

DONNA RAINE

Proposal and Comment Information

Title: Application Procedures for Board-Supervised Insured Depository Institutions Seeking Approval for a Subsidiary to Issue Payment Stablecoins, R-1900

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Submitter Information

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Docket No. R-1900 RIN 7100-AH30 Application Procedures for Board-Supervised Insured Depository Institutions Seeking Approval for a Subsidiary to Issue Payment Stablecoins 91 FR 61346 (September 29, 2026)

Donna Raine 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-1899.

This proposal will decide which state member banks may obtain Board approval for a subsidiary to issue payment stablecoins. Because Regional Reserve Banks are owned by member commercial banks, the application, hearing, and appeals process must be written to protect the public interest, not incumbent banks.

I request that the final application rule:

1. Require each application to include a business plan and financial information sufficient to show that the proposed issuer can maintain one-to-one, high-quality reserves and honor par redemption in stress, not only in ordinary conditions.
2. Require the applicant to disclose material competing payment, deposit, or stablecoin businesses of the applicant, its affiliates, and, where known, member banks of the Reserve Bank that will process or recommend the application.
3. Require that any Reserve Bank recommendation on an application be accompanied by a public statement of whether that Bank's member banks have material competing payment or deposit businesses.
4. Publish non-discriminatory criteria for approval, denial, hearings, and appeals so that similarly situated applicants are not favored because they are existing System members.
5. Make the record of the application, the Reserve Bank recommendation, and the Board's final determination as public as possible, with redactions limited to genuine confidential supervisory or proprietary information.
6. Ensure that appeals and hearings are meaningful: written reasons for denial, a chance to respond, and a final determination that can be understood by the public.
7. Require the approved bank and its payment-stablecoin subsidiary to notify the Board promptly of any material change that, had it existed at the time of application, would have been grounds for denial or for additional conditions. That should include a material change in ownership or control, business plan, reserve or redemption arrangements, affiliate relationships, competing payment activities, or risk

management. The rule should say what happens next: the Board may impose conditions, require an amended application, or revoke or suspend approval if the change undermines the basis on which approval was granted. Continuing to operate on an outdated application file is not supervision.

Congress authorized this application process. The Board should use it to test safety, soundness, and holder protection—not to ration a new payment instrument for the benefit of banks that already own stock in the Reserve Banks.

Thank you for considering this comment.

Donna Raine

October 5, 2026