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The Stablecoin Transparency and Accountability for a Better Ledger Economy (STABLE) Act of 2025: An Overview

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On April 2, 2025, the House Financial Services Committee ordered to be reported an amendment in the nature of a substitute to H.R. 2392, the Stablecoin Transparency and Accountability for a Better Ledger Economy (STABLE) Act of 2025. The bill would establish a regulatory framework for stablecoins, as described below.

Requirements for Issuing Payment Stablecoins

The bill would define *payment stablecoins* as digital assets issued for payment that are redeemable at a predetermined fixed amount (e.g., $1) that hold assets in reserve that can be liquidated only to redeem the stablecoins. For dollar-denominated stablecoins, the bill would require issuers to hold at least one dollar of permitted reserve assets for every dollar worth of stablecoins outstanding/issued. The bill would limit permitted reserves to currency, central bank reserves, insured funds held at banks and credit unions (including foreign banks), short-dated Treasury bills, repurchase agreements ("repos") and reverse repos backed by Treasury bills, and money market funds invested in certain of these assets. In addition to limiting reserves to safe assets, the bill would require relevant regulators to jointly issue tailored capital, liquidity, and risk management rules for both federal and state stablecoin issuers but would exempt stablecoin issuers from the regulatory capital standards applied to traditional banks.

Only firms licensed under this regime would be able to issue stablecoins in the United States. Within 18 months of its enactment, the bill would prohibit a "custodial intermediary" (i.e., an exchange) from selling stablecoins not licensed in the United States unless the issuer is regulated by a jurisdiction with a regulatory regime Treasury deems comparable to that of the United States.

Issuers would be required to establish and disclose stablecoin redemption procedures and to report monthly on outstanding stablecoins and reserve composition. The bill would require that these reports be "examined"—as opposed to audited—by registered public accounting firms, and it would require that issuers' executives certify the reports, subject to criminal penalty for knowingly publishing false certifications.

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Issuers would be subject to the Bank Secrecy Act, which requires they take steps to deter money laundering.

Applications and Regulatory, Supervisory, and Enforcement Regimes

The bill would provide a federal or state regulatory option for stablecoin issuers, which could be subsidiaries of either insured depository institutions (IDIs) or nonbanks (which the bill would not require to be financial firms). Each regime would have certain rulemaking, supervisory, and enforcement features. A state regulatory regime would need to certify annually to the U.S. Treasury that it "meets or exceeds" federal criteria.

A subsidiary of an IDI or nonbank issuer would be required to receive approval from the same federal banking regulator as that of the IDI and the Office of the Comptroller of the Currency (OCC), respectively. An application would be evaluated on whether the stablecoin issuer meets the baseline requirements (described above). If regulators do not render a decision within the 120 days, the application would be deemed approved. Regulators would have to justify denials and permit applicants to appeal their decisions.

Subsidiaries of Federally Licensed IDIs and Federal Nonbank Issuers

A federally licensed subsidiary of an IDI would be subject to supervision by the primary federal regulator "in the same manner as such [IDI]." Federal issuers that are subsidiaries of nonbanks would be regulated and supervised "exclusively" by the OCC. Federal nonbank subsidiaries would be required to file reports with, and be subject to exams by, the OCC to, among other things, disclose the financial condition and nature of operations of the issuers, any risks to the safety and soundness and financial stability of the subsidiary and financial system derived by issuance, risk management systems, and compliance with the bill. The bill would require the primary federal payment stablecoin regulators to jointly issue regulations after consulting with state regulators.

A regulator would be authorized to stop a previously approved federal issuer from issuing stablecoins, or take other enforcement actions if the regulator were to determine that the issuer has violated the requirements of the bill or any written condition agreed to between the regulator and the issuer.

State-Qualified Payment Stablecoin Issuers

State regulators would be responsible for the supervision and enforcement of qualified state stablecoin issuers, which could be subsidiaries of IDIs or nonbanks. State regulators would be permitted to write rules for state stablecoin issuers. States could enter into memoranda of understanding with federal banking regulators to participate in supervision and enforcement authorities over state-qualified issuers. The various federal banking regulators (with respect to state payment stablecoin issuers that are subsidiaries of IDIs) and the OCC (with respect to state nonbank subsidiaries) would also be permitted—with 48 hours' notice and provided a state regulator has not already taken action—to use "back-up enforcement authority" to take enforcement actions against respective state stablecoin issuers if failure to do would lead to material risk of loss for holders or the U.S. financial system.

To operate across state lines, a state issuer would be required to notify the host state regulator at least 30 days prior to operating in the state and follow rules of a host state where they "exceed" those of the home state.

Other Provisions

The bill would establish rules for custodians of stablecoin assets and reserves, which could be stablecoin issuers or non-issuer entities regulated by federal or state banking regulators, the Securities and Exchange Commission, or the Commodity Futures Trading Commission. It would also prohibit stablecoin asset custodians from comingling their own funds with those of customers, with exceptions. The bill would require that, in insolvency, stablecoin holders' claims have priority over claims of the issuer (except administrative expenses).

The bill would also permit banks to use blockchains and issue tokenized deposits.

The bill would establish a two-year moratorium on issuing new *endogenously collateralized stablecoins* (colloquially called *algorithmic stablecoins*) whose pegs rely on the value of other digital assets, and it would require the U.S. Treasury to conduct a study on them.

The bill would clarify that payment stablecoins are not securities, and it would amend securities laws accordingly.

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