MARK HOPKINS

Proposal and Comment Information

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

Comment ID: FR-2026-0033-01-C38

Subject

Docket No. R-1899 / RIN 7100-AH29

Submitter Information

Name: Mark Hopkins

Submitted Date: 11/16/2026

Please find attached the comment of Mark Hopkins on Docket No. R-1899, RIN 7100-AH29 (91 FR 61580).

The attached file is the complete comment letter, including Sources.

— Mark Hopkins

P.S. Dictated by Mark Hopkins, transcribed by Otto Vernal.

Comment on Proposed Rule — Implementing the Board's responsibilities under the GENIUS Act
Docket No. R-1899 · RIN **7100-AH29** · 91 FR 61580
Comments due: November 30, 2026

Submitted by: Mark Hopkins

I build software that moves value. Under 18 U.S.C. § 1960 I learned how costly it is when the law treats transmission, issuance, and software publication (https://www.sec.gov/comments/S7-2026-27/s7202627-1095259-3846466.html) as if they were the same act. I am writing on R-1899 because this paper defines the payment-stablecoin product for Board-supervised issuers — and the cheapest mistake in that definition is collapsing issuance into everything that touches a token after it exists.

1. Issuance is not transfer, custody, or software.

Issuing a redeemable-at-par payment stablecoin (https://www.congress.gov/119/plaws/publ27/PLAW-119publ27.pdf) is creating and standing behind a dollar-token product: reserves, redemption, the issuer's promise. Transferring someone else's already-issued token is not issuance. Holding keys to it is not issuance. Publishing a wallet or integration that moves or displays it is not issuance.

Attach the Board's obligations — activity limits, reserve safekeeping, the compliance surface that belongs to a permitted issuer — to issuance and reserve safekeeping. Expanding that surface to every participant who touches an instrument after it exists does not add safety. It multiplies burden, pulls software publication toward licensure by analogy, and narrows lawful exit for people who never took the issuer's promise in the first place.

The transmission/issuance boundary is the distinction I cannot afford to fumble. The Act's definition and the Board's activity limits should keep secondary transfer and software outside PPSI licensure — silence on that line pulls them in by default.

2. The yield ban is incumbent protection.

The Act bars a permitted issuer from paying interest or yield solely for holding its coin (https://www.congress.gov/119/plaws/publ27/PLAW-119publ27.pdf), and the proposal carries that bar into the Board's rules. Look at what the ban actually does. A payment stablecoin is backed by reserves and redeemable at par; the reserves sit in the same instruments whether the yield they earn reaches the holder or stops at the issuer. Paying the holder does not make the coin riskier. It makes the coin competitive — a dollar that earns something, set against a deposit that earns something. A rule that forbids the coin from competing on yield while leaving its backing untouched is not managing the coin's risk. It is protecting the deposit franchise of the institutions the Act already placed inside the perimeter, by making the new product worse on purpose.

If that protection is the intent, the Board should say so plainly and drop the safety framing.

Owning the purpose does not excuse an ambiguous line. State the prohibition's scope in text the public can cite: whether secondary-market incentives and protocol-level distributions fall inside or outside that ban determines whether people who build on top of issued coins get a rule or an open enforcement question. Ambiguity here is a deferred prosecution surface (https://financialservices.house.gov/UploadedFiles/2025-11-30_--_FSC_Debanking_Report_FINAL_1.pdf).

Asks:

1. Define issuance narrowly — redeemable-at-par creation and the issuer's reserve and redemption obligations — and keep transfer, key-holding, and software publication outside that definition unless the Board can show a specific safety gain that survives scrutiny.
2. State the yield prohibition's scope in text the public can cite, including how secondary-market and protocol-level distributions are treated.
3. Do not use silence on transfer and software as a backdoor into PPSI-equivalent obligations for non-issuers.

Respectfully submitted,

Mark Hopkins

Sources

Implementing the Federal Reserve Board's responsibilities under the GENIUS Act — Docket R-1899 / RIN 7100-AH29 / 91 FR 61580: https://www.federalregister.gov/documents/2026/09/29/2026-19860/implementing-the-federal-reserve-boards-responsibilities-under-the-genius-act

GENIUS Act, Public Law 119-27 (July 18, 2025), section 2 (a payment stablecoin is defined through its issuer's obligation to convert, redeem, or repurchase for a fixed amount of monetary value) and section 4(a)(11) (permitted issuers may not pay interest or yield solely for holding): https://www.congress.gov/119/plaws/publ27/PLAW-119publ27.pdf

Comment of Mark Hopkins on Regulation Crypto Assets, File No. S7-2026-27 (October 15, 2026) — the author's prior comment on a related record, on the costs of treating transmission, issuance, and software publication as the same act: https://www.sec.gov/comments/S7-2026-27/s7202627-1095259-3846466.html

U.S. House Committee on Financial Services, majority staff report, "Operation Choke Point 2.0: Biden's Debanking of Digital Assets" (December 2025), on regulation-by-enforcement and informal supervisory pressure: https://financialservices.house.gov/UploadedFiles/2025-11-30_--_FSC_Debanking_Report_FINAL_1.pdf