes specific reference thereto.

(c) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is consistent with the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.

DEFINITION OF INVESTMENT COMPANY

SEC. 3. (a)(1) When used in this title, "investment company" means any issuer which—

(A) is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities;

(B) is engaged or proposes to engage in the business of issuing face-amount certificates of the installment type, or has been engaged in such business and has any such certificate outstanding; or

(C) is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40 per centum of the value of such issuer's total assets (exclusive of Government securities and cash items) on an unconsolidated basis.

(2) As used in this section, "investment securities" includes all securities except (A) Government securities, (B) securities issued by employees' securities companies, and (C) securities issued by majority-owned subsidiaries of the owner which (i) are not investment companies, and (ii) are not relying on the exception from the definition of investment company in paragraph (1) or (7) of subsection (c).

(b) Notwithstanding paragraph (1)(C) of subsection (a), none of the following persons is an investment company within the meaning of this title:

(1) Any issuer primarily engaged, directly or through a wholly-owned subsidiary or subsidiaries, in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities.

(2) Any issuer which the Commission, upon application by such issuer, finds and by order declares to be primarily engaged in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities either directly or (A) through majority-owned subsidiaries or (B) through controlled companies conducting similar types of businesses. The filing of an application under this paragraph in good faith by an issuer other than a registered investment company shall exempt the applicant for a period of sixty days from all provisions of this title applicable to investment companies as such. For cause shown, the Commission by order may extend such period of exemption for an additional period or periods. Whenever the Commission, upon its own motion or upon application, finds that the circumstances which gave rise to the issuance of an order granting an application under this paragraph no longer exist, the Commission shall by order revoke such order.

(3) Any issuer all the outstanding securities of which (other than short-term paper and directors' qualifying shares) are directly or indirectly owned by a company excepted from the definition of investment company by paragraph (1) or (2) of this subsection.

(c) Notwithstanding subsection (a), none of the following persons is an investment company within the meaning of this title:

(1) Any issuer whose outstanding securities (other than short-term paper) are beneficially owned by not more than one hundred persons (or, in the case of a qualifying venture capital fund, 250 persons) and which is not making and does not presently propose to make a public offering of its securities. Such issuer shall be deemed to be an investment company for purposes of the limitations set forth in subparagraphs (A)(i) and (B)(i) of section 12(d)(1) governing the purchase or other acquisition by such issuer of any security issued by any registered investment company and the sale of any security issued by any registered open-end investment company to any such issuer. For purposes of this paragraph:

(A) Beneficial ownership by a company shall be deemed to be beneficial ownership by one person, except that, if the company owns 10 per centum or more of the outstanding voting securities of the issuer, and is or, but for the exception provided for in this paragraph or paragraph (7), would be an investment company, the beneficial ownership shall be deemed to be that of the holders of such company's outstanding securities (other than short-term paper).

(B) Beneficial ownership by any person who acquires securities or interests in securities of an issuer described in the first sentence of this paragraph shall be deemed to be

beneficial ownership by the person from whom such transfer was made, pursuant to such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of this title, where the transfer was caused by legal separation, divorce, death, or other involuntary event.

(C)(i) The term "qualifying venture capital fund" means a venture capital fund that has not more than $10,000,000 in aggregate capital contributions and uncalled committed capital, with such dollar amount to be indexed for inflation once every 5 years by the Commission, beginning from a measurement made by the Commission on a date selected by the Commission, rounded to the nearest $1,000,000.

(ii) The term "venture capital fund" has the meaning given the term in section 275.203(l)–1 of title 17, Code of Federal Regulations, or any successor regulation.

(2)(A) Any person primarily engaged in the business of underwriting and distributing securities issued by other persons, selling securities to customers, acting as broker, and acting as market intermediary, or any one or more of such activities, whose gross income normally is derived principally from such business and related activities.

(B) For purposes of this paragraph—

(i) the term "market intermediary" means any person that regularly holds itself out as being willing contemporaneously to engage in, and that is regularly engaged in, the business of entering into transactions on both sides of the market for a financial contract or one or more such financial contracts; and

(ii) the term "financial contract" means any arrangement that—

(I) takes the form of an individually negotiated contract, agreement, or option to buy, sell, lend, swap, or repurchase, or other similar individually negotiated transaction commonly entered into by participants in the financial markets;

(II) is in respect of securities, commodities, currencies, interest or other rates, other measures of value, or any other financial or economic interest similar in purpose or function to any of the foregoing; and

(III) is entered into in response to a request from a counter party for a quotation, or is otherwise entered into and structured to accommodate the objectives of the counter party to such arrangement.

(3) Any bank or insurance company; any savings and loan association, building and loan association, cooperative bank, homestead association, or similar institution, or any receiver, conservator, liquidator, liquidating agent, or similar official or person thereof or therefor; or any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank in its capacity as a trustee, executor, administrator, or guardian, if—

(A) such fund is employed by the bank solely as an aid to the administration of trusts, estates, or other accounts created and maintained for a fiduciary purpose;

(B) except in connection with the ordinary advertising of the bank's fiduciary services, interests in such fund are not—

(i) advertised; or

(ii) offered for sale to the general public; and

(C) fees and expenses charged by such fund are not in contravention of fiduciary principles established under applicable Federal or State law.

(4) Any person substantially all of whose business is confined to making small loans, industrial banking, or similar businesses.

(5) Any person who is not engaged in the business of issuing redeemable securities, face-amount certificates of the installment type or periodic payment plan certificates, and who is primarily engaged in one or more of the following businesses: (A) Purchasing or otherwise acquiring notes, drafts, acceptances, open accounts receivable, and other obligations representing part or all of the sales price of merchandise, insurance, and services; (B) making loans to manufacturers, wholesalers, and retailers of, and to prospective purchasers of, specified merchandise, insurance, and services; and (C) purchasing or otherwise acquiring mortgages and other liens on and interests in real estate.

(6) Any company primarily engaged, directly or through majority-owned subsidiaries, in one or more of the businesses described in paragraphs (3), (4), and (5), or in one or more of such businesses (from which not less than 25 centum of such company's gross income during its last fiscal year was derived) together with an additional business or businesses other than investing, reinvesting, owning, holding, or trading in securities.

(7)(A) Any issuer, the outstanding securities of which are owned exclusively by persons who, at the time of acquisition of such securities, are qualified purchasers, and which is not making and does not at that time propose to make a public offering of such securities. Securities that are owned by persons who received the securities from a qualified purchaser as a gift or bequest, or in a case in which the transfer was caused by legal separation, divorce, death, or other involuntary event, shall be deemed to be owned by a qualified purchaser, subject to such rules, regulations, and orders as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

(B) Notwithstanding subparagraph (A), an issuer is within the exception provided by this paragraph if—

(i) in addition to qualified purchasers, outstanding securities of that issuer are beneficially owned by not more than 100 persons who are not qualified purchasers, if—

(I) such persons acquired any portion of the securities of such issuer on or before September 1, 1996; and

(II) at the time at which such persons initially acquired the securities of such issuer, the issuer was excepted by paragraph (1); and

(ii) prior to availing itself of the exception provided by this paragraph—

(I) such issuer has disclosed to each beneficial owner, as determined under paragraph (1), that future investors will be limited to qualified purchasers, and that ownership in such issuer is no longer limited to not more than 100 persons; and

(II) concurrently with or after such disclosure, such issuer has provided each beneficial owner, as determined under paragraph (1), with a reasonable opportunity to redeem any part or all of their interests in the issuer, notwithstanding any agreement to the contrary between the issuer and such persons, for that person's proportionate share of the issuer's net assets.

(C) Each person that elects to redeem under subparagraph (B)(ii)(II) shall receive an amount in cash equal to that person's proportionate share of the issuer's net assets, unless the issuer elects to provide such person with the option of receiving, and such person agrees to receive, all or a portion of such person's share in assets of the issuer. If the issuer elects to provide such persons with such an opportunity, disclosure concerning such opportunity shall be made in the disclosure required by subparagraph (B)(ii)(I).

(D) An issuer that is excepted under this paragraph shall nonetheless be deemed to be an investment company for purposes of the limitations set forth in subparagraphs (A)(i) and (B)(i) of section 12(d)(1) relating to the purchase or other acquisition by such issuer of any security issued by any registered investment company and the sale of any security issued by any registered open-end investment company to any such issuer.

(E) For purposes of determining compliance with this paragraph and paragraph (1), an issuer that is otherwise excepted under this paragraph and an issuer that is otherwise excepted under paragraph (1) shall not be treated by the Commission as being a single issuer for purposes of determining whether the outstanding securities of the issuer excepted under paragraph (1) are beneficially owned by not more than 100 persons or whether the outstanding securities of the issuer excepted under this paragraph are owned by persons that are not qualified purchasers. Nothing in this subparagraph shall be construed to establish that a person is a bona fide qualified purchaser for purposes of this paragraph or a bona fide beneficial owner for purposes of paragraph (1).

(9) Any person substantially all of whose business consists of owning or holding oil, gas, or other mineral royalties or leases, or fractional interests therein, or certificates of interest or participation in or investment contracts relative to such royalties, leases, or fractional interests.

(10)(A) Any company organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, or reformatory purposes—

(i) no part of the net earnings of which inures to the benefit of any private shareholder or individual; or

(ii) which is or maintains a fund described in subparagraph (B).

(B) For the purposes of subparagraph (A)(ii), a fund is described in this subparagraph if such fund is a pooled income fund, collective trust fund, collective investment fund, or similar fund maintained by a charitable organization exclusively for the collective investment and reinvestment of one or more of the following:

(i) assets of the general endowment fund or other funds of one or more charitable organizations;

(ii) assets of a pooled income fund;

(iii) assets contributed to a charitable organization in exchange for the issuance of charitable gift annuities;

(iv) assets of a charitable remainder trust or of any other trust, the remainder interests of which are irrevocably dedicated to any charitable organization;

(v) assets of a charitable lead trust;

(vi) assets of a trust, the remainder interests of which are revocably dedicated to or for the benefit of 1 or more charitable organizations, if the ability to revoke the dedication is limited to circumstances involving—

(I) an adverse change in the financial circumstances of a settlor or an income beneficiary of the trust;

(II) a change in the identity of the charitable organization or organizations having the remainder interest, provided that the new beneficiary is also a charitable organization; or

(III) both the changes described in subclauses (I) and (II);

(vii) assets of a trust not described in clauses (i) through (v), the remainder interests of which are revocably dedicated to a charitable organization, subject to subparagraph (C); or

(viii) such assets as the Commission may prescribe by rule, regulation, or order in accordance with section 6(c).

(C) A fund that contains assets described in clause (vii) of subparagraph (B) shall be excluded from the definition of an investment company for a period of 3 years after the date of enactment of this subparagraph, but only if—

(i) such assets were contributed before the date which is 60 days after the date of enactment of this subparagraph; and

(ii) such assets are commingled in the fund with assets described in one or more of clauses (i) through (vi) and (viii) of subparagraph (B).

(D) For purposes of this paragraph—

(i) a trust or fund is "maintained" by a charitable organization if the organization serves as a trustee or administrator of the trust or fund or has the power to remove the trustees or administrators of the trust or fund and to designate new trustees or administrators;

(ii) the term "pooled income fund" has the same meaning as in section 642(c)(5) of the Internal Revenue Code of 1986;

(iii) the term "charitable organization" means an organization described in paragraphs (1) through (5) of section

170(c) or section 501(c)(3) of the Internal Revenue Code of 1986;

(iv) the term "charitable lead trust" means a trust described in section 170(f)(2)(B), 2055(e)(2)(B), or 2522(c)(2)(B) of the Internal Revenue Code of 1986;

(v) the term "charitable remainder trust" means a charitable remainder annuity trust or a charitable remainder unitrust, as those terms are defined in section 664(d) of the Internal Revenue Code of 1986; and

(vi) the term "charitable gift annuity" means an annuity issued by a charitable organization that is described in section 501(m)(5) of the Internal Revenue Code of 1986.

(11) Any employee's stock bonus, pension, or profit-sharing trust which meets the requirements for qualification under section 401 of the Internal Revenue Code of 1986; or any governmental plan described in section 3(a)(2)(C) of the Securities Act of 1933; or any collective trust fund maintained by a bank consisting solely of assets of one or more of such trusts, government plans, or church plans, companies or accounts that are excluded from the definition of an investment company under paragraph (14) of this subsection; or any separate account the assets of which are derived solely from (A) contributions under pension or profit-sharing plans which meet the requirements of section 401 of the Internal Revenue Code of 1986 or the requirements for deduction of the employer's contribution under section 404(a)(2) of such Code, (B) contributions under governmental plans in connection with which interests, participations, or securities are exempted from the registration provisions of section 5 of the Securities Act of 1933 by section 3(a)(2)(C) of such Act, and (C) advances made by an insurance company in connection with the operation of such separate account.

(12) Any voting trust the assets of which consist exclusively of securities of a single issuer which is not an investment company.

(13) Any security holders' protective committee or similar issuer having outstanding and issuing no securities other than certificates of deposit and short-term paper.

(14) Any church plan described in section 414(e) of the Internal Revenue Code of 1986, if, under any such plan, no part of the assets may be used for, or diverted to, purposes other than the exclusive benefit of plan participants or beneficiaries, or any company or account that is—

(A) established by a person that is eligible to establish and maintain such a plan under section 414(e) of the Internal Revenue Code of 1986; and

(B) substantially all of the activities of which consist of—

(i) managing or holding assets contributed to such church plans or other assets which are permitted to be commingled with the assets of church plans under the Internal Revenue Code of 1986; or

(ii) administering or providing benefits pursuant to church plans.

(15) Any permitted payment stablecoin issuer, as such term is defined in section 2 of the STABLE Act of 2025.

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SECURITIES ACT OF 1933

TITLE I—

* * * * * * *

DEFINITIONS

SEC. 2. (a) DEFINITIONS.—When used in this title, unless the context otherwise requires—

(1) The term "security" means any note, stock, treasury stock, security future, security-based swap, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. *The term "security" does not include a payment stablecoin issued by a permitted payment stablecoin issuer, as such terms are defined, respectively, in section 2 of the STABLE Act of 2025.*

(2) The term "person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust, any unincorporated organization, or a government or political subdivision thereof. As used in this paragraph the term "trust" shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

(3) The term "sale" or "sell" shall include every contract of sale or disposition of a security or interest in a security, for value. The term "offer to sell", "offer for sale", or "offer" shall include every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security, for value. The terms defined in this paragraph and the term "offer to buy" as used in subsection (c) of section 5 shall not include preliminary negotiations or agreements between an issuer (or any person directly or indirectly controlling or controlled by an issuer, or under direct or indirect common control with an issuer) and any underwriter or among underwriters who are or are to be in privity of contract with an issuer (or any person directly or indirectly controlling or controlled by an issuer, or under direct or indirect common control with an issuer). Any security given or delivered with, or as a bonus on account of,

any purchase of securities or any other thing, shall be conclusively presumed to constitute a part of the subject of such purchase and to have been offered and sold for value. The issue or transfer of a right or privilege, when originally issued or transferred with a security, giving the holder of such security the right to convert such security into another security of the same issuer or of another person, or giving a right to subscribe to another security of the same issuer or of another person, which right cannot be exercised until some future date, shall not be deemed to be an offer or sale of such other security; but the issue or transfer of such other security upon the exercise of such right of conversion or subscription shall be deemed a sale of such other security. Any offer or sale of a security futures product by or on behalf of the issuer of the securities underlying the security futures product, an affiliate of the issuer, or an underwriter, shall constitute a contract for sale of, sale of, offer for sale, or offer to sell the underlying securities. Any offer or sale of a security-based swap by or on behalf of the issuer of the securities upon which such security-based swap is based or is referenced, an affiliate of the issuer, or an underwriter, shall constitute a contract for sale of, sale of, offer for sale, or offer to sell such securities. The publication or distribution by a broker or dealer of a research report about an emerging growth company that is the subject of a proposed public offering of the common equity securities of such emerging growth company pursuant to a registration statement that the issuer proposes to file, or has filed, or that is effective shall be deemed for purposes of paragraph (10) of this subsection and section 5(c) not to constitute an offer for sale or offer to sell a security, even if the broker or dealer is participating or will participate in the registered offering of the securities of the issuer. As used in this paragraph, the term "research report" means a written, electronic, or oral communication that includes information, opinions, or recommendations with respect to securities of an issuer or an analysis of a security or an issuer, whether or not it provides information reasonably sufficient upon which to base an investment decision.

(4) The term "issuer" means every person who issues or proposes to issue any security; except that with respect to certificates of deposit, voting-trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar functions) or of the fixed, restricted management, or unit type, the term "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which such securities are issued; except that in the case of an unincorporated association which provides by its articles for limited liability of any or all of its members, or in the case of a trust, committee, or other legal entity, the trustees or members thereof shall not be individually liable as issuers of any security issued by the association, trust, committee, or other legal entity; except that with respect to equipment-trust certificates or like securities, the term "issuer" means the person by whom

the equipment or property is or is to be used; and except that with respect to fractional undivided interests in oil, gas, or other mineral rights, the term "issuer" means the owner of any such right or of any interest in such right (whether whole or fractional) who creates fractional interests therein for the purpose of public offering.

(5) The term "Commission" means the Securities and Exchange Commission.

(6) The term "Territory" means Puerto Rico, the Virgin Islands, and the insular possessions of the United States.

(7) The term "interstate commerce" means trade or commerce in securities or any transportation or communication relating thereto among the several States or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia.

(8) The term "registration statement" means the statement provided for in section 6, and includes any amendment thereto and any report, document, or memorandum filed as part of such statement or incorporated therein by reference.

(9) The term "write" or "written" shall include printed, lithographed, or any means of graphic communication.

(10) The term "prospectus" means any prospectus, notice, circular, advertisement, letter, or communication, written or by radio or television, which offers any security for sale or confirms the sale of any security; except that (a) a communication sent or given after the effective date of the registration statement (other than a prospectus permitted under subsection (b) of section 10) shall not be deemed a prospectus if it is proved that prior to or at the same time with such communication a written prospectus meeting the requirements of subsection (a) of section 10 at the time of such communication was sent or given to the person to whom the communication was made, and (b) a notice, circular, advertisement, letter, or communication in respect of a security shall not be deemed to be a prospectus if it states from whom a written prospectus meeting the requirements of section 10 may be obtained and, in addition, does no more than identify the security, state the price thereof, state by whom orders will be executed, and contain such other information as the Commission, by rules or regulations deemed necessary or appropriate in the public interest and for the protection of investors, and subject to such terms and conditions as may be prescribed therein, may permit.

(11) The term "underwriter" means any person who has purchased from an issuer with a view to, or offers or sells for an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking; but such term shall not include a person whose interest is limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission. As used in this paragraph the term "issuer" shall include, in addition to an issuer, any person directly or indirectly control-

ling or controlled by the issuer, or any person under direct or indirect common control with the issuer.

(12) The term "dealer" means any person who engages either for all or part of his time, directly or indirectly, as agent, broker, or principal, in the business of offering, buying, selling, or otherwise dealing or trading in securities issued by another person.

(13) The term "insurance company" means a company which is organized as an insurance company, whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and which is subject to supervision by the insurance commissioner, or a similar official or agency, of a State or territory or the District of Columbia; or any receiver or similar official or any liquidating agent for such company, in his capacity as such.

(14) The term "separate account" means an account established and maintained by an insurance company pursuant to the laws of any State or territory of the United States, the District of Columbia, or of Canada or any province thereof, under which income, gains and losses, whether or not realized, from assets allocated to such account, are, in accordance with the applicable contract, credited to or charged against such account without regard to other income, gains, or losses of the insurance company.

(15) The term "accredited investor" shall mean—

(i) a bank as defined in section 3(a)(2) whether acting in its individual or fiduciary capacity; an insurance company as defined in paragraph (13) of this subsection; an investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act; a Small Business Investment Company licensed by the Small Business Administration; or an employee benefit plan, including an individual retirement account, which is subject to the provisions of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such Act, which is either a bank, insurance company, or registered investment adviser; or

(ii) any person who, on the basis of such factors as financial sophistication, net worth, knowledge, and experience in financial matters, or amount of assets under management qualifies as an accredited investor under rules and regulations which the Commission shall prescribe.

(16) The terms "security future", "narrow-based security index", and "security futures product" have the same meanings as provided in section 3(a)(55) of the Securities Exchange Act of 1934.

(17) The terms "swap" and "security-based swap" have the same meanings as in section 1a of the Commodity Exchange Act (7 U.S.C. 1a).

(18) The terms "purchase" or "sale" of a security-based swap shall be deemed to mean the execution, termination (prior to its scheduled maturity date), assignment, exchange, or similar

transfer or conveyance of, or extinguishing of rights or obligations under, a security-based swap, as the context may require.

(19) The term "emerging growth company" means an issuer that had total annual gross revenues of less than $1,000,000,000 (as such amount is indexed for inflation every 5 years by the Commission to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, setting the threshold to the nearest 1,000,000) during its most recently completed fiscal year. An issuer that is an emerging growth company as of the first day of that fiscal year shall continue to be deemed an emerging growth company until the earliest of—

(A) the last day of the fiscal year of the issuer during which it had total annual gross revenues of $1,000,000,000 (as such amount is indexed for inflation every 5 years by the Commission to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, setting the threshold to the nearest 1,000,000) or more;

(B) the last day of the fiscal year of the issuer following the fifth anniversary of the date of the first sale of common equity securities of the issuer pursuant to an effective registration statement under this title;

(C) the date on which such issuer has, during the previous 3-year period, issued more than $1,000,000,000 in non-convertible debt; or

(D) the date on which such issuer is deemed to be a "large accelerated filer", as defined in section 240.12b–2 of title 17, Code of Federal Regulations, or any successor thereto.

(b) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.

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SECURITIES EXCHANGE ACT OF 1934

TITLE I—REGULATION OF SECURITIES EXCHANGES

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DEFINITIONS AND APPLICATION OF TITLE

SEC. 3. (a) When used in this title, unless the context otherwise requires—

(1) The term "exchange" means any organization, association, or group of persons, whether incorporated or unincorporated, which constitutes, maintains, or provides a market place or facilities for bringing together purchasers and sellers of securities or for otherwise performing with respect to securities the functions commonly performed by a stock exchange as

that term is generally understood, and includes the market place and the market facilities maintained by such exchange.

(2) The term "facility" when used with respect to an exchange includes its premises, tangible or intangible property whether on the premises or not, any right to the use of such premises or property or any service thereof for the purpose of effecting or reporting a transaction on an exchange (including, among other things, any system of communication to or from the exchange, by ticker or otherwise, maintained by or with the consent of the exchange), and any right of the exchange to the use of any property or service.

(3)(A) The term "member" when used with respect to a national securities exchange means (i) any natural person permitted to effect transactions on the floor of the exchange without the services of another person acting as broker, (ii) any registered broker or dealer with which such a natural person is associated, (iii) any registered broker or dealer permitted to designate as a representative such a natural person, and (iv) any other registered broker or dealer which agrees to be regulated by such exchange and with respect to which the exchange undertakes to enforce compliance with the provisions of this title, the rules and regulations thereunder, and its own rules. For purposes of sections 6(b)(1), 6(b)(4), 6(b)(6), 6(b)(7), 6(d), 17(d), 19(d), 19(e), 19(g), 19(h), and 21 of this title, the term "member" when used with respect to a national securities exchange also means, to the extent of the rules of the exchange specified by the Commission, any person required by the Commission to comply with such rules pursuant to section 6(f) of this title.

(B) The term "member" when used with respect to a registered securities association means any broker or dealer who agrees to be regulated by such association and with respect to whom the association undertakes to enforce compliance with the provisions of this title, the rules and regulations thereunder, and its own rules.

(4) BROKER.—

(A) IN GENERAL.—The term "broker" means any person engaged in the business of effecting transactions in securities for the account of others.

(B) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a broker because the bank engages in any one or more of the following activities under the conditions described:

(i) THIRD PARTY BROKERAGE ARRANGEMENTS.—The bank enters into a contractual or other written arrangement with a broker or dealer registered under this title under which the broker or dealer offers brokerage services on or off the premises of the bank if—

(I) such broker or dealer is clearly identified as the person performing the brokerage services;

(II) the broker or dealer performs brokerage services in an area that is clearly marked and, to the extent practicable, physically separate from the routine deposit-taking activities of the bank;

(III) any materials used by the bank to advertise or promote generally the availability of brokerage services under the arrangement clearly indicate that the brokerage services are being provided by the broker or dealer and not by the bank;

(IV) any materials used by the bank to advertise or promote generally the availability of brokerage services under the arrangement are in compliance with the Federal securities laws before distribution;

(V) bank employees (other than associated persons of a broker or dealer who are qualified pursuant to the rules of a self-regulatory organization) perform only clerical or ministerial functions in connection with brokerage transactions including scheduling appointments with the associated persons of a broker or dealer, except that bank employees may forward customer funds or securities and may describe in general terms the types of investment vehicles available from the bank and the broker or dealer under the arrangement;

(VI) bank employees do not receive incentive compensation for any brokerage transaction unless such employees are associated persons of a broker or dealer and are qualified pursuant to the rules of a self-regulatory organization, except that the bank employees may receive compensation for the referral of any customer if the compensation is a nominal one-time cash fee of a fixed dollar amount and the payment of the fee is not contingent on whether the referral results in a transaction;

(VII) such services are provided by the broker or dealer on a basis in which all customers that receive any services are fully disclosed to the broker or dealer;

(VIII) the bank does not carry a securities account of the customer except as permitted under clause (ii) or (viii) of this subparagraph; and

(IX) the bank, broker, or dealer informs each customer that the brokerage services are provided by the broker or dealer and not by the bank and that the securities are not deposits or other obligations of the bank, are not guaranteed by the bank, and are not insured by the Federal Deposit Insurance Corporation.

(ii) TRUST ACTIVITIES.—The bank effects transactions in a trustee capacity, or effects transactions in a fiduciary capacity in its trust department or other department that is regularly examined by bank examiners for compliance with fiduciary principles and standards, and—

(I) is chiefly compensated for such transactions, consistent with fiduciary principles and standards, on the basis of an administration or annual fee

(payable on a monthly, quarterly, or other basis), a percentage of assets under management, or a flat or capped per order processing fee equal to not more than the cost incurred by the bank in connection with executing securities transactions for trustee and fiduciary customers, or any combination of such fees; and

(II) does not publicly solicit brokerage business, other than by advertising that it effects transactions in securities in conjunction with advertising its other trust activities.

(iii) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank effects transactions in—

(I) commercial paper, bankers acceptances, or commercial bills;

(II) exempted securities;

(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

(iv) CERTAIN STOCK PURCHASE PLANS.—

(I) EMPLOYEE BENEFIT PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of any pension, retirement, profit-sharing, bonus, thrift, savings, incentive, or other similar benefit plan for the employees of that issuer or its affiliates (as defined in section 2 of the Bank Holding Company Act of 1956), if the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan.

(II) DIVIDEND REINVESTMENT PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of that issuer's dividend reinvestment plan, if—

(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan; and

(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission.

(III) ISSUER PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of a plan or program for the purchase or sale of that issuer's shares, if—

(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan or program; and

(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission.

(IV) PERMISSIBLE DELIVERY OF MATERIALS.—The exception to being considered a broker for a bank engaged in activities described in subclauses (I), (II), and (III) will not be affected by delivery of written or electronic plan materials by a bank to employees of the issuer, shareholders of the issuer, or members of affinity groups of the issuer, so long as such materials are—

(aa) comparable in scope or nature to that permitted by the Commission as of the date of the enactment of the Gramm-Leach-Bliley Act; or

(bb) otherwise permitted by the Commission.

(v) SWEEP ACCOUNTS.—The bank effects transactions as part of a program for the investment or reinvestment of deposit funds into any no-load, open-end management investment company registered under the Investment Company Act of 1940 that holds itself out as a money market fund.

(vi) AFFILIATE TRANSACTIONS.—The bank effects transactions for the account of any affiliate of the bank (as defined in section 2 of the Bank Holding Company Act of 1956) other than—

(I) a registered broker or dealer; or

(II) an affiliate that is engaged in merchant banking, as described in section 4(k)(4)(H) of the Bank Holding Company Act of 1956.

(vii) PRIVATE SECURITIES OFFERINGS.—The bank—

(I) effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(5) of the Securities Act of 1933 or the rules and regulations issued thereunder;

(II) at any time after the date that is 1 year after the date of the enactment of the Gramm-Leach-Bliley Act, is not affiliated with a broker or dealer that has been registered for more than 1 year in accordance with this Act, and engages in dealing, market making, or underwriting activities, other than with respect to exempted securities; and

(III) if the bank is not affiliated with a broker or dealer, does not effect any primary offering described in subclause (I) the aggregate amount of which exceeds 25 percent of the capital of the bank, except that the limitation of this subclause

shall not apply with respect to any sale of government securities or municipal securities.

(viii) SAFEKEEPING AND CUSTODY ACTIVITIES.—

(I) IN GENERAL.—The bank, as part of customary banking activities—

(aa) provides safekeeping or custody services with respect to securities, including the exercise of warrants and other rights on behalf of customers;

(bb) facilitates the transfer of funds or securities, as a custodian or a clearing agency, in connection with the clearance and settlement of its customers' transactions in securities;

(cc) effects securities lending or borrowing transactions with or on behalf of customers as part of services provided to customers pursuant to division (aa) or (bb) or invests cash collateral pledged in connection with such transactions;

(dd) holds securities pledged by a customer to another person or securities subject to purchase or resale agreements involving a customer, or facilitates the pledging or transfer of such securities by book entry or as otherwise provided under applicable law, if the bank maintains records separately identifying the securities and the customer; or

(ee) serves as a custodian or provider of other related administrative services to any individual retirement account, pension, retirement, profit sharing, bonus, thrift savings, incentive, or other similar benefit plan.

(II) EXCEPTION FOR CARRYING BROKER ACTIVITIES.—The exception to being considered a broker for a bank engaged in activities described in subclause (I) shall not apply if the bank, in connection with such activities, acts in the United States as a carrying broker (as such term, and different formulations thereof, are used in section 15(c)(3) of this title and the rules and regulations thereunder) for any broker or dealer, unless such carrying broker activities are engaged in with respect to government securities (as defined in paragraph (42) of this subsection).

(ix) IDENTIFIED BANKING PRODUCTS.—The bank effects transactions in identified banking products as defined in section 206 of the Gramm-Leach-Bliley Act.

(x) MUNICIPAL SECURITIES.—The bank effects transactions in municipal securities.

(xi) DE MINIMIS EXCEPTION.—The bank effects, other than in transactions referred to in clauses (i) through (x), not more than 500 transactions in securities in any calendar year, and such transactions are not effected by an employee of the bank who is also an employee of a broker or dealer.

(C) EXECUTION BY BROKER OR DEALER.—The exception to being considered a broker for a bank engaged in activities described in clauses (ii), (iv), and (viii) of subparagraph (B) shall not apply if the activities described in such provisions result in the trade in the United States of any security that is a publicly traded security in the United States, unless—

(i) the bank directs such trade to a registered broker or dealer for execution;

(ii) the trade is a cross trade or other substantially similar trade of a security that—

(I) is made by the bank or between the bank and an affiliated fiduciary; and

(II) is not in contravention of fiduciary principles established under applicable Federal or State law; or

(iii) the trade is conducted in some other manner permitted under rules, regulations, or orders as the Commission may prescribe or issue.

(D) FIDUCIARY CAPACITY.—For purposes of subparagraph (B)(ii), the term "fiduciary capacity" means—

(i) in the capacity as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian under a uniform gift to minor act, or as an investment adviser if the bank receives a fee for its investment advice;

(ii) in any capacity in which the bank possesses investment discretion on behalf of another; or

(iii) in any other similar capacity.

(E) EXCEPTION FOR ENTITIES SUBJECT TO SECTION 15(e).—The term "broker" does not include a bank that—

(i) was, on the day before the date of enactment of the Gramm-Leach-Bliley Act, subject to section 15(e); and

(ii) is subject to such restrictions and requirements as the Commission considers appropriate.

(F) JOINT RULEMAKING REQUIRED.—The Commission and the Board of Governors of the Federal Reserve System shall jointly adopt a single set of rules or regulations to implement the exceptions in subparagraph (B).

(5) DEALER.—

(A) IN GENERAL.—The term "dealer" means any person engaged in the business of buying and selling securities (not including security-based swaps, other than security-based swaps with or for persons that are not eligible contract participants) for such person's own account through a broker or otherwise.

(B) EXCEPTION FOR PERSON NOT ENGAGED IN THE BUSINESS OF DEALING.—The term "dealer" does not include a person that buys or sells securities (not including security-based swaps, other than security-based swaps with or for persons that are not eligible contract participants) for such person's own account, either individually or in a fiduciary capacity, but not as a part of a regular business.

(C) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a dealer because the bank engages in any of the following activities under the conditions described:

(i) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank buys or sells—

(I) commercial paper, bankers acceptances, or commercial bills;

(II) exempted securities;

(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes of the United States, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

(ii) INVESTMENT, TRUSTEE, AND FIDUCIARY TRANSACTIONS.—The bank buys or sells securities for investment purposes—

(I) for the bank; or

(II) for accounts for which the bank acts as a trustee or fiduciary.

(iii) ASSET-BACKED TRANSACTIONS.—The bank engages in the issuance or sale to qualified investors, through a grantor trust or other separate entity, of securities backed by or representing an interest in notes, drafts, acceptances, loans, leases, receivables, other obligations (other than securities of which the bank is not the issuer), or pools of any such obligations predominantly originated by—

(I) the bank;

(II) an affiliate of any such bank other than a broker or dealer; or

(III) a syndicate of banks of which the bank is a member, if the obligations or pool of obligations consists of mortgage obligations or consumer-related receivables.

(iv) IDENTIFIED BANKING PRODUCTS.—The bank buys or sells identified banking products, as defined in section 206 of the Gramm-Leach-Bliley Act.

(6) The term "bank" means (A) a banking institution organized under the laws of the United States or a Federal savings association, as defined in section 2(5) of the Home Owners' Loan Act, (B) a member bank of the Federal Reserve System, (C) any other banking institution or savings association, as defined in section 2(4) of the Home Owners' Loan Act, whether incorporated or not, doing business under the laws of any State or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to national banks under the authority of the Comptroller of the Currency pursuant to the

first section of Public Law 87–722 (12 U.S.C. 92a), and which is supervised and examined by State or Federal authority having supervision over banks or savings associations, and which is not operated for the purpose of evading the provisions of this title, and (D) a receiver, conservator, or other liquidating agent of any institution or firm included in clauses (A), (B), or (C) of this paragraph.

(7) The term "director" means any director of a corporation or any person performing similar functions with respect to any organization, whether incorporated or unincorporated.

(8) The term "issuer" means any person who issues or proposes to issue any security; except that with respect to certificates of deposit for securities, voting-trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors or of the fixed, restricted management, or unit type, the term "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which such securities are issued; and except that with respect to equipment-trust certificates or like securities, the term "issuer" means the person by whom the equipment or property is, or is to be, used.

(9) The term "person" means a natural person, company, government, or political subdivision, agency, or instrumentality of a government.

(10) The term "security" means any note, stock, treasury stock, security future, security-based swap,bond, debenture, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, or other mineral royalty or lease, any collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or in general, any instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing; but shall not include currency or any note, draft, bill of exchange, or banker's acceptance which has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited. *The term "security" does not include a payment stablecoin issued by a permitted payment stablecoin issuer, as such terms are defined, respectively, in section 2 of the STABLE Act of 2025.*

(11) The term "equity security" means any stock or similar security; or any security future on any such security; or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the Commission shall deem to be of simi-

lar nature and consider necessary or appropriate, by such rules and regulations as it may prescribe in the public interest or for the protection of investors, to treat as an equity security.

(12)(A) The term "exempted security" or "exempted securities" includes—

(i) government securities, as defined in paragraph (42) of this subsection;

(ii) municipal securities, as defined in paragraph (29) of this subsection;

(iii) any interest or participation in any common trust fund or similar fund that is excluded from the definition of the term "investment company" under section 3(c)(3) of the Investment Company Act of 1940;

(iv) any interest or participation in a single trust fund, or a collective trust fund maintained by a bank, or any security arising out of a contract issued by an insurance company, which interest, participation, or security is issued in connection with a qualified plan as defined in subparagraph (C) of this paragraph;

(v) any security issued by or any interest or participation in any pooled income fund, collective trust fund, collective investment fund, or similar fund that is excluded from the definition of an investment company under section 3(c)(10)(B) of the Investment Company Act of 1940;

(vi) solely for purposes of sections 12, 13, 14, and 16 of this title, any security issued by or any interest or participation in any church plan, company, or account that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940; and

(vii) such other securities (which may include, among others, unregistered securities, the market in which is predominantly intrastate) as the Commission may, by such rules and regulations as it deems consistent with the public interest and the protection of investors, either unconditionally or upon specified terms and conditions or for stated periods, exempt from the operation of any one or more provisions of this title which by their terms do not apply to an "exempted security" or to "exempted securities".

(B)(i) Notwithstanding subparagraph (A)(i) of this paragraph, government securities shall not be deemed to be "exempted securities" for the purposes of section 17A of this title.

(ii) Notwithstanding subparagraph (A)(ii) of this paragraph, municipal securities shall not be deemed to be "exempted securities" for the purposes of sections 15 and 17A of this title.

(C) For purposes of subparagraph (A)(iv) of this paragraph, the term "qualified plan" means (i) a stock bonus, pension, or profit-sharing plan which meets the requirements for qualification under section 401 of the Internal Revenue Code of 1954, (ii) an annuity plan which meets the requirements for the deduction of the employer's contribution under section 404(a)(2) of such Code, (iii) a governmental plan as defined in section 414(d) of such Code which has been established by an employer for the exclusive benefit of its employees or their beneficiaries for the purpose of distributing to such employees or their bene-

ficiaries the corpus and income of the funds accumulated under such plan, if under such plan it is impossible, prior to the satisfaction of all liabilities with respect to such employees and their beneficiaries, for any part of the corpus or income to be used for, or diverted to, purposes other than the exclusive benefit of such employees or their beneficiaries, or (iv) a church plan, company, or account that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940, other than any plan described in clause (i), (ii), or (iii) of this subparagraph which (I) covers employees some or all of whom are employees within the meaning of section 401(c) of such Code, or (II) is a plan funded by an annuity contract described in section 403(b) of such Code.

(13) The terms "buy" and "purchase" each include any contract to buy, purchase, or otherwise acquire. For security futures products, such term includes any contract, agreement, or transaction for future delivery. For security-based swaps, such terms include the execution, termination (prior to its scheduled maturity date), assignment, exchange, or similar transfer or conveyance of, or extinguishing of rights or obligations under, a security-based swap, as the context may require.

(14) The terms "sale" and "sell" each include any contract to sell or otherwise dispose of. For security futures products, such term includes any contract, agreement, or transaction for future delivery. For security-based swaps, such terms include the execution, termination (prior to its scheduled maturity date), assignment, exchange, or similar transfer or conveyance of, or extinguishing of rights or obligations under, a security-based swap, as the context may require.

(15) The term "Commission" means the Securities and Exchange Commission established by section 4 of this title.

(16) The term "State" means any State of the United States, the District of Columbia, Puerto Rico, Philippine Islands, the Virgin Islands, or any other possession of the United States.

(17) The term "interstate commerce" means trade, commerce, transportation, or communication among the several States, or between any foreign country and any State, or between any State and any place or ship outside thereof. The term also includes intrastate use of (A) any facility of a national securities exchange or of a telephone or other interstate means of communication, or (B) any other interstate instrumentality.

(18) The term "person associated with a broker or dealer" or "associated person of a broker or dealer" means any partner, officer, director, or branch manager of such broker or dealer (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such broker or dealer, or any employee of such broker or dealer, except that any person associated with a broker or dealer whose functions are solely clerical or ministerial shall not be included in the meaning of such term for purposes of section 15(b) of this title (other than paragraph (6) thereof).

(19) The terms "investment company,""affiliated person,""insurance company,""separate account," and "company"

have the same meanings as in the Investment Company Act of 1940.

(20) The terms "investment adviser" and "underwriter" have the same meanings as in the Investment Advisers Act of 1940.

(21) The term "persons associated with a member" or "associated person of a member" when used with respect to a member of a national securities exchange or registered securities association means any partner, officer, director, or branch manager of such member (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such member, or any employee of such member.

(22)(A) The term "securities information processor" means any person engaged in the business of (i) collecting, processing, or preparing for distribution or publication, or assisting, participating in, or coordinating the distribution or publication of, information with respect to transactions in or quotations for any security (other than an exempted security) or (ii) distributing or publishing (whether by means of a ticker tape, a communications network, a terminal display device, or otherwise) on a current and continuing basis, information with respect to such transactions or quotations. The term "securities information processor" does not include any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation, any self-regulatory organization, any bank, broker, dealer, building and loan, savings and loan, or homestead association, or cooperative bank, if such bank, broker, dealer, association, or cooperative bank would be deemed to be a securities information processor solely by reason of functions performed by such institutions as part of customary banking, brokerage, dealing, association, or cooperative bank activities, or any common carrier, as defined in section 3 of the Communications Act of 1934, subject to the jurisdiction of the Federal Communications Commission or a State commission, as defined in section 3 of that Act, unless the Commission determines that such carrier is engaged in the business of collecting, processing, or preparing for distribution or publication, information with respect to transactions in or quotations for any security.

(B) The term "exclusive processor" means any securities information processor or self-regulatory organization which, directly or indirectly, engages on an exclusive basis on behalf of any national securities exchange or registered securities association, or any national securities exchange or registered securities association which engages on an exclusive basis on its own behalf, in collecting, processing, or preparing for distribution or publication any information with respect to (i) transactions or quotations on or effected or made by means of any facility of such exchange or (ii) quotations distributed or published by means of any electronic system operated or controlled by such association.

(23)(A) The term "clearing agency" means any person who acts as an intermediary in making payments or deliveries or both in connection with transactions in securities or who provides facilities for comparison of data respecting the terms of

settlement of securities transactions, to reduce the number of settlements of securities transactions, or for the allocation of securities settlement responsibilities. Such term also means any person, such as a securities depository, who (i) acts as a custodian of securities in connection with a system for the central handling of securities whereby all securities of a particular class or series of any issuer deposited within the system are treated as fungible and may be transferred, loaned, or pledged by bookkeeping entry without physical delivery of securities certificates, or (ii) otherwise permits or facilitates the settlement of securities transactions or the hypothecation or lending of securities without physical delivery of securities certificates.

(B) The term "clearing agency" does not include (i) any Federal Reserve bank, Federal home loan bank, or Federal land bank; (ii) any national securities exchange or registered securities association solely by reason of its providing facilities for comparison of data respecting the terms of settlement of securities transactions effected on such exchange or by means of any electronic system operated or controlled by such association; (iii) any bank, broker, dealer, building and loan, savings and loan, or homestead association, or cooperative bank if such bank, broker, dealer, association, or cooperative bank would be deemed to be a clearing agency solely by reason of functions performed by such institution as part of customary banking, brokerage, dealing, association, or cooperative banking activities, or solely by reason of acting on behalf of a clearing agency or a participant therein in connection with the furnishing by the clearing agency of services to its participants or the use of services of the clearing agency by its participants, unless the Commission, by rule, otherwise provides as necessary or appropriate to assure the prompt and accurate clearance and settlement of securities transactions or to prevent evasion of this title; (iv) any life insurance company, its registered separate accounts, or a subsidiary of such insurance company solely by reason of functions commonly performed by such entities in connection with variable annuity contracts or variable life policies issued by such insurance company or its separate accounts; (v) any registered open-end investment company or unit investment trust solely by reason of functions commonly performed by it in connection with shares in such registered open-end investment company or unit investment trust, or (vi) any person solely by reason of its performing functions described in paragraph 25(E) of this subsection.

(24) The term "participant" when used with respect to a clearing agency means any person who uses a clearing agency to clear or settle securities transactions or to transfer, pledge, lend, or hypothecate securities. Such term does not include a person whose only use of a clearing agency is (A) through another person who is a participant or (B) as a pledgee of securities.

(25) The term "transfer agent" means any person who engages on behalf of an issuer of securities or on behalf of itself as an issuer of securities in (A) countersigning such securities upon issuance; (B) monitoring the issuance of such securities with a view to preventing unauthorized issuance, a function

commonly performed by a person called a registrar; (C) registering the transfer of such securities; (D) exchanging or converting such securities; or (E) transferring record ownership of securities by bookkeeping entry without physical issuance of securities certificates. The term "transfer agent" does not include any insurance company or separate account which performs such functions solely with respect to variable annuity contracts or variable life policies which it issues or any registered clearing agency which performs such functions solely with respect to options contracts which it issues.

(26) The term "self-regulatory organization" means any national securities exchange, registered securities association, or registered clearing agency, or (solely for purposes of sections 19(b), 19(c), and 23(b) of this title) the Municipal Securities Rulemaking Board established by section 15B of this title.

(27) The term "rules of an exchange", "rules of an association", or "rules of a clearing agency" means the constitution, articles of incorporation, bylaws, and rules, or instruments corresponding to the foregoing, of an exchange, association of brokers and dealers, or clearing agency, respectively, and such of the stated policies, practices, and interpretations of such exchange, association, or clearing agency as the Commission, by rule, may determine to be necessary or appropriate in the public interest or for the protection of investors to be deemed to be rules of such exchange, association, or clearing agency.

(28) The term "rules of a self-regulatory organization" means the rules of an exchange which is a national securities exchange, the rules of an association of brokers and dealers which is a registered securities association, the rules of a clearing agency which is a registered clearing agency, or the rules of the Municipal Securities Rulemaking Board.

(29) The term "municipal securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a State or any political subdivision thereof, or any agency or instrumentality of a State or any political subdivision thereof, or any municipal corporate instrumentality of one or more States, or any security which is an industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code of 1954) the interest on which is excludable from gross income under section 103(a)(1) of such Code if, by reason of the application of paragraph (4) or (6) of section 103(c) of such Code (determined as if paragraphs (4)(A), (5), and (7) were not included in such section 103(c)), paragraph (1) of such section 103(c) does not apply to such security.

(30) The term "municipal securities dealer" means any person (including a separately identifiable department or division of a bank) engaged in the business of buying and selling municipal securities for his own account, through a broker or otherwise, but does not include—

(A) any person insofar as he buys or sells such securities for his own account, either individually or in some fiduciary capacity, but not as a part of a regular business; or

(B) a bank, unless the bank is engaged in the business of buying and selling municipal securities for its own account other than in a fiduciary capacity, through a broker

or otherwise; *Provided, however,* That if the bank is engaged in such business through a separately identifiable department or division (as defined by the Municipal Securities Rulemaking Board in accordance with section 15B(b)(2)(H) of this title), the department or division and not the bank itself shall be deemed to be the municipal securities dealer.

(31) The term "municipal securities broker" means a broker engaged in the business of effecting transactions in municipal securities for the account of others.

(32) The term "person associated with a municipal securities dealer" when used with respect to a municipal securities dealer which is a bank or a division or department of a bank means any person directly engaged in the management, direction, supervision, or performance of any of the municipal securities dealer's activities with respect to municipal securities, and any person directly or indirectly controlling such activities or controlled by the municipal securities dealer in connection with such activities.

(33) The term "municipal securities investment portfolio" means all municipal securities held for investment and not for sale as part of a regular business by a municipal securities dealer or by a person, directly or indirectly, controlling, controlled by, or under common control with a municipal securities dealer.

(34) The term "appropriate regulatory agency" means—

(A) When used with respect to a municipal securities dealer:

(i) the Comptroller of the Currency, in the case of a national bank, a subsidiary or a department or division of any such bank, a Federal savings association (as defined in section 3(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b)(2))), the deposits of which are insured by the Federal Deposit Insurance Corporation, or a subsidiary or department or division of any such Federal savings association;

(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System, a subsidiary or a department or division thereof, a bank holding company, a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i), (iii), or (iv) of this subparagraph, a subsidiary or a department or division of such subsidiary, or a savings and loan holding company;

(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System), a subsidiary or department or division of any such bank, a State savings association (as defined in section 3(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b)(3))), the deposits of which are insured by the Federal Deposit Insurance Corporation, or a subsidiary or a department or division of any such State savings association; and

(iv) the Commission in the case of all other municipal securities dealers.

(B) When used with respect to a clearing agency or transfer agent:

(i) the Comptroller of the Currency, in the case of a national bank, a subsidiary of any such bank, a Federal savings association (as defined in section 3(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b)(2))), the deposits of which are insured by the Federal Deposit Insurance Corporation, or a subsidiary of any such Federal savings association;

(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System, a subsidiary thereof, a bank holding company, a subsidiary of a bank holding company that is a bank other than a bank specified in clause (i) or (iii) of this subparagraph, or a savings and loan holding company;

(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System), a subsidiary of any such bank, a State savings association (as defined in section 3(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b)(3))), the deposits of which are insured by the Federal Deposit Insurance Corporation, or a subsidiary of any such State savings association; and

(iv) the Commission in the case of all other clearing agencies and transfer agents.

(C) When used with respect to a participant or applicant to become a participant in a clearing agency or a person requesting or having access to services offered by a clearing agency:

(i) the Comptroller of the Currency, in the case of a national bank or a Federal savings association (as defined in section 3(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b)(2))), the deposits of which are insured by the Federal Deposit Insurance Corporation when the appropriate regulatory agency for such clearing agency is not the Commission;

(ii) the Board of Governors of the Federal Reserve System in the case of a State member bank of the Federal Reserve System, a bank holding company, or a subsidiary of a bank holding company, a subsidiary of a bank holding company that is a bank other than a bank specified in clause (i) or (iii) of this subparagraph, or a savings and loan holding company when the appropriate regulatory agency for such clearing agency is not the Commission;

(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System) or a State savings association (as defined in section 3(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b)(3))), the deposits of which

are insured by the Federal Deposit Insurance Corporation; and when the appropriate regulatory agency for such clearing agency is not the Commission;

(iv) the Commission in all other cases.

(D) When used with respect to an institutional investment manager which is a bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act:

(i) the Comptroller of the Currency, in the case of a national bank or a Federal savings association (as defined in section 3(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b)(2))), the deposits of which are insured by the Federal Deposit Insurance Corporation;

(ii) the Board of Governors of the Federal Reserve System, in the case of any other member bank of the Federal Reserve System; and

(iii) the Federal Deposit Insurance Corporation, in the case of any other insured bank or a State savings association (as defined in section 3(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b)(3))), the deposits of which are insured by the Federal Deposit Insurance Corporation.

(E) When used with respect to a national securities exchange or registered securities association, member thereof, person associated with a member thereof, applicant to become a member thereof or to become associated with a member thereof, or person requesting or having access to services offered by such exchange or association or member thereof, or the Municipal Securities Rulemaking Board, the Commission.

(F) When used with respect to a person exercising investment discretion with respect to an account:

(i) the Comptroller of the Currency, in the case of a national bank or a Federal savings association (as defined in section 3(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b)(2))), the deposits of which are insured by the Federal Deposit Insurance Corporation;

(ii) the Board of Governors of the Federal Reserve System in the case of any other member bank of the Federal Reserve System;

(iii) the Federal Deposit Insurance Corporation, in the case of any other bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act or a State savings association (as defined in section 3(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b)(3))), the deposits of which are insured by the Federal Deposit Insurance Corporation; and

(iv) the Commission in the case of all other such persons.

(G) When used with respect to a government securities broker or government securities dealer, or person associ-

ated with a government securities broker or government securities dealer:

(i) the Comptroller of the Currency, in the case of a national bank, a Federal savings association (as defined in section 3(b)(2) of the Federal Deposit Insurance Act), the deposits of which are insured by the Federal Deposit Insurance Corporation, or a Federal branch or Federal agency of a foreign bank (as such terms are used in the International Banking Act of 1978);

(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System, a foreign bank, an uninsured State branch or State agency of a foreign bank, a commercial lending company owned or controlled by a foreign bank (as such terms are used in the International Banking Act of 1978), or a corporation organized or having an agreement with the Board of Governors of the Federal Reserve System pursuant to section 25 or section 25A of the Federal Reserve Act;

(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System or a Federal savings bank), a State savings association (as defined in section 3(b)(3) of the Federal Deposit Insurance Act), the deposits of which are insured by the Federal Deposit Insurance Corporation, or an insured State branch of a foreign bank (as such terms are used in the International Banking Act of 1978); and

(iv) the Commission, in the case of all other government securities brokers and government securities dealers.

(H) When used with respect to an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956—

(i) the Comptroller of the Currency, in the case of a national bank;

(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System or any corporation chartered under section 25A of the Federal Reserve Act;

(iii) the Federal Deposit Insurance Corporation, in the case of any other bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act; or

(iv) the Commission in the case of all other such institutions.

As used in this paragraph, the terms "bank holding company" and "subsidiary of a bank holding company" have the meanings given them in section 2 of the Bank Holding Company Act of 1956. As used in this paragraph, the term "savings and loan holding company" has the same meaning as in section 10(a) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)).

(35) A person exercises "investment discretion" with respect to an account if, directly or indirectly, such person (A) is authorized to determine what securities or other property shall be purchased or sold by or for the account, (B) makes decisions as to what securities or other property shall be purchased or sold by or for the account even though some other person may have responsibility for such investment decisions, or (C) otherwise exercises such influence with respect to the purchase and sale of securities or other property by or for the account as the Commission, by rule, determines, in the public interest or for the protection of investors, should be subject to the operation of the provisions of this title and rules and regulations thereunder.

(36) A class of persons or markets is subject to "equal regulation" if no member of the class has a competitive advantage over any other member thereof resulting from a disparity in their regulation under this title which the Commission determines is unfair and not necessary or appropriate in furtherance of the purposes of this title.

(37) The term "records" means accounts, correspondence, memorandums, tapes, discs, papers, books, and other documents or transcribed information of any type, whether expressed in ordinary or machine language.

(38) The term "market maker" means any specialist permitted to act as a dealer, any dealer acting in the capacity of block positioner, and any dealer who, with respect to a security, holds himself out (by entering quotations in an inter-dealer communications system or otherwise) as being willing to buy and sell such security for his own account on a regular or continuous basis.

(39) A person is subject to a "statutory disqualification" with respect to membership or participation in, or association with a member of, a self-regulatory organization, if such person—

(A) has been and is expelled or suspended from membership or participation in, or barred or suspended from being associated with a member of, any self-regulatory organization, foreign equivalent of a self-regulatory organization, foreign or international securities exchange, contract market designated pursuant to section 5 of the Commodity Exchange Act (7 U.S.C. 7), or any substantially equivalent foreign statute or regulation, or futures association registered under section 17 of such Act (7 U.S.C. 21), or any substantially equivalent foreign statute or regulation, or has been and is denied trading privileges on any such contract market or foreign equivalent;

(B) is subject to—

(i) an order of the Commission, other appropriate regulatory agency, or foreign financial regulatory authority—

(I) denying, suspending for a period not exceeding 12 months, or revoking his registration as a broker, dealer, municipal securities dealer, government securities broker, government securities dealer, security-based swap dealer, or major security-based swap participant or limiting his activities as a foreign person per-

forming a function substantially equivalent to any of the above; or

(II) barring or suspending for a period not exceeding 12 months his being associated with a broker, dealer, municipal securities dealer, government securities broker, government securities dealer, security-based swap dealer, major security-based swap participant, or foreign person performing a function substantially equivalent to any of the above;

(ii) an order of the Commodity Futures Trading Commission denying, suspending, or revoking his registration under the Commodity Exchange Act (7 U.S.C. 1 et seq.); or

(iii) an order by a foreign financial regulatory authority denying, suspending, or revoking the person's authority to engage in transactions in contracts of sale of a commodity for future delivery or other instruments traded on or subject to the rules of a contract market, board of trade, or foreign equivalent thereof;

(C) by his conduct while associated with a broker, dealer, municipal securities dealer, government securities broker, government securities dealer, security-based swap dealer, or major security-based swap participant, or while associated with an entity or person required to be registered under the Commodity Exchange Act, has been found to be a cause of any effective suspension, expulsion, or order of the character described in subparagraph (A) or (B) of this paragraph, and in entering such a suspension, expulsion, or order, the Commission, an appropriate regulatory agency, or any such self-regulatory organization shall have jurisdiction to find whether or not any person was a cause thereof;

(D) by his conduct while associated with any broker, dealer, municipal securities dealer, government securities broker, government securities dealer, security-based swap dealer, major security-based swap participant, or any other entity engaged in transactions in securities, or while associated with an entity engaged in transactions in contracts of sale of a commodity for future delivery or other instruments traded on or subject to the rules of a contract market, board of trade, or foreign equivalent thereof, has been found to be a cause of any effective suspension, expulsion, or order by a foreign or international securities exchange or foreign financial regulatory authority empowered by a foreign government to administer or enforce its laws relating to financial transactions as described in subparagraph (A) or (B) of this paragraph;

(E) has associated with him any person who is known, or in the exercise of reasonable care should be known, to him to be a person described by subparagraph (A), (B), (C), or (D) of this paragraph; or

(F) has committed or omitted any act, or is subject to an order or finding, enumerated in subparagraph (D), (E), (H), or (G) of paragraph (4) of section 15(b) of this title, has been convicted of any offense specified in subparagraph (B)

of such paragraph (4) or any other felony within ten years of the date of the filing of an application for membership or participation in, or to become associated with a member of, such self-regulatory organization, is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4), has willfully made or caused to be made in any application for membership or participation in, or to become associated with a member of, a self-regulatory organization, report required to be filed with a self-regulatory organization, or proceeding before a self-regulatory organization, any statement which was at the time, and in the light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application, report, or proceeding any material fact which is required to be stated therein.

(40) The term "financial responsibility rules" means the rules and regulations of the Commission or the rules and regulations prescribed by any self-regulatory organization relating to financial responsibility and related practices which are designated by the Commission, by rule or regulation, to be financial responsibility rules.

(41) The term "mortgage related security" means a security that meets standards of credit-worthiness as established by the Commission, and either:

(A) represents ownership of one or more promissory notes or certificates of interest or participation in such notes (including any rights designed to assure servicing of, or the receipt or timeliness of receipt by the holders of such notes, certificates, or participations of amounts payable under, such notes, certificates, or participations), which notes:

(i) are directly secured by a first lien on a single parcel of real estate, including stock allocated to a dwelling unit in a residential cooperative housing corporation, upon which is located a dwelling or mixed residential and commercial structure, on a residential manufactured home as defined in section 603(6) of the National Manufactured Housing Construction and Safety Standards Act of 1974, whether such manufactured home is considered real or personal property under the laws of the State in which it is to be located, or on one or more parcels of real estate upon which is located one or more commercial structures; and

(ii) were originated by a savings and loan association, savings bank, commercial bank, credit union, insurance company, or similar institution which is supervised and examined by a Federal or State authority, or by a mortgage approved by the Secretary of Housing and Urban Development pursuant to sections 203 and 211 of the National Housing Act, or, where such notes involve a lien on the manufactured home, by any such institution or by any financial institution approved for insurance by the Secretary of Housing

and Urban Development pursuant to section 2 of the National Housing Act; or

(B) is secured by one or more promissory notes or certificates of interest or participations in such notes (with or without recourse to the issuer thereof) and, by its terms, provides for payments of principal in relation to payments, or reasonable projections of payments, on notes meeting the requirements of subparagraphs (A) (i) and (ii) or certificates of interest or participations in promissory notes meeting such requirements.

For the purpose of this paragraph, the term "promissory note", when used in connection with a manufactured home, shall also include a loan, advance, or credit sale as evidence by a retail installment sales contract or other instrument.

(42) The term "government securities" means—

(A) securities which are direct obligations of, or obligations guaranteed as to principal or interest by, the United States;

(B) securities which are issued or guaranteed by the Tennessee Valley Authority or by corporations in which the United States has a direct or indirect interest and which are designated by the Secretary of the Treasury for exemption as necessary or appropriate in the public interest or for the protection of investors;

(C) securities issued or guaranteed as to principal or interest by any corporation the securities of which are designated, by statute specifically naming such corporation, to constitute exempt securities within the meaning of the laws administered by the Commission;

(D) for purposes of sections 15C and 17A, any put, call, straddle, option, or privilege on a security described in subparagraph (A), (B), or (C) other than a put, call, straddle, option, or privilege—

(i) that is traded on one or more national securities exchanges; or

(ii) for which quotations are disseminated through an automated quotation system operated by a registered securities association; or

(E) for purposes of sections 15, 15C, and 17A as applied to a bank, a qualified Canadian government obligation as defined in section 5136 of the Revised Statutes of the United States.

(43) The term "government securities broker" means any person regularly engaged in the business of effecting transactions in government securities for the account of others, but does not include—

(A) any corporation the securities of which are government securities under subparagraph (B) or (C) of paragraph (42) of this subsection; or

(B) any person registered with the Commodity Futures Trading Commission, any contract market designated by the Commodity Futures Trading Commission, such contract market's affiliated clearing organization, or any floor trader on such contract market, solely because such person effects transactions in government securities that the Com-

mission, after consultation with the Commodity Futures Trading Commission, has determined by rule or order to be incidental to such person's futures-related business.

(44) The term "government securities dealer" means any person engaged in the business of buying and selling government securities for his own account, through a broker or otherwise, but does not include—

(A) any person insofar as he buys or sells such securities for his own account, either individually or in some fiduciary capacity, but not as a part of a regular business;

(B) any corporation the securities of which are government securities under subparagraph (B) or (C) of paragraph (42) of this subsection;

(C) any bank, unless the bank is engaged in the business of buying and selling government securities for its own account other than in a fiduciary capacity, through a broker or otherwise; or

(D) any person registered with the Commodity Futures Trading Commission, any contract market designated by the Commodity Futures Trading Commission, such contract market's affiliated clearing organization, or any floor trader on such contract market, solely because such person effects transactions in government securities that the Commission, after consultation with the Commodity Futures Trading Commission, has determined by rule or order to be incidental to such person's futures-related business.

(45) The term "person associated with a government securities broker or government securities dealer" means any partner, officer, director, or branch manager of such government securities broker or government securities dealer (or any person occupying a similar status or performing similar functions), and any other employee of such government securities broker or government securities dealer who is engaged in the management, direction, supervision, or performance of any activities relating to government securities, and any person directly or indirectly controlling, controlled by, or under common control with such government securities broker or government securities dealer.

(46) The term "financial institution" means—

(A) a bank (as defined in paragraph (6) of this subsection);

(B) a foreign bank (as such term is used in the International Banking Act of 1978); and

(C) a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act) the deposits of which are insured by the Federal Deposit Insurance Corporation.

(47) The term "securities laws" means the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Sarbanes-Oxley Act of 2002, the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 80b et seq.), and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.).

(48) The term "registered broker or dealer" means a broker or dealer registered or required to register pursuant to section 15 or 15B of this title, except that in paragraph (3) of this subsection and sections 6 and 15A the term means such a broker or dealer and a government securities broker or government securities dealer registered or required to register pursuant to section 15C(a)(1)(A) of this title.

(49) The terms "person associated with a transfer agent" and "associated person of a transfer agent" mean any person (except an employee whose functions are solely clerical or ministerial) directly engaged in the management, direction, supervision, or performance of any of the transfer agent's activities with respect to transfer agent functions, and any person directly or indirectly controlling such activities or controlled by the transfer agent in connection with such activities.

(50) The term "foreign securities authority" means any foreign government, or any governmental body or regulatory organization empowered by a foreign government to administer or enforce its laws as they relate to securities matters.

(51)(A) The term "penny stock" means any equity security other than a security that is—

(i) registered or approved for registration and traded on a national securities exchange that meets such criteria as the Commission shall prescribe by rule or regulation for purposes of this paragraph;

(ii) authorized for quotation on an automated quotation system sponsored by a registered securities association, if such system (I) was established and in operation before January 1, 1990, and (II) meets such criteria as the Commission shall prescribe by rule or regulation for purposes of this paragraph;

(iii) issued by an investment company registered under the Investment Company Act of 1940;

(iv) excluded, on the basis of exceeding a minimum price, net tangible assets of the issuer, or other relevant criteria, from the definition of such term by rule or regulation which the Commission shall prescribe for purposes of this paragraph; or

(v) exempted, in whole or in part, conditionally or unconditionally, from the definition of such term by rule, regulation, or order prescribed by the Commission.

(B) The Commission may, by rule, regulation, or order, designate any equity security or class of equity securities described in clause (i) or (ii) of subparagraph (A) as within the meaning of the term "penny stock" if such security or class of securities is traded other than on a national securities exchange or through an automated quotation system described in clause (ii) of subparagraph (A).

(C) In exercising its authority under this paragraph to prescribe rules, regulations, and orders, the Commission shall determine that such rule, regulation, or order is consistent with the public interest and the protection of investors.

(52) The term "foreign financial regulatory authority" means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization em-

powered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade, or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate participation of its members in activities listed above.

(53)(A) The term "small business related security" means a security that meets standards of credit-worthiness as established by the Commission, and either—

(i) represents an interest in 1 or more promissory notes or leases of personal property evidencing the obligation of a small business concern and originated by an insured depository institution, insured credit union, insurance company, or similar institution which is supervised and examined by a Federal or State authority, or a finance company or leasing company; or

(ii) is secured by an interest in 1 or more promissory notes or leases of personal property (with or without recourse to the issuer or lessee) and provides for payments of principal in relation to payments, or reasonable projections of payments, on notes or leases described in clause (i).

(B) For purposes of this paragraph—

(i) an "interest in a promissory note or a lease of personal property" includes ownership rights, certificates of interest or participation in such notes or leases, and rights designed to assure servicing of such notes or leases, or the receipt or timely receipt of amounts payable under such notes or leases;

(ii) the term "small business concern" means a business that meets the criteria for a small business concern established by the Small Business Administration under section 3(a) of the Small Business Act;

(iii) the term "insured depository institution" has the same meaning as in section 3 of the Federal Deposit Insurance Act; and

(iv) the term "insured credit union" has the same meaning as in section 101 of the Federal Credit Union Act.

(54) QUALIFIED INVESTOR.—

(A) DEFINITION.—Except as provided in subparagraph (B), for purposes of this title, the term "qualified investor" means—

(i) any investment company registered with the Commission under section 8 of the Investment Company Act of 1940;

(ii) any issuer eligible for an exclusion from the definition of investment company pursuant to section 3(c)(7) of the Investment Company Act of 1940;

(iii) any bank (as defined in paragraph (6) of this subsection), savings association (as defined in section 3(b) of the Federal Deposit Insurance Act), broker, dealer, insurance company (as defined in section 2(a)(13) of the Securities Act of 1933), or business de-

velopment company (as defined in section 2(a)(48) of the Investment Company Act of 1940);

(iv) any small business investment company licensed by the United States Small Business Administration under section 301 (c) or (d) of the Small Business Investment Act of 1958;

(v) any State sponsored employee benefit plan, or any other employee benefit plan, within the meaning of the Employee Retirement Income Security Act of 1974, other than an individual retirement account, if the investment decisions are made by a plan fiduciary, as defined in section 3(21) of that Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser;

(vi) any trust whose purchases of securities are directed by a person described in clauses (i) through (v) of this subparagraph;

(vii) any market intermediary exempt under section 3(c)(2) of the Investment Company Act of 1940;

(viii) any associated person of a broker or dealer other than a natural person;

(ix) any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(x) the government of any foreign country;

(xi) any corporation, company, or partnership that owns and invests on a discretionary basis, not less than $25,000,000 in investments;

(xii) any natural person who owns and invests on a discretionary basis, not less than $25,000,000 in investments;

(xiii) any government or political subdivision, agency, or instrumentality of a government who owns and invests on a discretionary basis not less than $50,000,000 in investments; or

(xiv) any multinational or supranational entity or any agency or instrumentality thereof.

(B) ALTERED THRESHOLDS FOR ASSET-BACKED SECURITIES AND LOAN PARTICIPATIONS.—For purposes of section 3(a)(5)(C)(iii) of this title and section 206(a)(5) of the Gramm-Leach-Bliley Act, the term "qualified investor" has the meaning given such term by subparagraph (A) of this paragraph except that clauses (xi) and (xii) shall be applied by substituting "$10,000,000" for "$25,000,000".

(C) ADDITIONAL AUTHORITY.—The Commission may, by rule or order, define a "qualified investor" as any other person, taking into consideration such factors as the financial sophistication of the person, net worth, and knowledge and experience in financial matters.

(55)(A) The term "security future" means a contract of sale for future delivery of a single security or of a narrow-based security index, including any interest therein or based on the value thereof, except an exempted security under section 3(a)(12) of this title as in effect on the date of the enactment of the Futures Trading Act of 1982 (other than any municipal security as defined in section 3(a)(29) as in effect on the date

of the enactment of the Futures Trading Act of 1982). The term "security future" does not include any agreement, contract, or transaction excluded from the Commodity Exchange Act under section 2(c), 2(d), 2(f), or 2(g) of the Commodity Exchange Act (as in effect on the date of the enactment of the Commodity Futures Modernization Act of 2000) or title IV of the Commodity Futures Modernization Act of 2000.

(B) The term "narrow-based security index" means an index—

(i) that has 9 or fewer component securities;

(ii) in which a component security comprises more than 30 percent of the index's weighting;

(iii) in which the five highest weighted component securities in the aggregate comprise more than 60 percent of the index's weighting; or

(iv) in which the lowest weighted component securities comprising, in the aggregate, 25 percent of the index's weighting have an aggregate dollar value of average daily trading volume of less than $50,000,000 (or in the case of an index with 15 or more component securities, $30,000,000), except that if there are two or more securities with equal weighting that could be included in the calculation of the lowest weighted component securities comprising, in the aggregate, 25 percent of the index's weighting, such securities shall be ranked from lowest to highest dollar value of average daily trading volume and shall be included in the calculation based on their ranking starting with the lowest ranked security.

(C) Notwithstanding subparagraph (B), an index is not a narrow-based security index if—

(i)(I) it has at least nine component securities;

(II) no component security comprises more than 30 percent of the index's weighting; and

(III) each component security is—

(aa) registered pursuant to section 12 of the Securities Exchange Act of 1934;

(bb) one of 750 securities with the largest market capitalization; and

(cc) one of 675 securities with the largest dollar value of average daily trading volume;

(ii) a board of trade was designated as a contract market by the Commodity Futures Trading Commission with respect to a contract of sale for future delivery on the index, before the date of the enactment of the Commodity Futures Modernization Act of 2000;

(iii)(I) a contract of sale for future delivery on the index traded on a designated contract market or registered derivatives transaction execution facility for at least 30 days as a contract of sale for future delivery on an index that was not a narrow-based security index; and

(II) it has been a narrow-based security index for no more than 45 business days over 3 consecutive calendar months;

(iv) a contract of sale for future delivery on the index is traded on or subject to the rules of a foreign board of trade

and meets such requirements as are jointly established by rule or regulation by the Commission and the Commodity Futures Trading Commission;

(v) no more than 18 months have passed since the date of the enactment of the Commodity Futures Modernization Act of 2000 and—

(I) it is traded on or subject to the rules of a foreign board of trade;

(II) the offer and sale in the United States of a contract of sale for future delivery on the index was authorized before the date of the enactment of the Commodity Futures Modernization Act of 2000; and

(III) the conditions of such authorization continue to be met; or

(vi) a contract of sale for future delivery on the index is traded on or subject to the rules of a board of trade and meets such requirements as are jointly established by rule, regulation, or order by the Commission and the Commodity Futures Trading Commission.

(D) Within 1 year after the enactment of the Commodity Futures Modernization Act of 2000, the Commission and the Commodity Futures Trading Commission jointly shall adopt rules or regulations that set forth the requirements under clause (iv) of subparagraph (C).

(E) An index that is a narrow-based security index solely because it was a narrow-based security index for more than 45 business days over 3 consecutive calendar months pursuant to clause (iii) of subparagraph (C) shall not be a narrow-based security index for the 3 following calendar months.

(F) For purposes of subparagraphs (B) and (C) of this paragraph—

(i) the dollar value of average daily trading volume and the market capitalization shall be calculated as of the preceding 6 full calendar months; and

(ii) the Commission and the Commodity Futures Trading Commission shall, by rule or regulation, jointly specify the method to be used to determine market capitalization and dollar value of average daily trading volume.

(56) The term "security futures product" means a security future or any put, call, straddle, option, or privilege on any security future.

(57)(A) The term "margin", when used with respect to a security futures product, means the amount, type, and form of collateral required to secure any extension or maintenance of credit, or the amount, type, and form of collateral required as a performance bond related to the purchase, sale, or carrying of a security futures product.

(B) The terms "margin level" and "level of margin", when used with respect to a security futures product, mean the amount of margin required to secure any extension or maintenance of credit, or the amount of margin required as a performance bond related to the purchase, sale, or carrying of a security futures product.

(C) The terms "higher margin level" and "higher level of margin", when used with respect to a security futures product,

mean a margin level established by a national securities exchange registered pursuant to section 6(g) that is higher than the minimum amount established and in effect pursuant to section 7(c)(2)(B).

(58) AUDIT COMMITTEE.—The term "audit committee" means—

(A) a committee (or equivalent body) established by and amongst the board of directors of an issuer for the purpose of overseeing the accounting and financial reporting processes of the issuer and audits of the financial statements of the issuer; and

(B) if no such committee exists with respect to an issuer, the entire board of directors of the issuer.

(59) REGISTERED PUBLIC ACCOUNTING FIRM.—The term "registered public accounting firm" has the same meaning as in section 2 of the Sarbanes-Oxley Act of 2002.

(60) CREDIT RATING.—The term "credit rating" means an assessment of the creditworthiness of an obligor as an entity or with respect to specific securities or money market instruments.

(61) CREDIT RATING AGENCY.—The term "credit rating agency" means any person—

(A) engaged in the business of issuing credit ratings on the Internet or through another readily accessible means, for free or for a reasonable fee, but does not include a commercial credit reporting company;

(B) employing either a quantitative or qualitative model, or both, to determine credit ratings; and

(C) receiving fees from either issuers, investors, or other market participants, or a combination thereof.

(62) NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION.—The term "nationally recognized statistical rating organization" means a credit rating agency that—

(A) issues credit ratings certified by qualified institutional buyers, in accordance with section 15E(a)(1)(B)(ix), with respect to—

(i) financial institutions, brokers, or dealers;

(ii) insurance companies;

(iii) corporate issuers;

(iv) issuers of asset-backed securities (as that term is defined in section 1101(c) of part 229 of title 17, Code of Federal Regulations, as in effect on the date of enactment of this paragraph);

(v) issuers of government securities, municipal securities, or securities issued by a foreign government; or

(vi) a combination of one or more categories of obligors described in any of clauses (i) through (v); and

(B) is registered under section 15E.

(63) PERSON ASSOCIATED WITH A NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION.—The term "person associated with" a nationally recognized statistical rating organization means any partner, officer, director, or branch manager of a nationally recognized statistical rating organization (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled

by, or under common control with a nationally recognized statistical rating organization, or any employee of a nationally recognized statistical rating organization.

(64) QUALIFIED INSTITUTIONAL BUYER.—The term "qualified institutional buyer" has the meaning given such term in section 230.144A(a) of title 17, Code of Federal Regulations, or any successor thereto.

(79) ASSET-BACKED SECURITY.—The term "asset-backed security"—

(A) means a fixed-income or other security collateralized by any type of self-liquidating financial asset (including a loan, a lease, a mortgage, or a secured or unsecured receivable) that allows the holder of the security to receive payments that depend primarily on cash flow from the asset, including—

(i) a collateralized mortgage obligation;

(ii) a collateralized debt obligation;

(iii) a collateralized bond obligation;

(iv) a collateralized debt obligation of asset-backed securities;

(v) a collateralized debt obligation of collateralized debt obligations; and

(vi) a security that the Commission, by rule, determines to be an asset-backed security for purposes of this section; and

(B) does not include a security issued by a finance subsidiary held by the parent company or a company controlled by the parent company, if none of the securities issued by the finance subsidiary are held by an entity that is not controlled by the parent company.

(65) ELIGIBLE CONTRACT PARTICIPANT.—The term "eligible contract participant" has the same meaning as in section 1a of the Commodity Exchange Act (7 U.S.C. 1a).

(66) MAJOR SWAP PARTICIPANT.—The term "major swap participant" has the same meaning as in section 1a of the Commodity Exchange Act (7 U.S.C. 1a).

(67) MAJOR SECURITY-BASED SWAP PARTICIPANT.—

(A) IN GENERAL.—The term "major security-based swap participant" means any person—

(i) who is not a security-based swap dealer; and

(ii)(I) who maintains a substantial position in security-based swaps for any of the major security-based swap categories, as such categories are determined by the Commission, excluding both positions held for hedging or mitigating commercial risk and positions maintained by any employee benefit plan (or any contract held by such a plan) as defined in paragraphs (3) and (32) of section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002) for the primary purpose of hedging or mitigating any risk directly associated with the operation of the plan;

(II) whose outstanding security-based swaps create substantial counterparty exposure that could have serious adverse effects on the financial stability of the United States banking system or financial markets; or

(III) that is a financial entity that—

(aa) is highly leveraged relative to the amount of capital such entity holds and that is not subject to capital requirements established by an appropriate Federal banking agency; and

(bb) maintains a substantial position in outstanding security-based swaps in any major security-based swap category, as such categories are determined by the Commission.

(B) DEFINITION OF SUBSTANTIAL POSITION.—For purposes of subparagraph (A), the Commission shall define, by rule or regulation, the term "substantial position" at the threshold that the Commission determines to be prudent for the effective monitoring, management, and oversight of entities that are systemically important or can significantly impact the financial system of the United States. In setting the definition under this subparagraph, the Commission shall consider the person's relative position in uncleared as opposed to cleared security-based swaps and may take into consideration the value and quality of collateral held against counterparty exposures.

(C) SCOPE OF DESIGNATION.—For purposes of subparagraph (A), a person may be designated as a major security-based swap participant for 1 or more categories of security-based swaps without being classified as a major security-based swap participant for all classes of security-based swaps.

(68) SECURITY-BASED SWAP.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "security-based swap" means any agreement, contract, or transaction that—

(i) is a swap, as that term is defined under section 1a of the Commodity Exchange Act (without regard to paragraph (47)(B)(x) of such section); and

(ii) is based on—

(I) an index that is a narrow-based security index, including any interest therein or on the value thereof;

(II) a single security or loan, including any interest therein or on the value thereof; or

(III) the occurrence, nonoccurrence, or extent of the occurrence of an event relating to a single issuer of a security or the issuers of securities in a narrow-based security index, provided that such event directly affects the financial statements, financial condition, or financial obligations of the issuer.

(B) RULE OF CONSTRUCTION REGARDING MASTER AGREEMENTS.—The term "security-based swap" shall be construed to include a master agreement that provides for an agreement, contract, or transaction that is a security-based swap pursuant to subparagraph (A), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement, contract, or transaction that is not a security-based swap

pursuant to subparagraph (A), except that the master agreement shall be considered to be a security-based swap only with respect to each agreement, contract, or transaction under the master agreement that is a security-based swap pursuant to subparagraph (A).

(C) EXCLUSIONS.—The term "security-based swap" does not include any agreement, contract, or transaction that meets the definition of a security-based swap only because such agreement, contract, or transaction references, is based upon, or settles through the transfer, delivery, or receipt of an exempted security under paragraph (12), as in effect on the date of enactment of the Futures Trading Act of 1982 (other than any municipal security as defined in paragraph (29) as in effect on the date of enactment of the Futures Trading Act of 1982), unless such agreement, contract, or transaction is of the character of, or is commonly known in the trade as, a put, call, or other option.

(D) MIXED SWAP.—The term "security-based swap" includes any agreement, contract, or transaction that is as described in subparagraph (A) and also is based on the value of 1 or more interest or other rates, currencies, commodities, instruments of indebtedness, indices, quantitative measures, other financial or economic interest or property of any kind (other than a single security or a narrow-based security index), or the occurrence, non-occurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence (other than an event described in subparagraph (A)(ii)(III)).

(E) RULE OF CONSTRUCTION REGARDING USE OF THE TERM INDEX.—The term "index" means an index or group of securities, including any interest therein or based on the value thereof.

(69) SWAP.—The term "swap" has the same meaning as in section 1a of the Commodity Exchange Act (7 U.S.C. 1a).

(70) PERSON ASSOCIATED WITH A SECURITY-BASED SWAP DEALER OR MAJOR SECURITY-BASED SWAP PARTICIPANT.—

(A) IN GENERAL.—The term "person associated with a security-based swap dealer or major security-based swap participant" or "associated person of a security-based swap dealer or major security-based swap participant" means—

(i) any partner, officer, director, or branch manager of such security-based swap dealer or major security-based swap participant (or any person occupying a similar status or performing similar functions);

(ii) any person directly or indirectly controlling, controlled by, or under common control with such security-based swap dealer or major security-based swap participant; or

(iii) any employee of such security-based swap dealer or major security-based swap participant.

(B) EXCLUSION.—Other than for purposes of section 15F(l)(2), the term "person associated with a security-based swap dealer or major security-based swap participant" or "associated person of a security-based swap dealer

or major security-based swap participant" does not include any person associated with a security-based swap dealer or major security-based swap participant whose functions are solely clerical or ministerial.

(71) SECURITY-BASED SWAP DEALER.—

(A) IN GENERAL.—The term "security-based swap dealer" means any person who—

(i) holds themself out as a dealer in security-based swaps;

(ii) makes a market in security-based swaps;

(iii) regularly enters into security-based swaps with counterparties as an ordinary course of business for its own account; or

(iv) engages in any activity causing it to be commonly known in the trade as a dealer or market maker in security-based swaps.

(B) DESIGNATION BY TYPE OR CLASS.—A person may be designated as a security-based swap dealer for a single type or single class or category of security-based swap or activities and considered not to be a security-based swap dealer for other types, classes, or categories of security-based swaps or activities.

(C) EXCEPTION.—The term "security-based swap dealer" does not include a person that enters into security-based swaps for such person's own account, either individually or in a fiduciary capacity, but not as a part of regular business.

(D) DE MINIMIS EXCEPTION.—The Commission shall exempt from designation as a security-based swap dealer an entity that engages in a de minimis quantity of security-based swap dealing in connection with transactions with or on behalf of its customers. The Commission shall promulgate regulations to establish factors with respect to the making of any determination to exempt.

(72) APPROPRIATE FEDERAL BANKING AGENCY.—The term "appropriate Federal banking agency" has the same meaning as in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)).

(73) BOARD.—The term "Board" means the Board of Governors of the Federal Reserve System.

(74) PRUDENTIAL REGULATOR.—The term "prudential regulator" has the same meaning as in section 1a of the Commodity Exchange Act (7 U.S.C. 1a).

(75) SECURITY-BASED SWAP DATA REPOSITORY.—The term "security-based swap data repository" means any person that collects and maintains information or records with respect to transactions or positions in, or the terms and conditions of, security-based swaps entered into by third parties for the purpose of providing a centralized recordkeeping facility for security-based swaps.

(76) SWAP DEALER.—The term "swap dealer" has the same meaning as in section 1a of the Commodity Exchange Act (7 U.S.C. 1a).

(77) SECURITY-BASED SWAP EXECUTION FACILITY.—The term "security-based swap execution facility" means a trading sys-

tem or platform in which multiple participants have the ability to execute or trade security-based swaps by accepting bids and offers made by multiple participants in the facility or system, through any means of interstate commerce, including any trading facility, that—

(A) facilitates the execution of security-based swaps between persons; and

(B) is not a national securities exchange.

(78) SECURITY-BASED SWAP AGREEMENT.—

(A) IN GENERAL.—For purposes of sections 9, 10, 16, 20, and 21A of this Act, and section 17 of the Securities Act of 1933 (15 U.S.C. 77q), the term "security-based swap agreement" means a swap agreement as defined in section 206A of the Gramm-Leach-Bliley Act (15 U.S.C. 78c note) of which a material term is based on the price, yield, value, or volatility of any security or any group or index of securities, or any interest therein.

(B) EXCLUSIONS.—The term "security-based swap agreement" does not include any security-based swap.

(80) EMERGING GROWTH COMPANY.—The term "emerging growth company" means an issuer that had total annual gross revenues of less than $1,000,000,000 (as such amount is indexed for inflation every 5 years by the Commission to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, setting the threshold to the nearest 1,000,000) during its most recently completed fiscal year. An issuer that is an emerging growth company as of the first day of that fiscal year shall continue to be deemed an emerging growth company until the earliest of—

(A) the last day of the fiscal year of the issuer during which it had total annual gross revenues of $1,000,000,000 (as such amount is indexed for inflation every 5 years by the Commission to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, setting the threshold to the nearest 1,000,000) or more;

(B) the last day of the fiscal year of the issuer following the fifth anniversary of the date of the first sale of common equity securities of the issuer pursuant to an effective registration statement under the Securities Act of 1933;

(C) the date on which such issuer has, during the previous 3-year period, issued more than $1,000,000,000 in non-convertible debt; or

(D) the date on which such issuer is deemed to be a "large accelerated filer", as defined in section 240.12b–2 of title 17, Code of Federal Regulations, or any successor thereto.

(80) FUNDING PORTAL.—The term "funding portal" means any person acting as an intermediary in a transaction involving the offer or sale of securities for the account of others, solely pursuant to section 4(6) of the Securities Act of 1933 (15 U.S.C. 77d(6)), that does not—

(A) offer investment advice or recommendations;

(B) solicit purchases, sales, or offers to buy the securities offered or displayed on its website or portal;

(C) compensate employees, agents, or other persons for such solicitation or based on the sale of securities displayed or referenced on its website or portal;

(D) hold, manage, possess, or otherwise handle investor funds or securities; or

(E) engage in such other activities as the Commission, by rule, determines appropriate.

(b) The Commission and the Board of Governors of the Federal Reserve System, as to matters within their respective jurisdictions, shall have power by rules and regulations to define technical, trade, accounting, and other terms used in this title, consistently with the provisions and purposes of this title.

(c) No provision of this title shall apply to, or be deemed to include, any executive department or independent establishment of the United States, or any lending agency which is wholly owned, directly or indirectly, by the United States, or any officer, agent, or employee of any such department, establishment, or agency, acting in the course of his official duty as such, unless such provision makes specific reference to such department, establishment, or agency.

(d) No issuer of municipal securities or officer or employee thereof acting in the course of his official duties as such shall be deemed to be a "broker", "dealer", or "municipal securities dealer" solely by reason of buying, selling, or effecting transactions in the issuer's securities.

(e) CHARITABLE ORGANIZATIONS.—

(1) EXEMPTION.—Notwithstanding any other provision of this title, but subject to paragraph (2) of this subsection, a charitable organization, as defined in section 3(c)(10)(D) of the Investment Company Act of 1940, or any trustee, director, officer, employee, or volunteer of such a charitable organization acting within the scope of such person's employment or duties with such organization, shall not be deemed to be a "broker", "dealer", "municipal securities broker", "municipal securities dealer", "government securities broker", or "government securities dealer" for purposes of this title solely because such organization or person buys, holds, sells, or trades in securities for its own account in its capacity as trustee or administrator of, or otherwise on behalf of or for the account of—

(A) such a charitable organization;

(B) a fund that is excluded from the definition of an investment company under section 3(c)(10)(B) of the Investment Company Act of 1940; or

(C) a trust or other donative instrument described in section 3(c)(10)(B) of the Investment Company Act of 1940, or the settlors (or potential settlors) or beneficiaries of any such trust or other instrument.

(2) LIMITATION ON COMPENSATION.—The exemption provided under paragraph (1) shall not be available to any charitable organization, or any trustee, director, officer, employee, or volunteer of such a charitable organization, unless each person who, on or after 90 days after the date of enactment of this subsection, solicits donations on behalf of such charitable organi-

zation from any donor to a fund that is excluded from the definition of an investment company under section 3(c)(10)(B) of the Investment Company Act of 1940, is either a volunteer or is engaged in the overall fund raising activities of a charitable organization and receives no commission or other special compensation based on the number or the value of donations collected for the fund.

(f) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking, or in the review of a rule of a self-regulatory organization, and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.

(g) CHURCH PLANS.—No church plan described in section 414(e) of the Internal Revenue Code of 1986, no person or entity eligible to establish and maintain such a plan under the Internal Revenue Code of 1986, no company or account that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940, and no trustee, director, officer or employee of or volunteer for such plan, company, account, person, or entity, acting within the scope of that person's employment or activities with respect to such plan, shall be deemed to be a "broker", "dealer", "municipal securities broker", "municipal securities dealer", "government securities broker", "government securities dealer", "clearing agency", or "transfer agent" for purposes of this title—

(1) solely because such plan, company, person, or entity buys, holds, sells, trades in, or transfers securities or acts as an intermediary in making payments in connection with transactions in securities for its own account in its capacity as trustee or administrator of, or otherwise on behalf of, or for the account of, any church plan, company, or account that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940; and

(2) if no such person or entity receives a commission or other transaction-related sales compensation in connection with any activities conducted in reliance on the exemption provided by this subsection.

(h) LIMITED EXEMPTION FOR FUNDING PORTALS.—

(1) IN GENERAL.—The Commission shall, by rule, exempt, conditionally or unconditionally, a registered funding portal from the requirement to register as a broker or dealer under section 15(a)(1), provided that such funding portal—

(A) remains subject to the examination, enforcement, and other rulemaking authority of the Commission;

(B) is a member of a national securities association registered under section 15A; and

(C) is subject to such other requirements under this title as the Commission determines appropriate under such rule.

(2) NATIONAL SECURITIES ASSOCIATION MEMBERSHIP.—For purposes of sections 15(b)(8) and 15A, the term "broker or dealer" includes a funding portal and the term "registered broker

or dealer" includes a registered funding portal, except to the extent that the Commission, by rule, determines otherwise, provided that a national securities association shall only examine for and enforce against a registered funding portal rules of such national securities association written specifically for registered funding portals.

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SECURITIES INVESTOR PROTECTION ACT OF 1970

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SEC. 16. DEFINITIONS.

For purposes of this Act, including the application of the Bankruptcy Act to a liquidation proceeding:

(1) COMMISSION.—The term "Commission" means the Securities and Exchange Commission.

(2) CUSTOMER.—

(A) IN GENERAL.—The term "customer" of a debtor means any person (including any person with whom the debtor deals as principal or agent) who has a claim on account of securities received, acquired, or held by the debtor in the ordinary course of its business as a broker or dealer from or for the securities accounts of such person for safekeeping, with a view to sale, to cover consummated sales, pursuant to purchases, as collateral, security, or for purposes of effecting transfer.

(B) INCLUDED PERSONS.—The term "customer" includes—

(i) any person who has deposited cash with the debtor for the purpose of purchasing securities;

(ii) any person who has a claim against the debtor for cash, securities, futures contracts, or options on futures contracts received, acquired, or held in a portfolio margining account carried as a securities account pursuant to a portfolio margining program approved by the Commission; and

(iii) any person who has a claim against the debtor arising out of sales or conversions of such securities.

(C) EXCLUDED PERSONS.—The term "customer" does not include any person, to the extent that—

(i) the claim of such person arises out of transactions with a foreign subsidiary of a member of SIPC; or

(ii) such person has a claim for cash or securities which by contract, agreement, or understanding, or by operation of law, is part of the capital of the debtor, or is subordinated to the claims of any or all creditors of the debtor, notwithstanding that some ground exists for declaring such contract, agreement, or understanding void or voidable in a suit between the claimant and the debtor.

(3) CUSTOMER NAME SECURITIES.—The term "customer name securities" means securities which were held for the account of a customer on the filing date by or on behalf of the debtor and

which on the filing date were registered in the name of the customer, or were in the process of being so registered pursuant to instructions from the debtor, but does not include securities registered in the name of the customer which, by endorsement or otherwise, were in negotiable form.

(4) CUSTOMER PROPERTY.—The term "customer property" means cash and securities (except customer name securities delivered to the customer) at any time received, acquired, or held by or for the account of a debtor from or for the securities accounts of a customer, and the proceeds of any such property transferred by the debtor, including property unlawfully converted. The term "customer property" includes—

(A) securities held as property of the debtor to the extent that the inability of the debtor to meet its obligations to customers for their net equity claims based on securities of the same class and series of an issuer is attributable to the debtor's noncompliance with the requirements of section 15(c)(3) of the 1934 Act and the rules prescribed under such section;

(B) resources provided through the use or realization of customers' debit cash balances and other customer-related debit items as defined by the Commission by rule;

(C) any cash or securities apportioned to customer property pursuant to section 6(d);

(D) in the case of a portfolio margining account of a customer that is carried as a securities account pursuant to a portfolio margining program approved by the Commission, a futures contract or an option on a futures contract received, acquired, or held by or for the account of a debtor from or for such portfolio margining account, and the proceeds thereof; and

(E) any other property of the debtor which, upon compliance with applicable laws, rules, and regulations, would have been set aside or held for the benefit of customers, unless the trustee determines that including such property within the meaning of such term would not significantly increase customer property.

(5) DEBTOR.—The term "debtor" means a member of SIPC with respect to whom an application for a protective decree has been filed under section 5(a)(3) or a direct payment procedure has been instituted under section 10(b).

(6) EXAMINING AUTHORITY.—The term "examining authority" means, with respect to any member of SIPC (A) the self-regulatory organization which inspects or examines such member of SIPC, or (B) the Commission if such member of SIPC is not a member of or participant in any self-regulatory organization or if the Commission has designated itself examining authority for such member pursuant to section 13(c).

(7) FILING DATE.—The term "filing date" means the date on which an application for a protective decree is filed under section 5(a)(3), except that—

(A) if a petition under title 11 of the United States Code concerning the debtor was filed before such date, the term "filing date" means the date on which such petition was filed;

(B) if the debtor is the subject of a proceeding pending in any court or before any agency of the United States or any State in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term "filing date" means the date on which such proceeding was commenced; or

(C) if the debtor is the subject of a direct payment procedure or was the subject of a direct payment procedure discontinued by SIPC pursuant to section 10(f), the term "filing date" means the date on which notice of such direct payment procedure was published under section 10(b).

(8) FOREIGN SUBSIDIARY.—The term "foreign subsidiary" means any subsidiary of a member of SIPC which has its principal place of business in a foreign country or which is organized under the laws of a foreign country.

(9) GROSS REVENUES FROM THE SECURITIES BUSINESS.—The term "gross revenues from the securities business" means the sum of (but without duplication)—

(A) commissions earned in connection with transactions in securities effected for customers as agent (net of commissions paid to other brokers and dealers in connection with such transactions) and markups with respect to purchases or sales of securities as principal;

(B) charges for executing or clearing transactions in securities for other brokers and dealers;

(C) the net realized gain, if any, from principal transactions in securities in trading accounts;

(D) the net profit, if any, from the management of or participation in the underwriting or distribution of securities;

(E) interest earned on customers' securities accounts;

(F) fees for investment advisory services (except when rendered to one or more registered investment companies or insurance company separate accounts) or account supervision with respect to securities;

(G) fees for the solicitation of proxies with respect to, or tenders or exchanges of, securities;

(H) income from service charges or other surcharges with respect to securities;

(I) except as otherwise provided by rule of the Commission, dividends and interest received on securities in investment accounts of the broker or dealer;

(J) fees in connection with put, call, and other option transactions in securities;

(K) commissions earned from transactions in (i) certificates of deposit, and (ii) Treasury bills, bankers acceptances, or commercial paper which have a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof, the maturity of which is likewise limited, except that SIPC shall by bylaw include in the aggregate of gross revenues only an appropriate percentage of such commissions based on SIPC's loss experience with respect to such instruments over at least the preceding five years; and

(L) fees and other income from such other categories of the securities business as SIPC shall provide by bylaw.

Such term includes revenues earned by a broker or dealer in connection with a transaction in the portfolio margining account of a customer carried as securities accounts pursuant to a portfolio margining program approved by the Commission. Such term does not include revenues received by a broker or dealer in connection with the distribution of shares of a registered open end investment company or unit investment trust or revenues derived by a broker or dealer from the sale of variable annuities or from the conduct of the business of insurance.

(10) LIQUIDATION PROCEEDING.—The term "liquidation proceeding" means any proceeding for the liquidation of a debtor under this Act in which a trustee has been appointed under section 5(b)(3).

(11) NET EQUITY.—The term "net equity" means the dollar amount of the account or accounts of a customer, to be determined by—

(A) calculating the sum which would have been owed by the debtor to such customer if the debtor had liquidated, by sale or purchase on the filing date—

(i) all securities positions of such customer (other than customer name securities reclaimed by such customer); and

(ii) all positions in futures contracts and options on futures contracts held in a portfolio margining account carried as a securities account pursuant to a portfolio margining program approved by the Commission, including all property collateralizing such positions, to the extent that such property is not otherwise included herein; minus

(B) any indebtedness of such customer to the debtor on the filing date; plus

(C) any payment by such customer of such indebtedness to the debtor which is made with the approval of the trustee and within such period as the trustee may determine (but in no event more than sixty days after the publication of notice under section 8(a)).

A claim for a commodity futures contract received, acquired, or held in a portfolio margining account pursuant to a portfolio margining program approved by the Commission or a claim for a security futures contract, shall be deemed to be a claim with respect to such contract as of the filing date, and such claim shall be treated as a claim for cash. In determining net equity under this paragraph, accounts held by a customer in separate capacities shall be deemed to be accounts of separate customers.

(12) PERSONS REGISTERED AS BROKERS OR DEALERS.—The term "persons registered as brokers or dealers" includes any person who is a member of a national securities exchange other than a government securities broker or government securities dealer registered under section 15C(a)(1)(A) of the 1934 Act.

(13) PROTECTIVE DECREE.—The term "protective decree" means a decree, issued by a court upon application of SIPC

under section 5(a)(3), that the customers of a member of SIPC are in need of the protection provided under this Act.

(14) SECURITY.—The term "security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, any collateral trust certificate, preorganization certificate or subscription, transferable share, voting trust certificate, certificate of deposit, certificate of deposit for a security, or any security future as that term is defined in section 3(a)(55)(A) of the Securities Exchange Act of 1934, any investment contract or certificate of interest or participation in any profit-sharing agreement or in any oil, gas, or mineral royalty or lease (if such investment contract or interest is the subject of a registration statement with the Commission pursuant to the provisions of the Securities Act of 1933), any put, call, straddle, option, or privilege on any security, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase or sell any of the foregoing, and any other instrument commonly known as a security. Except as specifically provided above, the term "security" does not include any currency, or any commodity or related contract or futures contract, or any warrant or right to subscribe to or purchase or sell any of the foregoing. *The term "security" does not include a payment stablecoin issued by a permitted payment stablecoin issuer, as such terms are defined, respectively, in section 2 of the STABLE Act of 2025.*

MINORITY VIEWS

In the 117th Congress, then-Chairwoman Waters launched bipartisan negotiations to create a federal regulatory framework for stablecoins: a subset of cryptocurrencies that are typically pegged to the U.S. dollar.[1] This work began in the wake of a major crypto scam that robbed investors of their lifesavings: Terra USD, which was marketed as a stablecoin and valued at $18 billion when it fell from the $1 peg to 35 cents on May 9, 2022.[2] The Biden Administration recognized the importance of robust stablecoin regulation, identifying a number of concerns including with respect to financial stability, and urged Congress to pass legislation.[3] In the 118th Congress, Ranking Member Waters continued these negotiations, resulting in bipartisan legislation agreed to by then Chair McHenry's and Ranking Member Waters' staffs.[4] The Waters bill reflects extensive collaboration and technical assistance from the Treasury Department and the Board of Governors of the Federal Reserve System (Fed) and creates a strong federal framework that supports responsible innovation with consumer protection, national security, and financial stability front and center.

Instead of taking this product as a starting point, Senate and House Republicans introduced their own bills called the "Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act of 2025"[5] and the "Stablecoin Transparency and Accountability for a Better Ledger Economy (STABLE) Act of 2025,"[6] respectively. The STABLE Act is woefully deficient in establishing an effective federal framework to regulate stablecoins. Most importantly, the bill does nothing to address glaring conflicts of interest raised by the actions of President Trump and his Administration. The bill also lacks critical provisions to maintain the longstanding separation of banking and commerce; protect consumers; preserve our national security; and promote financial stability.[7]

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[1] Stablecoins are primarily used in the U.S. to buy or sell other cryptocurrencies, or to lend or use as collateral to borrow other cryptocurrencies or fiat currency. President's Working Group on Financial Markets, FDIC, and OCC, *Report on Stablecoins*, at 1 (Nov. 2021). As of March 31, the market capitalization of stablecoins was approximately $234 billion. CoinMarketCap, *Top Stablecoin Tokens by Market Capitalization* (accessed March 31, 2025).

[2] Krisztian Sandor & Ekin Genc, T*he Fall of Terra: A Timeline of the Meteoric Rise and Crash of UST and LUNA*, CoinDesk (Jun. 1, 2022).

[3] President Biden's Working Group on Financial Markets (PWG) along with the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) released the Report on Stablecoins (PWG Report) in November 2021, urging Congress to pass legislation to improve oversight and regulation of stablecoins. President's Working Group on Financial Markets, FDIC, and OCC, *Report on Stablecoins* (Nov. 2021). Also see FSC hearing, *Digital Assets and the Future of Finance: The President's Working Group on Financial Markets' Report on Stablecoins* (Feb. 8, 2022).

[4] U.S. House Committee on Financial Services Democrats, *Ranking Member Maxine Waters Unveils Bipartisan Stablecoins Legislation* (Feb. 10, 2025).

[5] S. 919 (119th Cong.).

[6] H.R. 2392 (119th Cong.)

[7] These concerns are discussed below. Also see Testimony of Timothy G. Massad, Digital Assets, Financial Technology and Artificial Intelligence Subcommittee hearing, "The Golden Age of Digital Assets: Charting a Path Forward" (Feb. 11, 2025); Testimony of Carole House, House

CONFLICTS OF INTEREST RAISED BY THE ACTIONS OF PRESIDENT TRUMP

The STABLES Act would enable large-scale conflicts of interest from Trump and other Administration officials. On March 25, 2025, one of President Trump's companies, World Liberty Financial,[8] announced that it would launch a dollar-pegged stablecoin, called USD1.[9] Others in his Administration have been tied to other stablecoins, like Elon Musk and Commerce Secretary Howard Lutnick.[10] Despite this, Trump and others in his Administration would have a direct hand in reviewing and modifying the rules implementing the STABLE Act to maximize profits for stablecoins they own. This is because Trump issued an Executive Order (EO) undermining the independence of the Federal banking agencies.[11] Banking agencies like the Fed, Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and the National Credit Union Association (NCUA) have traditionally issued regulations independent of the political influence of the White House. Under President Trump's new EO, rules drafted by Federal regulators must be reviewed and approved by the Office of Information and Regulatory Affairs (OIRA) within the White House's Office of Management and Budget (OMB).[12] When conducting these reviews, OIRA runs an interagency review process to allow other agencies to provide feedback as well.[13] The STABLE Act does nothing to address these massive conflicts of interest, allowing the President and his family, along with others in his Administration, to gain from their government positions, ensuring the new regulatory framework works best for their stablecoins if not undermining other stablecoins they would compete with.

CONSUMER PROTECTION

The STABLE Act lacks many of the integral consumer protections included in the Waters-McHenry bill that would have ensured customers can hold payment stablecoins confidently. The STABLE Act does not include regulation and supervision of third-party vendors, so there would be no oversight or consequences if those entities harm consumers. Similarly, the bill does not give the Fed any authority over State-regulated digital wallets that consumers use to hold their stablecoins, leaving consumers who use those wallets vulnerable. The bill also lacks language setting up a resolution regime that would properly protect consumers if a stablecoin issuer fails. And the STABLE Act does nothing to preserve the authority

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Financial Services Committee hearing, "Navigating the Digital Payments Ecosystem: Examining a Federal Framework for Payment Stablecoins and Consequences of a U.S. Central Bank Digital Currency" (Mar. 11, 2025); CFA Institute's Systemic Risk Council, *Letter to Congressional Committees regarding Stablecoin Legislation* (Mar. 12, 2025).

[8] Tom Wilson et. al., *Insight: How the Trump family took over a crypto firm as it raised hundreds of millions*, Reuters (Mar. 31, 2025).

[9] Tom Wilson & Elizabeth Howcroft, *Trump's World Liberty Financial Crypto Venture to Launch Stablecoin*, Reuters (Mar. 25, 2025).

[10] *See* Forbes, *'X Money' Leak Reveals Elon Musk's Game-Changing Plan As Bitcoin Nears $100,000 Price* (Jan. 5, 2025); Politico, *Commerce pick with crypto ties could sit on crypto task force* (Feb. 3, 2025).

[11] Federal Register, *Executive Order 14215—Ensuring Accountability for All Agencies* (Feb. 18, 2025).

[12] Federal Register, *Executive Order 14215—Ensuring Accountability for All Agencies* (Feb. 18, 2025).

[13] *See* Obama White House Archives, *About OIRA* (accessed Apr. 10, 2025).

of the Consumer Financial Protection Bureau, which is consistent with the Trump Administration's attacks on CFPB.

NATIONAL SECURITY

Stablecoin issuers in foreign jurisdictions can present a major national security concern. The largest stablecoin by market capitalization is Tether (USDT) ($143.93 billion), [14] which is issued outside of the United States. Experts caution that if there is not sufficient oversight by U.S. regulators, stablecoins like Tether could "provide a useful workaround to avoid U.S. sanctions." [15] Tether specifically was also under criminal investigation last year for possible violations of sanctions and anti-money-laundering laws.[16]

Under the STABLE Act, 18 months after enactment, custodial intermediaries are prohibited from offering or selling payment stablecoins in the United States unless the payment stablecoin is issued by a permitted payment stablecoin issuer. This provision will not be effective in practice as the section lacks criminal penalties and enforcement mechanisms.

It may not be surprising that this provision does not have teeth given that Commerce Secretary Lutnick is the former Chairman and CEO of Cantor Fitzgerald,[17] which is the primary custodian for Tether. Lutnick's former company is also "developing a $2 billion Bitcoin financing program that will be supported by Tether." [18] While Secretary Lutnick has stepped down, his son, Brandon Lutnick, is now Chairman and previously interned for Tether's Swiss business unit.[19]

FINANCIAL STABILITY AND THE SEPARATION OF BANKING AND COMMERCE

Weak standards in the STABLE Act present a myriad of risks to financial stability. First, the separation of banking and commerce has long been in place in order to ensure that no firm in the United States gains too much power in the economy. Since at least the Great Depression, Congress has generally sought to prevent nonfinancial commercial from owning and operating financial institutions providing banking products and services. For example, Congress passed the Banking Act of 1933, also known as the Glass-Steagall Act, codifying the separation of banking and commerce to prevent the risks arising from banking-and-commercial conglomerates,[20] including risks of "systemic crises that would require huge bailouts to avoid devastating financial, economic, and social consequences." [21] In 1956, Congress passed the Bank Holding Company Act, which generally prohibits a parent company that owns

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[14] CoinMarketCap, *Top Stablecoin Tokens by Market Capitalization* (accessed March 31, 2025).
[15] Derek Pew, *A Digital Threat to Dollar Dominance*, Foreign Policy Research Institute (Apr. 10, 2024).
[16] *See, e.g.,* Angus Berwick et. al., *Federal Investigators Probe Cryptocurrency Firm Tether*, Wall Street Journal (Oct. 25, 2024).
[17] *Asked by senators, the Commerce secretary nominee declined to commit to recusing himself despite his cryptocurrency conflicts.*, SLUDGE (Feb. 4, 2025).
[18] *Id.*
[19] *Id.*
[20] CRS, *The Glass-Steagall Act: A Legal and Policy Analysis* (Jan. 19, 2016).
[21] Arthur Wilmarth, *Policy Brief: The Hagerty-Scott-Lummis-Gillibrand Stablecoin Bill Would Cause Great Harm to Consumers, Investors, Our Financial System, and Our Economy* (Feb. 20, 2025).

a bank (i.e. bank holding company or BHC) from owning non-financial commercial enterprises and are subject to supervision by the Federal Reserve.[22] Under the STABLE Act, the lack of separation between banking and commerce means that Facebook would be able to revive its Libra project and issue its own stablecoin, which Members on both sides of the aisle previously raised concerns about.[23] Additionally, Elon Musk can join the stablecoin ecosystem by launching an X stablecoin, and other commercial companies like Facebook or Amazon could also launch their own stablecoins.

Furthermore, while the bill makes clear that stablecoins do not enjoy the backing of FDIC insurance, there is no provision that prohibits Treasury, the Fed, or other government agencies from providing a taxpayer-funded bailout of these relatively weakly regulated entities. The Conference of State Bank Supervisors (CSBS) also expressed "serious concerns" with the STABLE Act, including that the bill did not have sufficient capital and liquidity requirements for issuers,[24] and that there are provisions providing a sweeping preemption of state authority.[25] CSBS warned about the ability for a single Federal regulator to permit an issuer to engage in all kinds of non-stablecoin financial activities, such as lending, with few protections, as well as the importance of maintaining the separation of banking and commerce.[26] CSBS also raised concerns about weak protections for consumers in the event of an issuer's failure.[27] Another concern is that the STABLE Act provides no funding for government agencies to carry out the new obligations required under the Act, including developing and updating regulations, supervision, and enforcement. If this unfunded mandate is unaddressed, this would likely mean there would be minimal activity by Federal regulators to carry out this Act, and/or they may have to draw from other funding sources, like assessments paid by banks and credit unions for other purposes, to carry out this Act.

With regard to State issuers, States would be required to seek a one-time approval of their regulatory regimes with the Secretary of Treasury. This could mean that in the Trump Administration, Treasury could give all States rubber stamp approvals, even if the State's standards do not in fact meet or exceed the standards for Federal issuers. This is especially true because State regime certifications are considered valid upon submission and remain valid unless they are rejected, and Treasury is only given 30 days to reject. The only way a future Administration could take another look at these regimes is if the State makes material changes to its regime.

Additionally, unlike the dual banking system where regulation and oversight of State- chartered banks is shared between Federal

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[22] Industrial loan companies (ILC) are exempt from the Bank Holding Company Act, which critics have criticized as a harmfulloophole to the separation of banking and commerce. See CRS, *Industrial Loan Companies (ILCs): Background and Policy Issues* (Sep. 9, 2020).

[23] FSC hearing, *An Examination of Facebook and Its Impact on the Financial Services and Housing Sectors, GPO hearing record* (Oct. 23, 2019); and FSC hearing, *Examining Facebook's Proposed Cryptocurrency and Its Impact on Consumers, Investors, and the American Financial System, GPO hearing record* (Jul. 17, 2019).

[24] CSBS also has suggested removing the exemption provided to bank-affiliated stablecoin issuers from the Collins Amendment. *See* CSBS, *Comments and Redline on STABLE Act* (Mar. 18, 2025).

[25] CSBS, *Letter to House Committee on STABLE Act* (Apr. 1, 2025).

[26] *Id.*

[27] *Id.*

and State regulators, this bill creates a system with weak Federal oversight of these entities and allows issuers to set up shop in a State that has a weak supervision and enforcement approach. One of the strongest existing regimes in the United States, the New York Department of Financial Services (NYDFS), has warned certain provisions in the STABLE Act could create a race to the bottom where issuers will go to the State with the weakest supervisory and enforcement approach.[28]

Democrats offered more than 30 amendments aimed at alleviating the deficiencies with the STABLE Act, all of which were rejected by Republicans or withdrawn:

- The Ranking Member's amendment (#1) would ensure stablecoin issuers controlled by the President, Vice President, Members of Congress, and relevant family members do not review proposed or final rules before they are made public.
- Rep. Liccardo's amendment (#1) prohibits the President, Vice President, and other public officials from issuing, sponsoring, or promoting a stablecoin.
- The Ranking Member's amendment (#2) prohibits any stablecoin issued by a company owned, affiliated, or controlled by an employee of the U.S. or an officer, member, or their family members from being required to be used to conduct transactions with the government.
- The Ranking Member's amendment (#3) incorporates language maintaining a separation of banking and commerce and would prohibit non-financial commercial companies from having their own stablecoins.
- Rep. Sherman's amendment (#1) provides that if you are the President, a Cabinet member, or a special government employee and have over $10 million invested in any stablecoin or cryptocurrency that you must disclose your purchases or sales.
- Rep. Sherman's amendment (#2) is the same as the previous Sherman Amendment but focuses solely on stablecoin ownership disclosures.
- Rep. Lynch's amendment (#1) limits the activities of a stablecoin issuer to only perform activities that directly relate to issuing stablecoins.
- Rep. Garcia's amendment prohibits a payment stablecoin issuer from tying the offering or selling of payment stablecoins with a condition that the purchaser obtain additional products or services.
- Rep. Tlaib's amendment (#1) prohibits special government employees from having an ownership interest in a payment stablecoin issuer.
- Rep. Sherman's amendment (#3) would make clear that no federal agency may bail out an issuer of a stablecoin to prevent the failure or bankruptcy of such issuer, including using Federal Reserve liquidity facilities and the Treasury's Exchange Stabilization Fund.
- Rep. Foster's amendment (#1) prohibits an issuer of a payment stablecoin from having access to any emergency liquidity facility. Furthermore, the Treasury may not use any amounts

[28] NYDFS, *Memorandum Regarding STABLE Act Second Revised Version* (March 28, 2025).

in the Exchange Stabilization Fund for the benefit of the issuer of a payment stablecoin.

• Rep. Lynch's amendment (#2) requires that any stablecoin issuer that receives a government bailout or emergency assistance shall be prohibited from issuing additional stablecoins for a period of one year or until Treasury conducts a full review of the soundness of the issuer and approves the resumption of such sales.

• Rep. Lynch's amendment (#3) requires dual state-federal oversight over all state licensed payment stablecoin issuers, and incorporates language from the bipartisan Waters-McHenry stablecoin bill.

• Rep. Tlaib's amendment (#2) explicitly affirms the authority of the CFPB with respect to stablecoin issuers and customers who own stablecoins.

• Rep. Williams's amendment allows the tokenization of reserves of any eligible reserve assets.

• Rep. Lynch's amendment (#4) would prohibit crypto exchanges and any affiliated individuals from paying any type of remuneration (e.g., interest or yield) to holders of stablecoins based on their ownership of those stablecoins.

• Rep. Casten's amendment (#1) requires stablecoin regulators to adopt an anti-deceptive practices and anti-manipulation rule that is consistent with the CFTC rules required by Dodd-Frank.

• Rep. Casten's amendment (#2) requires stablecoin issuers with more than $1 billion in assets to prepare an annual financial statement, comparable with requirements for FDIC-insured banks.

• Rep. Lynch's amendment (#6) requires stablecoins to be issued only on permissioned blockchains.

• Rep. Casten's amendment (#3) prohibits the use of uninsured deposits to qualify as stablecoin reserves, requiring that deposits be insured, and strikes provisions relating to foreign banks holding reserves for U.S. stablecoin issuers. Chairman Hill agreed to work with Rep. Casten to address this concern.

• Rep. Liccardo's amendment (#2) would add criminal penalties to the Section 3 prohibition. This amendment was withdrawn.

• Rep. Foster's amendment (#2) prohibits the use of uninsured deposits to qualify as stablecoin reserves, requiring that deposits be insured. Chairman Hill agreed to work with Rep. Foster to address this concern.

• Rep. Lynch's amendment (#7) prohibits all foreign-issued stablecoins from being offered or utilized in the U.S. absent registration.

• Rep. Sherman's amendment (#4) would apply Bank Secrecy Act (BSA) requirements to all wallets, including unhosted wallets, requiring know-your-customer (KYC) and other BSA legal and regulatory requirements.

• Rep. Sherman's amendment (#5) directs Treasury to authorize appropriate regulation for cryptocurrency mixers.

- Rep. Foster's amendment (#3) would require payment stablecoin issuers have the capacity to "freeze on chain" to comply with sanctions and other laws.
- Rep. Casten's amendment (#4) would direct Treasury, consulting with DOJ, to propose a rule that outlines issuers would use "freeze on chain" to comply with sanctions and other laws.
- Rep. Lynch's amendment (#8) prohibits stablecoins from being issued if they are pegged to a national currency of a hostile foreign power.
- Rep. Foster's amendment (#4) would seek to develop a path by which an individual wallet holder could choose to have their personal wallet verified as compliant with the BSA.
- Rep. Liccardo's amendment (#3) would add requirements that should be considered when evaluating foreign regulatory regimes, including reserve requirements. This amendment was withdrawn.
- Rep. Velázquez's amendment (#1) would require the Treasury to include in the Financial Stability Oversight Council's annual reports to Congress a section that discusses the status of the threat payment stablecoins pose to the financial stability of the United States.
- Rep. Velázquez's amendment (#2) would ensure digital asset income shall not be treated as derived from sources within Puerto Rico for the purposes of taxation. This amendment was withdrawn.
- Rep. Lynch's amendment (#9) removes a provision that applications are automatically deemed approved states if the primary federal regulator fails to render a decision of approval or denial within 120 days.

Rep. Davidson (R–OH) also offered two amendments which were withdrawn or rejected by Republicans as well. One, which provided a carveout for commodity-backed tokens, was withdrawn. The second, which limited agency rulemaking authority with respect to self-custody, was rejected by the Committee, including all other Republicans, on a 1–47 vote.

The STABLE Act received bipartisan opposition in Committee, with a final vote of 32–17. The Committee previously approved a different version of this bill last Congress[29] on a 34–16 vote, though the full House did not take up the measure. The Senate also recently marked up the GENIUS Act[30], though that bill has received[31] a range[32] of criticisms[33] as well.

Finally, this bill is opposed by the following groups: American Economic Liberties Project, Americans for Financial Reform, Better Markets, Center for Economic Justice, Center for Responsible Lending, Consumer Federation of America, Consumer Federation of California, Consumer Reports, Demand Progress, Georgia Watch, National Community Reinvestment Coalition, National Consumer

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[29] House Committee on Financial Services, *Committee Markup*, 118th Cong. (Jul. 27, 2023).
[30] S. 919, 119th Cong. (2025).
[31] Arthur E. Wilmarth Jr., *Policy Brief: The Hagerty-Scott-Lummis-Gillibrand Stablecoin Bill Would Cause Great Harm to Consumers, Investors, Our Financial System, and Our Economy*, George Washington Law Faculty Publications (Feb. 20, 2025).
[32] Senate Committee on Banking, Housing. And Urban Affairs, *Testimony of Tim Massad*, Exploring Bipartisan Legislative Frameworks for Digital Assets, 119th Cong. (2025).
[33] Senate Committee on Banking, Housing, and Urban Affairs, *Ranking Member Warren's Opening Remarks*, Executive Session 119th Cong. (Mar. 13, 2025).

Law Center (on behalf of its low-income clients), New Jersey Citizen Action, New Jersey Appleseed Public Interest Law Center, New Yorkers for Responsible Lending, Oregon Consumer League, Public Citizen, RAISE Texas, RISE Economy, Texas Appleseed, The Freedom BLOC, Virginia Citizens Consumer Council, Virginia Poverty Law Center, and 20/20 Vision.

For these reasons, we oppose H.R. 2392.

Sincerely,

MAXINE WATERS,
Ranking Member.
NYDIA M. VELÁZQUEZ,
BRAD SHERMAN,
DAVID SCOTT,
STEPHEN F. LYNCH,
AL GREEN,
EMANUEL CLEAVER, II,
BILL FOSTER,
JOYCE BEATTY,
JUAN VARGAS,
AYANNA PRESSLEY,
RASHIDA TLAIB,
SYLVIA R. GARCIA,
NIKEMA WILLIAMS,
Members of Congress.

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