



Acting General Counsel Christopher Pilkerton
Office of General Counsel
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

October 19, 2026

Re: GENIUS Act Regulations on Payment Stablecoin Issuance, Offer, and Sale: TREAS-DO-2026-0496/RIN 1505-AC95

Dear Acting General Counsel Pilkerton:

Americans for Financial Reform Education Fund (AFREF¹) opposes the Treasury Department's proposed regulation governing payment stablecoin issuance, offer, and sale that fails to protect people from risky stablecoins propagated by unpermitted issuers or offered by digital service providers.² The proposed rule fails to provide necessary regulatory clarity, creates dangerous exemptions and loopholes, lacks necessary guardrails for foreign stablecoin issuers, and other shortcomings that could expose people to stablecoins that do not meet the already weak statutory standards in the GENIUS Act. The Treasury Department should withdraw the proposed rule and develop the regulatory guardrails needed to safeguard people from risky stablecoins before re-proposing regulations to implement the GENIUS Act.

These shortcomings are incredibly significant as the GENIUS Act prohibits unpermitted stablecoin issuers from issuing stablecoins in the United States.³ The proposed rule's exemptions, safe harbors, weak definitions, and glaring omissions over regulatory reciprocity effectively allow foreign stablecoins to be issued to people and firms in the United States that do not meet the GENIUS Act's standards for reserves, redemption, custody, anti-money laundering, auditing, and other requirements.⁴ AFREF has considerable concerns with the weaknesses in the statutory and previously proposed regulatory protections for customers and the financial system of stablecoins under the GENIUS Act.⁵

¹ AFREF is a nonpartisan and nonprofit coalition founded by more than 200 civil rights, consumer, labor, business, investor, faith-based, and civic and community groups and is dedicated to advocating for policies that shape a financial sector that serves workers, communities and the real economy, and provides a foundation for advancing economic and racial justice.

² U.S. Department of the Treasury. Notice of Proposed Rulemaking. [GENIUS Act Regulations on Payment Stablecoin Issuance, Offer, and Sale](#). 91 Fed. Reg. 158. August 18, 2026 at 53368 et seq.

³ 12 USC §5902(a).

⁴ 12 USC §5903.

⁵ See AFREF, Center for Responsible Lending, Consumer Federation of America, and Prof. Arthur E. Wilmarth, Jr. [Comment on the Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency](#). May 1, 2026.

The proposed Treasury regulation fails to remedy the statutory failures in the GENIUS Act that pose risks to people and the economy and instead creates loopholes and pathways for non-U.S. stablecoin issuers to issue, sell, or make available riskier and even more lightly regulated stablecoins in the United States.

Proposed regulation grants reciprocity to foreign regulations without any of the statutorily required evaluation of foreign regulatory regimes: The proposed rule grants foreign stablecoin issuers access to the U.S. market and people in the United States without establishing any consideration of regulatory reciprocity required under the GENIUS Act. The proposal notes that the Treasury Department believes that “the best reading of the [GENIUS] Act” allows foreign issuers to issue payment stablecoins to persons in the United States if they meet the statutory requirements to be registered with the Comptroller, operate under a comparable regulatory regime, maintain its reserves in a U.S. based financial institution, and are based in countries that are neither subject to sanctions or are a jurisdiction of primary money-laundering concern.⁶

The proposed rule fails to promulgate regulations to assess the comparability of foreign stablecoin regulatory regimes and establish parameters for determining which foreign regulatory systems meet the GENIUS Act requirements for domestic stablecoin issuers. The GENIUS Act prohibits foreign issuers to offer, sell, or make available their stablecoins to people in the United States unless the Treasury Department determines that the foreign issuer is subject to a foreign regulatory regime that “is comparable to the regulatory and supervisory regime” under the GENIUS Act for domestic stablecoin issuers.⁷ But the proposed rule fails to do this. As a result, the proposed rule’s reliance on regulatory reciprocity—without any standards of regulatory equivalence or a process to determine regulatory comparability—effectively allows the Treasury Department, at its discretion, to approve the sale of stablecoins by foreign issuers to people in the United States under *any* foreign regulatory regime even if it fails to provide comparable oversight to the GENIUS Act.

The proposed rule references the importance of reciprocal arrangements between the Treasury Department and foreign regulatory regimes, but provides no regulatory clarity governing the standards for reciprocal arrangements or the manner in which the Treasury Department would make determinations necessary to establish reciprocal arrangements as directed by the GENIUS Act.⁸ For example, the proposed rule specifically notes that “it shall be unlawful for any digital asset service provider to offer, sell, or otherwise make available in the United States a payment stablecoin issued by a foreign payment stablecoin issuer unless the foreign payment stablecoin issuer has the technological capability to comply, and will comply, with the terms of any lawful order and any reciprocal arrangement pursuant to section 18 of the [GENIUS] Act (12 U.S.C. 5916).”⁹ Further, the proposed rule states that the “particular goals” of the GENIUS Act including a process to “establish reciprocal arrangements with foreign jurisdictions, while providing an appropriately tailored regime to mitigate potential illicit finance threats.”¹⁰

In total, the proposed rule mentions the importance of “reciprocal arrangements” 36 times without establishing any standards by which Treasury would evaluate foreign stablecoin regulatory regimes,

⁶ [91 Fed. Reg. 158](#) at 53376; 12 USC §5916(a).

⁷ 12 USC §5916(a)(1).

⁸ 12 USC §5916(d).

⁹ [91 Fed. Reg. 158](#) at 53368 to 53669.

¹⁰ *Ibid.* at 53375.

procedures to determine the appropriateness of reciprocal arrangements, or the manner in which reciprocal arrangements would be established. While the proposed rule fails to establish a mechanism for the Treasury Department to stand up regulatory reciprocity agreements, it nonetheless requires digital asset service providers to “conduct reasonable due diligence” and “other information reasonably available to it” that the foreign stablecoin issuer can and will comply with “any reciprocal arrangement.”¹¹ This puts the burden of determining reciprocity on digital asset service providers when the Treasury Department has no standards under the proposed rule to establish such reciprocity agreements.

Effectively, the lack of standards to evaluate or issue determinations for regulatory reciprocity could allow foreign stablecoin issuers and digital asset service providers to issue, sell, or otherwise make available foreign stablecoins to U.S. persons or markets that did not meet even the modest requirements of the GENIUS Act, exposing customers to risks and economic losses.

Proposed regulation contains open-ended loophole for stablecoin transactions initiated by a customer from a digital wallet for stablecoins that failed to meet GENIUS Act requirements:

The proposed regulation fails to provide needed clarity to the GENIUS Act’s overly broad exemption from stablecoin requirements for transactions initiated by an individual from a digital wallet. The GENIUS Act exempts “any transaction by means of a software or hardware wallet that facilitates an individual’s own custody of digital assets.”¹² This statutory exemption is overly broad and ambiguous and the Treasury Department should have provided substantial granularity and specificity to prevent this exemption from becoming a broad loophole that allowed a massive influx of unregulated stablecoins on the U.S. market without any meaningful protections for customers or the economy. Unless this exemption is clarified and narrowed, a wide range of stablecoin transactions that were initiated by, ended with, or passed through any customer’s digital wallet would be exempt from any of the requirements of the GENIUS Act.

The proposed rule merely reiterates the identical broad and ambiguous language in the statute by exempting from GENIUS Act requirements “Any transaction by means of a software or hardware wallet that facilitates an individual’s own custody of digital assets.”¹³ As a result, effectively any transaction involving a customer’s digital wallet could become completely exempt from even the modest stablecoin requirements of the GENIUS Act. The Treasury Department should have clarified statute and narrowed the scope of the exemption rather than merely reiterating an ambiguous statutory provision.

Proposal’s safe harbor exemption—especially over “unusual and exigent” circumstances—provides dangerous broad authority to ignore GENIUS Act requirements:

The proposed rule provides wide and open-ended authority for the Treasury Department to exempt stablecoin issuers from the requirements of the GENIUS Act if it “determines that unusual and exigent circumstances exist.”¹⁴ The statute allows the Treasury Department to promulgate rules that provide limited safe harbors that cover *de minimis* transaction volumes as well as providing limited safe harbors from GENIUS Act requirements in “unusual and exigent circumstances.”¹⁵ The Treasury Department’s

¹¹ Proposed §1523.3(c).

¹² 12 USC §5902(h)(1)(C).

¹³ Proposed §1523.4(c)(3). [91 Fed. Reg. 158](#) at 53390.

¹⁴ Proposed §1523.4(b). [91 Fed. Reg. 158](#) at 53390.

¹⁵ 12 USC §5902(c)(1)-(2).

proposed rule states that the statute does not require it to establish “unusual and exigent” by rulemaking that would set the limited parameters to issue an unusual and exigent statutory safe harbor exemption.¹⁶ Instead, the Treasury Department expects to issue unusual and exigent circumstances safe harbors by order.¹⁷ But the statute clearly states that “the Secretary of the Treasury shall issue regulations to implement this section, including regulations to define terms.”¹⁸

The proposed rule fails to fulfill this statutory directive and offers no definitions of the limited safe harbor provisions, considerations for awarding safe harbor exemptions, or a manner to determine and issue safe harbor exemptions. The proposed rule provides no definitional guidance about what constitutes a safe harbor of limited scope or *de minimis* transaction volume. Nor does the proposed rule provide any guidance whatsoever as to what might constitute unusual and exigent circumstances and how the Treasury Department would make a safe harbor determination.

The Treasury Department’s failure to promulgate rules, including definitions, to implement the limited safe harbor provisions of the GENIUS Act makes these safe harbor exemptions open-ended and meaningless. The Treasury Department could exercise unfettered authority to bestow near-blanket safe harbor exemptions on any foreign stablecoin issuer that failed to meet the GENIUS Act requirements—including large foreign issuers like Tether and Binance that are currently prohibited from the U.S. market.

The proposed safe harbor exemptions—and the majority of the loopholes identified in this comment—would allow Tether to access the U.S. market and U.S. customers, exposing them to significant risks. Tether’s USDT stablecoin is the largest in the world with over \$18 billion in circulating tokens.¹⁹ Tether’s secretive business practices are further shrouded by its El Salvador incorporation with minimal corporate disclosure.²⁰ In 2021, Tether agreed to pay the Commodity Futures Trading Commission a \$41 million fine for failing to provide audited financial and misrepresenting its reserves.²¹ Tether’s stablecoin is a money laundering crypto token of choice, including Iran sanctions evasion.²² The Treasury Department should promulgate definitions and rules to codify a very narrow application of the statutorily required limited safe harbor exemptions.

Proposed rule narrowly defines person “in the United States” exposing people to unnecessary risks: The proposed rule effectively allows unpermitted stablecoins to be issued to U.S. domiciled people by creating an overly narrow definition of people in the United States. This would expose U.S. military personnel posted overseas, U.S. residents living abroad, and other people temporarily outside the United States to riskier stablecoins without the modest protections of the

¹⁶ [91 Fed. Reg. 158](#) at 53386.

¹⁷ *Ibid.*

¹⁸ Section 3(d) applies to the entirety of section 3, including the limited safe harbor and unusual and exigent circumstances provisions. 12 USC §5902(d).

¹⁹ “[Top stablecoin tokens by market capitalization.](#)” *Coin Market Cap*. October 16, 2026.

²⁰ Woodman, Spencer. “[The \\$200 billion company that no you can’t look inside.](#)” *International Consortium of Investigative Journalists*. August 7, 2026.

²¹ Commodity Futures Trading Commission. [Press release]. “[CFTC orders Tether and Bitfinex to pay fines totalling \\$42.5 million.](#)” October 15, 2021.

²² Krolik, Aaron. “[How a cryptocurrency helps criminals launder money and evade sanctions.](#)” *New York Times*. December 7, 2025; Tokar, Dylan. “[Senate investigation finds rampant use of Tether’s stablecoin by Iranian regime.](#)” *Wall Street Journal*. September 28, 2026.

GENIUS Act.²³ Further, the weaknesses in the “in the United States” definition creates a roadmap for unpermitted stablecoin issuers to make their payment stablecoins available to people in the United States without complying with the GENIUS Act.

The GENIUS Act makes it “unlawful for any person other than a permitted payment stablecoin issuer to issue a payment stablecoin in the United States.”²⁴ The proposed rule defines person in the United States solely as a “person located in the United States” “at the time of issuance.”²⁵ Further, the definitions exclude from the definition of U.S. domiciled person people that are not located in the United States at the time the payment stablecoin was issued or the issuer “reasonably believes” that the stablecoin was not issued to a person in the United States.²⁶ The proposed rule further clarifies that “located in the United States” means “the individual is physically present in the United States, unless the individual is not a resident of the United States and the individual’s physical presence in the United States is merely temporary.”²⁷ This would exclude U.S. residents that are temporarily not physically present “on U.S. soil” and non-U.S. residents who are present in the United States but only on a temporary basis.

This narrow definition of “in the United States” would allow unpermitted issuers—including unpermitted foreign issuers—to issue, sell, or otherwise make available stablecoins that did not meet the requirements under the GENIUS Act to U.S. residents who were temporarily not present in the United States or non-U.S. residents who are temporarily present in the United States. It would allow people to game the system by briefly driving to Canada, Mexico, or foreign embassies or consulates and purchase or trade foreign, unpermitted, non-compliant stablecoins and transfer them from self-hosted wallets once they returned to U.S. territory.

The proposed regulation requires foreign issuers to implement “policies, procedures, and controls reasonably designed to avoid” issuing stablecoins to people in the United States and to avoid advertising that could “target, or could be reasonably expected to have the effect of targeting” anyone in the United States.²⁸ But reasonable designs and reasonable expectations would fall far short of identifying people’s physical location at the moment of issuance. Since the proposed rule would allow the marketing and issuance of unpermitted and non-GENIUS Act compliant stablecoins to U.S. residents temporarily outside of the United States and non-U.S. residents within U.S. borders, reasonable efforts would almost certainly market and issue some non-compliant and unpermitted stablecoins to U.S. residents located within the United States at the time of issuance. The proposed rule clearly states that this inadvertent issuance of unpermitted and non-compliant stablecoins “will be deemed not to have violated” the GENIUS Act if the issuer took reasonable measures but the result was an “inadvertent issuance of an unregistered payment stablecoin to a person located in the United States.”²⁹

²³ For example, the Securities and Exchange Commission Regulation S explicitly excludes military personnel posted overseas from the definition of offshore transactions, giving them investor protections under U.S. law even while outside the United States. See 17 CFR 230.902(h)(2).

²⁴ 12 USC §5902(a).

²⁵ Proposed §1523.2(b) and (b)(1). [91 Fed. Reg. 158](#) at 53389.

²⁶ Proposed §1523.2(c)(1) and (2). [91 Fed. Reg. 158](#) at 53390.

²⁷ [91 Fed. Reg. 158](#) at 53374.

²⁸ Proposed §1523.2(c)(3) and (4). [91 Fed. Reg. 158](#) at 53390.

²⁹ [91 Fed. Reg. 158](#) at 53377.

The definition of person in the United States should include everyone permanently domiciled in the United States (irrespective of their temporary location) as well as any person temporarily in the United States.

Proposal would narrowly define U.S. business entities that excludes foreign firms operating within the United States: The proposed rule narrowly defines businesses in the United States which would exclude foreign stablecoin issuers and foreign digital asset service providers that conduct business within the United States and should be subject to U.S. laws and U.S. courts, including the GENIUS Act. The proposed rule would define business entities within the United States only as those entities that are incorporated under U.S. federal or state laws or have their principal place of business within the United States.³⁰ This effectively could exempt foreign stablecoin issuers and foreign digital service providers from the GENIUS Act requirements.

The proposed definition is far narrower than other federal rules governing businesses operating within the United States. The Commerce Department defines businesses operating in the United States as “any foreign concern’s subsidiary, partnership, affiliate, branch, office, or other permanent establishment in any state [or territory] of the United States.”³¹ The definition elaborates that when “a foreign corporation opens an office in the United States for purposes of soliciting U.S. orders” even when not separately incorporated, it is a U.S. person because “it is a permanent establishment in the United States of a foreign concern.”³²

Moreover, the Treasury Department rules governing the Committee on Foreign Investment in the United States defines a U.S. operating business as “any entity, irrespective of the nationality of the persons that control it, engaged in interstate commerce in the United States.”³³ And it further clarifies that a company that is:

organized under the laws of a foreign state and is wholly owned and controlled by a foreign national. It engages in interstate commerce in the United States through a branch or subsidiary. Its branch or subsidiary is a U.S. business. Corporation A and its branch or subsidiary are each also a foreign person.³⁴

These approaches to doing business in the United States recognize that entities operating within U.S. borders, irrespective of whether it is their principal place of business or whether they are formerly incorporated in the United States, are doing business in the United States and are subject to U.S. laws and judicial oversight. The proposal would effectively allow foreign stablecoin issuers and foreign digital asset service providers to evade the GENIUS Act and other federal financial laws. The Treasury Department definition of entities doing business in the United States should cover any firm with a permanent establishment in the United States that solicits business within the United States.

³⁰ Proposed §1523.1(c). [91 Fed. Reg. 158](#) at 53389.

³¹ 15 CFR §760.1(b)(1)(iv).

³² 15 CFR §760.1 Examples of “United States person” (iii).

³³ 31 CFR §800.252(a).

³⁴ 31 CFR §800.252(b)(1).

Proposal should incorporate appropriate elements of the Securities and Exchange Commission’s Reg. S governing cross-border sales of financial instruments:

The proposed rule inappropriately chooses not to adopt or incorporate elements of the long-standing Securities and Exchange Commission’s Regulation S which governs cross-border sales of securities to people in the United States. The proposal states that since the GENIUS Act specifies that stablecoins are not securities, because stablecoins are not intended not fluctuate in value, and because stablecoins are issued in a different manner than equity securities, it is not necessary for the Treasury Department to align the proposed rule with the SEC’s approach to addressing offshore transactions for financial instruments.³⁵

The Treasury Department should revisit this approach and adopt structurally similar rules to the SEC’s Reg. S that would more clearly delineate cross-border stablecoin transactions by unpermitted and non-compliant foreign stablecoin issuers. Section 3 of the GENIUS Act “is intended to have extraterritorial effect if conduct involves the offer or sale of a payment stablecoin to a person located in the United States.”³⁶ The proposed rule fails to address this statutory mandate because of its narrow and imperfect definitions of people and businesses located within the United States and its effective delegation of compliance to digital asset service providers to perform due diligence to determine whether unpermitted and GENIUS Act non-compliant foreign stablecoin issuers are making stablecoins available to people in the United States. As a result, the proposed rule makes it possible—even likely—that unpermitted and non-compliant foreign stablecoin issuers can easily evade the requirements of the GENIUS Act and issue, sell, or make available unpermitted stablecoins to people in the United States.

The SEC Reg. S has been in place for three decades and is well understood by market participants. It creates clearer definitions and bright lines as to what transactions constitute cross-border sales or offerings of financial instruments. The regulation is equally concerned with the act of selling or offering an instrument as it is with what type of instrument is being sold or offered. The SEC excludes from its requirements governing the offering, sale, or purchase of securities those transactions that occur outside the United States.³⁷ Conversely, transactions with people or firms within the United States are governed by SEC rules. Reg. S defines offshore transactions as those where offers are not made to people in the United States or occurs on offshore exchanges or securities markets.³⁸ Additionally, Reg. S includes definitions of directed selling that includes “any activity undertaken for the purpose of, or could reasonably be expected to have the effect of” marketing foreign securities to people in the United States.³⁹

The SEC Reg. S offshore transaction framework is superior to the proposed rule and more effectively precludes the issuance and sale of unpermitted and non-compliant foreign stablecoins in the United States. The proposal acknowledges that Reg. S “may better address cross-border fact patterns than the proposed approach.”⁴⁰ The Treasury Department should strengthen the proposed rule by fully adopting an offshore/onshore transaction framework comparably strong as Reg. S.

³⁵ [91 Fed. Reg. 158](#) at 53369.

³⁶ 12 USC §5902(e).

³⁷ 17 CFR §230.901.

³⁸ 17 CFR §230.902(h)(1).

³⁹ 17 CFR §230.902(c).

⁴⁰ [91 Fed. Reg. 158](#) at 53379.

Proposal inappropriately reliant on digital asset service providers for regulatory oversight, allowing unpermitted and non-compliant stablecoins to be issued and sold in the United States: The proposal inappropriately delegates significant oversight and enforcement responsibilities to digital asset service providers which, due to these provider's conflicts of interest, will lead to less oversight and expose customers to risks from unpermitted and non-compliant stablecoins. The proposed rule relies heavily and inappropriately on digital asset service providers to police prospective stablecoin issuers—especially foreign issuers—to determine whether they are offering or selling unpermitted and non-compliant stablecoins to people in the United States.

The proposed rule fails to address—or even acknowledge—the inherent conflict of interest concerns presented by digital asset service providers that earn fees from trading and financial incentives from stablecoin issuers but are also supposed to determine whether issuers are complying with the GENIUS Act. The digital asset service providers will have a strong financial incentive to avoid looking too deeply at prospective stablecoin issuers that may fail to fulfill the requirements of the GENIUS Act.

This conflict of interest is exacerbated by the weaknesses in the proposed rule that rely on digital asset service providers' exercise of due diligence and consideration of reasonably available information to assess whether the foreign stablecoin issuer is permitted, has the technological capacity to and will comply with lawful orders and reciprocal regulatory arrangements.⁴¹ Further, digital asset service providers must determine that unpermitted foreign stablecoin issuers are not directly soliciting people in the United States, advertising that their stablecoin is available in the United States, responding to inquiries from people in the United States, advising potential purchasers how to evade location detection requirements, or entering into contracts to sell to people in the United States.⁴²

The proposal should not rely so heavily on due diligence enforcement mechanisms performed by firms with inherent conflicts of interest. These mechanisms are easy to game. Digital asset service providers could implement due diligence regimes that fail—intentionally, structurally, or incidentally—to identify stablecoin issuers that failed to meet the GENIUS Act requirements. These shortcomings would likely be difficult for the Treasury Department to identify in advance and would make enforcement against the digital asset service providers and non-compliant stablecoins unnecessarily difficult.

The Treasury Department should address this shortcoming by fulfilling the statutory requirements to fully develop the necessary definitions and regulations necessary for the Treasury Department to determine which stablecoin issuers—especially foreign stablecoin issuers—have the capacity and willingness to comply with orders, operate under reciprocal regulatory regimes, and are not impermissibly offering, selling, issuing, or otherwise making unpermitted or non-compliant stablecoins available to people or firms in the United States.

Proposal largely ignores stablecoins most common use to purchase speculative crypto assets: The proposed rule focuses on the use of stablecoins to facilitate payments for common goods or services, but stablecoins are primarily used to facilitate investment in other crypto tokens

⁴¹ Proposed §1523.3(c). [91 Fed. Reg. 158](#) at 53390.

⁴² Proposed §1523.3(d) and (e). [91 Fed. Reg. 158](#) at 53390.

or assets.⁴³ The adoption of the GENIUS Act and the subsequent regulatory efforts to implement that statute are predicated on the notion that the stablecoins issued under the GENIUS Act framework will be stablecoins that would be used for payment or settlement—not as instruments to facilitate investments in speculative crypto tokens, assets, and financing crypto trading infrastructure.

This includes rewards paying stablecoin offerings for things like staking, funding-rate arbitrage, and liquidity pooling that mirror investment activities as well as interest-bearing bank deposits.⁴⁴ These stablecoin investments can be very lucrative, some can be in excess of 20 percent.⁴⁵ The GENIUS Act did not prevent third parties from providing investment opportunities or interest-like rewards to stablecoin holders, which could spur deposit flight that would undermine the community banks to provide credit.⁴⁶

It seems highly unlikely that major stablecoins in circulation today, including those seeking licensure under the proposed rule, will cease to be used to facilitate trading or investment-related activities on crypto platforms. This exacerbates the flaws in the proposed rule related to persons and firms in the United States, since customers are primarily using stablecoins to purchase crypto tokens on U.S. and overseas platforms. While the Securities and Exchange Commission has issued non-binding guidance declaring its views on when stablecoins and their associated use with products like staking do not fall under securities law jurisdiction,⁴⁷ the reality is that this practice mirrors investment activities, is legally contestable, and complex. Treasury's proposed rule should, out of prudence, align its approach closer to this reality by crafting cross-border sales rules for stablecoins that reflect the predominant use of stablecoins.

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The proposed Treasury Department rule on payment stablecoins expands the flaws in the GENIUS Act by creating loopholes and exemptions that would enable and encourage unpermitted and non-compliant stablecoin issuers to issue, sell, or otherwise make available risky, non-compliant stablecoins to people in the United States. Americans for Financial Reform Education Fund urges the Treasury Department to strengthen the definitions and regulatory approaches to protect people and the U.S. economy from these substantial risks.

Sincerely,
Americans for Financial Reform Education Fund

⁴³ Noll, Franklin. Federal Reserve Bank of Kansas City. "[What Are Stablecoins Used for Today? Estimating the Distribution of Stablecoins.](#)" April 10, 2026. The article found that half of stablecoins were used for crypto trading or to finance trading related activities, including infrastructure. However, the bulk of the cross-border transfers, representing about a one-third of stablecoin use, are for corporate transfers in countries with volatile currencies. In the United States, the share of stablecoins used for crypto trading likely is far in excess of half.

⁴⁴ "[Stablecoin Staking: Definition, How It Works, Yields and Risks.](#)" *Regular Finance SAS*. September 24, 2026.

⁴⁵ "[Best stablecoin yield in 2026: 6 ways to earn on USDT and USDC, ranked by where the money comes from.](#)" *Crypto.com*. October 19, 2026

⁴⁶ Ennis, Dan. "[Banks, crypto firms battle over stablecoin yield.](#)" *Banking Dive*. May 6, 2026.

⁴⁷ Securities and Exchange Commission. "[Statement on Stablecoins.](#)" April 4, 2025.