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Proposal and Comment Information

Title: Implementing the Federal Reserve Board's Responsibilities under the GENIUS Act, R-1899

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Submitter Information

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Docket No. R-1899 RIN 7100-AH29 Implementing the Federal Reserve Board's Responsibilities under the GENIUS Act 91 FR 61579 (September 29, 2026)

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Comment submitted in my individual capacity, not on behalf of any employer or organization.

I also intend to submit a related comment on Docket No. R-1900.

I support a framework that makes payment stablecoins reliably redeemable at par. The Board should not treat this rulemaking as a purely technical exercise. Regional Reserve Banks are owned by member commercial banks that will compete with, or seek to dominate, payment stablecoins. That ownership structure creates a standing appearance of conflict when the System writes the reserve-asset list, capital charges, redemption standards, and related enforcement standards.

Congress created the System and can amend it. If the System's private-ownership features are as limited as official descriptions claim, the following requirements should be costless. If they are not costless, that itself is information the public and Congress need.

I request that the final rule:

1. Require Board-supervised permitted payment stablecoin issuers to maintain identifiable, bankruptcy-remote reserve assets that, in the aggregate, have a fair value at least equal to outstanding payment stablecoins at all times, marked to market daily and disclosed in a standardized public format. Principles-based diversification alone is not sufficient.
2. Limit permissible reserves to high-quality, short-term, dollar assets consistent with the GENIUS Act, and address interest-rate and foreign-currency risk so that "fully backed" remains true in stress, not only in calm markets.
3. Make redemption at par a legal right of every holder, including during market stress and issuer-specific strain. Universal, timely par redemption should be a bright-line requirement, not an operational aspiration.
4. Implement the statutory prohibition on paying yield or interest solely for holding, using, or retaining payment stablecoins so that issuers and affiliates cannot recreate run-prone structures through related products.
5. Apply safekeeping rules that keep reserve assets segregated and available to holders, not commingled with the issuer's or custodian's general estate.

6. Disclose in the final rule how member-bank ownership of Reserve Banks was considered in setting reserve-asset limitations, capital requirements, permissible activities, and enforcement standards.
7. Require that any Reserve Bank recommendation on a supervisory or enforcement matter involving a payment stablecoin issuer include a public statement of whether that Bank's member banks have material competing payment or deposit businesses.

A central bank that is partly owned by private banks should not be an unreviewable gatekeeper of a new form of dollar-denominated liability. The comment file should force the Board to explain, in writing, why the hybrid structure does not require extra transparency and extra constraints when the System is writing these rules.

Thank you for considering this comment.

Donna Raine

October 5, 2026