SUPPORTING STATEMENT
Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Insured Depository Institutions
(OMB Control No. 3064-NEW)

## INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting approval from the Office of Management and Budget (OMB) to establish a new information collection comprised of reporting requirements contained in a notice of proposed rulemaking on "Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Insured Depository Institutions." The proposal seeks to impose reporting requirements under the Paperwork Reduction Act (PRA),[1] for insured State nonmember banks and insured State savings associations that seek to issue payment stablecoins through a subsidiary. As a result, the FDIC is requesting approval from the OMB and asks that the OMB assign an OMB control number.

## A. JUSTIFICATION

1. Circumstances that make the collection necessary:

   The FDIC is issuing this notice of proposed rulemaking (proposed rule) to implement certain application provisions under the GENIUS Act (or the Act).[2] The proposed rule would establish a tailored application process for an FDIC-supervised institution to obtain approval from the FDIC to issue payment stablecoins[3] through a subsidiary. The FDIC seeks to evaluate the safety and soundness of an applicant's proposed activities based on consideration of statutory factors and support the responsible growth and use of digital assets and related technologies[4] while minimizing the regulatory burden on applicants.

2. Use of the information:

   The proposed rule would establish procedures to be followed by an insured State nonmember bank or State savings association that seeks to obtain FDIC approval to issue payment stablecoins through a subsidiary pursuant to the GENIUS Act.

3. Consideration of the use of improved information technology:

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1 44 U.S.C. 3501 *et seq.*

2 Pub. L. No. 119-27, 139 Stat. 419 (codified at 12 U.S.C. 5901-5916).

3 *See* 12 U.S.C. 5902. The GENIUS Act defines a payment stablecoin as a digital asset 1) that is, or is designed to be, used as a means of payment or settlement and 2) the issuer of which is obligated to convert, redeem, or repurchase for a fixed amount of monetary value and represents or creates the reasonable expectation that it will maintain a stable value relative to a fixed amount of monetary value. 12 U.S.C. 5901(22)(A). The GENIUS Act further provides that a payment stablecoin is not a national currency, deposit, or security. 12 U.S.C. 5901(22)(B). Stablecoins that are used or designed for other purposes, such as non-payment stablecoins, are outside the scope of this proposed rule.

4 *See* Exec. Order No. 14178, Strengthening American Leadership in Digital Financial Technology, 90 FR 8647 (Jan. 31, 2025).

Insured State nonmember banks and insured State savings associations that seek to issue payment stablecoins through a subsidiary may use technology to the extent feasible and/or desirable or appropriate to make the required reports.

4. Effort to identify duplication:

No other federal law mandates these reporting requirements and therefore the reporting requirements are not otherwise duplicated.

5. Methods used to minimize burden if the collection has a significant impact on a substantial number of small entities:

This proposal will not have a significant impact on a substantial number of small entities. As of June 30, 2025, there were 2,802 insured State nonmember banks and State savings associations. Of those institutions, 2,085 are considered "small" for the purposes of the Regulatory Flexibility Act. The FDIC recognizes the considerable uncertainty regarding estimates of the number of FDIC-supervised institutions that would seek to issue payment stablecoins or engage in other permitted payment stablecoin activities through a subsidiary in future periods and, thereby, be directly affected by the proposed rule. As this is a developing market, there is uncertainty as to the number of FDIC-supervised institutions that might apply to issue payment stablecoins, either independently or through consortia and other partnerships. Without predicting the actual participation rate, for the purposes of this analysis the FDIC assumed that all 10 estimated annual applicants seeking to issue payment stablecoins through a subsidiary would be small, FDIC-supervised institutions. The FDIC estimates that FDIC-supervised institutions seeking approval to issue payment stablecoins through a subsidiary would expend 80 labor hours to comply with the proposed application requirements. At an estimated total compensation rate of $152.40 per hour[5], the proposed rule would result in application compliance costs of $12,192 per small, FDIC-supervised institution or $121,920 in aggregate, on average.[6] Estimated application costs of $12,192 per small, FDIC-supervised institution exceeds 5 percent of total annual salaries and benefits or 2.5 percent of total noninterest expenses for no more than three small, FDIC-supervised institutions.[7] In light of the foregoing, the FDIC certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities

6. Consequences to the Federal program if the collection were conducted less frequently:

5 Bureau of Labor Statistics: National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 and 5223 only) (May 2024), Employer Cost of Employee Compensation (March 2024), and Employment Cost Index (March 2024 and June 2025). The FDIC estimates the following labor allocation for entities complying with these requirements: Executives and Managers (11-0000): 60 percent; Lawyers (23-0000): 30 percent; and Clerical workers (43-0000): 10 percent.
6 $152.40 per hour * 80 hours = $12,192; $152.40 per hour * 80 hours * 10 = $121,920
7 FDIC Call Report Data, June 30, 2025.

This proposed rule, once finalized, will implement the Federal statutory framework for applications for issuance of payment stablecoins and related payment stablecoin activities by subsidiaries of FDIC-supervised institutions for which the FDIC is the primary Federal payment stablecoin regulator, as defined under section 2 of the Act.[8] The FDIC is the appropriate Federal banking agency of each IDI that is a State-chartered insured bank that is not a member of the Federal Reserve System (State non-member bank)[9] and each State-chartered savings association (State savings association).[10] Accordingly, an FDIC-supervised institution must obtain approval for its subsidiary permitted payment stablecoin issuer from the FDIC pursuant to the Act and, once the application is approved, the FDIC will supervise that permitted payment stablecoin issuer as its primary Federal payment stablecoin regulator.

7. <u>Special circumstances necessitating collection inconsistent with 5 CFR 1320.5(d)(2):</u>

   None. This information collection is conducted in accordance with the guidelines in 5 CFR 1320.5(d)(2).

8. <u>Efforts to consult with persons outside the agency:</u>

   On December 19, 2025, the FDIC issued a Notice of Proposed Rulemaking in the Federal Register (90 FR 59409) seeking comment on the reporting requirements under the PRA. The FDIC will consider any received during the comment when finalizing the Rule.

9. <u>Payment or gift to respondents:</u>

   None.

10. <u>Any assurance of confidentiality:</u>

    Information collected is kept private to the extent allowed by law. All required records are subject to the confidentiality requirements of the Privacy Act. In addition, any information deemed to be of a confidential nature is exempt from public disclosure in accordance with the provisions of the Freedom of Information Act (5 U.S.C. 552).

11. <u>Justification for questions of a sensitive nature:</u>

    No questions of a sensitive nature are included in the collection.

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8 12 U.S.C. 5901(25).

9 The term "State nonmember bank" includes any insured State bank that is an industrial bank, industrial loan company, or other similar institution that is excluded from the definition of "bank" in section 2(c)(2)(H) of the Bank Holding Company Act (12 U.S.C. 1841(c)(2)(H)). *See* FDI Act section 3(a)(2) (12 U.S.C. 1813(a)(2)); 12 CFR part 347.

10 *See* 12 U.S.C. 1813(q). As of September 30, 2025, the FDIC supervises approximately 2,772 insured State nonmember banks and insured State savings associations. FDIC Call Report Data, September 30, 2025. The FDIC is also the appropriate Federal banking agency of any foreign bank having an insured State branch.

12. Estimate of Hour Burden:

The FDIC's estimated burden for the respondents for complying with the collection of information is 800 hours.

| FDIC Summary of Estimated Annual Burden (OMB No. 3064-NEW) | | | | | |
|---|---|---|---|---|---|
| Information Collection (IC) (Obligation to Respond) | Type of Burden (Frequency of Response) | Number of Respondents | Number of Responses per Respondent | Average Time per Response (Hours) | Annual Burden (Hours) |
| 1. Application to issue payment stablecoins 12 CFR 303.252 (Mandatory) | Reporting (One Time) | 10 | 1 | 80 | 800 |
| ***Total Annual Burden (Hours):*** | | | | | ***800*** |
| Source: FDIC. Note: The estimated annual IC time burden is the product, rounded to the nearest hour, of the estimated annual number of responses and the estimated time per response for a given IC. The estimated annual number of responses is the product, rounded to the nearest whole number, of the estimated annual number of respondents and the estimated annual number of responses per respondent. This methodology ensures the estimated annual burdens in the table are consistent with the values recorded in OMB's consolidated information system. | | | | | |

Estimated cost is 80 hours x $152.40[11] x 10 = $121,920.

13. Estimate of Start-up Costs to Respondents:

None.

14. Estimate of annualized costs to the government:

None.

15. Analysis of change in burden:

Since this is the first time the FDIC will be submitting an information collection in connection with the proposed rule, there is no change in burden. However, the burden associated with this new information collection is 800 hours.

16. Information regarding collections whose results are planned to be published for

11 Bureau of Labor Statistics: National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 and 5223 only) (May 2024), Employer Cost of Employee Compensation (March 2024), and Employment Cost Index (March 2024 and June 2025). The FDIC estimates the following labor allocation for entities complying with these requirements: Executives and Managers (11-0000): 60 percent; Lawyers (23-0000): 30 percent; and Clerical workers (43-0000): 10 percent.

statistical use:

The results of this collection will not be published for statistical use.

17. Display of Expiration Date

This information collection is contained in a regulation.

18. Exceptions to Certification Statement

None.

## B. STATISTICAL METHODS

Statistical methods are not employed in these collections.