



May 1, 2026

Via Electronic Submission

Chief Counsel's Office
Attn: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, SW, Suite 1E-216
Washington, D.C. 20219

Re: 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, Docket No. OCC-2025-0372, RIN 1557-AF41

To Whom it May Concern,

Attion Consulting LLC ("Attion") appreciates the opportunity to comment on the Office of the Comptroller of the Currency's ("OCC") Notice of Proposed Rulemaking implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act ("GENIUS Act"). Establishing a clear regulatory framework for payment stablecoins is an important step toward supporting responsible financial innovation while maintaining the safety and soundness of the U.S. banking system.

Attion is a strategic advisory firm focused on financial services institutions, with work centered on licensing strategy, regulatory frameworks, and operating model design for regulated financial platforms. Prior to founding Attion Consulting, I spent roughly two decades working on the design and growth of non-interest-bearing deposit franchises at commercial banks, including roles at Republic National Bank of New York and Signature Bank. My work included structuring middle market and institutional deposit relationships, including escrow, control account, and fiduciary arrangements, and operating within regulatory frameworks governing deposit pricing, incentive structures, and bundling.

This experience informs the observations below regarding how regulatory frameworks shape financial product design, supervisory expectations for new entrants, and the stability of the stablecoin market.

The comments below address the following areas:

- the regulatory approach to determining prohibited interest or yield;
- transparency and clarity in the Permitted Payment Stablecoin Issuer (PPSI) application process;
- the operational mechanics of payment stablecoins, including redemption timing, de-pegging scenarios, and redemption access;
- disclosure standards for payment stablecoins; and

- governance and oversight of incentive compensation structures.

Prohibition on Interest or Yield

(Responding to Questions 35–38)

Attion supports the GENIUS Act prohibition on interest or yield solely in connection with the holding, use, or retention of a payment stablecoin. The prohibition firmly establishes payment stablecoins as transaction instruments and prevents them from functioning as deposit substitutes or savings vehicles, consistent with longstanding banking policy distinctions between payment instruments and savings or investment products.

The language in the proposed rule adequately implements the GENIUS Act prohibition, but the statutory language raises definitional questions about terms such as “interest,” “yield,” and “solely in connection with holding, use, or retention” which creates a need for interpretive clarity.

The banking industry previously addressed similar questions under the historical Regulation Q framework, which prohibited the payment of interest on demand deposit accounts. Over decades, regulators developed nuanced guidance distinguishing prohibited interest payments from permissible promotional or service-related incentives, including the well-known “free toaster” promotional programs, bundled service offerings, and other non-cash marketing incentives. Similar interpretive questions may arise in connection with loyalty programs, merchant incentives, or payment-related rewards associated with payment stablecoins.

Attion does not propose readopting Regulation Q itself, which ultimately proved inflexible as financial markets evolved. Rather, Attion encourages the OCC to adopt principles-based guidance that utilizes the historical interpretations that emerged from Regulation Q to establish clear standards. Additionally, Attion proposes that the OCC adopt two distinct aspects of the historical Regulation Q in the proposed rule: (1) language specifying that the waiver of service fees is not interest, and (2) language specifying that premium incentives do not constitute interest.

Question 35: Could the prohibition against paying interest or yield solely in connection with the holding or use of a permitted payment stablecoin be clarified? If so, how? Would it be helpful to include a de minimis exception to the prohibition to provide certainty with respect to arrangements that are not designed to violate the prohibition and that do not have a meaningful economic impact? If so, is there any specific guidance the OCC should provide on what de minimis means?

Attion encourages the OCC to adopt language in the rule specifying that the waiver or absorption of service fees is not a payment of interest or yield. The following model text, derived from 12 C.F.R. § 217.2 (2009), is supplied for the OCC’s consideration: “a permitted payment stablecoin issuer's absorption of expenses incident to providing a permitted activity or its forbearance from charging a fee in connection with such a service is not considered a payment of interest or yield.”

Attion also encourages OCC to adopt language specifying that premium incentives are not interest or yield paid solely in connection with the holding or use of a permitted stablecoin. The following model text, derived from 12 C.F.R. § 217.101 (2009), is supplied for the OCC’s consideration:

“Premiums, whether in the form of merchandise, credit, or cash, given by a permitted payment stablecoin issuer to a customer will be regarded as an advertising or promotional expense rather than a payment of interest if:

- (1) The premium is given to a customer only at the time of the opening of a new account or an addition to an existing account; and
- (2) The value of the premium or, in the case of articles of merchandise, the total cost (including taxes, shipping, warehousing, packaging, and handling costs) does not exceed a de minimis amount set by the OCC and adjusted for inflation on an annual basis.”

Rulemaking on de minimis customer incentives has evolved considerably since the sunset of the historical Regulation Q, which established a \$10 or \$20 limit depending on the amount of the underlying deposit. For example, the SEC’s “Marketing Rule” establishes a \$1,000 de minimis threshold in connection with endorsements and testimonials (17 C.F.R. § 275.206(4)-1(e)(2)). Further, internet sources such as NerdWallet report that traditional banks are currently offering bonuses and promotions in amounts ranging from \$50 to \$3,000 dollars for new account openings.¹

Attion does not advocate for any particular dollar threshold but provides these observations for the OCC’s consideration. The use of premiums, points, rewards, and other incentives are widespread, attractive to consumers, and should not be outside the reach of payment stablecoin issuers as a promotional tool.

Question 36: Does the presumption with respect to the prohibition against paying interest or yield solely in connection with the holding, use, or retention of a permitted payment stablecoin appropriately address concerns relating to evasion? Is the presumption with respect to the prohibition against paying interest or yield solely in connection with the holding, use, or retention of a permitted payment stablecoin appropriately scoped? Is the presumption sufficiently clear? How could the presumption be clarified? Should the OCC clarify the standard of review under which it would consider written materials to rebut the presumption related to interest or yield and specify whether the OCC’s determination is appealable? Should the OCC propose any safe harbor for arrangements that the OCC believes do not violate the statutory prohibition?

Adopting historical guidance and norms related to what constitutes interest or yield will ground the OCC’s interpretations in historical norms and will close out pathways both for

¹ Ruth Sarreal, *Best Bank Bonuses and Promotions of May 2026 (up to \$3,000)* (May 1, 2026), <https://www.nerdwallet.com/banking/best/bank-bonuses-and-promotions>.

potential evasion and for allegations that rulemaking is biased in the direction of one group of market participants over another.

Question 37: Should the prohibition on interest and yield in proposed §15.10(c)(4) be broader to prevent issuers from directly or indirectly paying interest or yield to payment stablecoin holders (rather than presuming that certain arrangements with affiliates or related third parties violate the prohibition)? Are there examples of potentially evasive behavior that the OCC should expressly include in a prohibition? If the OCC were to expand the prohibition, are there activities that should be expressly carved out of such an expansion?

Attion proposes that the OCC adopt the language of 12 C.F.R. § 217.3 (2009) in its formulation of the prohibition language in § 15.10(4), specifying that PPSIs may not “directly or indirectly, by any device whatsoever, pay” the holder of any payment stablecoin any form of interest or yield. PPSIs with questions about compliance with the rule should inquire with the OCC, and the presumption language of § 15.10(4)(i) should be eliminated.

Attion does not believe that including examples of potentially evasive behavior is advisable, as examples may become quickly dated, undermining the usefulness and durability of the rule.

Question 38: Should the prohibition on interest and yield in proposed §15.10(C)(4) clarify the terms “pay,” “interest,” “yield,” “solely,” or any other terms? If so, what clarifications would be helpful? What types of rewards, if any, should be subject to the prohibition?

Please see Attion’s answers to Questions 35 and 37 in response to this question.

Permitted Payment Stablecoin Issuer (PPSI) Applications

(No questions asked)

Attion commends the OCC for proposing a suitably rigorous application process for PPSIs. The comments offered below focus on transparency and predictability in the application process, with the goal of reducing regulatory uncertainty for new entrants and improving the quality of submissions received by the OCC.

Attion supports the IBFR requirement and the objective of evaluating character, financial responsibility, and management competence. It would be helpful if the OCC offered guidance on how relevant experience will be evaluated, given that applicants will not have prior experience operating under the PPSI regulatory framework. Clarity regarding acceptable forms of mitigating expertise when applicants lack direct stablecoin regulatory experience would also assist organizers in preparing applications.

Additionally, information on whether and how in-kind capital contributions will be treated in PPSI applications would be useful to de novo applicants. The proposed rule clearly requires regulatory capital instruments to be issued and paid-in. However, potential de novo applicants

may have historically raised capital through in-kind equity contributions that remain reflected in their capitalization. Because federal banking regulators historically apply heightened scrutiny to in-kind equity contributions in de novo institutions, applicants should understand in advance whether similar concerns will apply to PPSIs.

Attion also suggests that the OCC publish a guide for organizers and applicants of Permitted Payment Stablecoin Issuers, analogous to the FDIC's Handbook for Organizers of De Novo Institutions. Such a guide would encourage responsible innovation by providing clarity on the application requirements and review factors set forth in proposed § 15.30(b) and § 15.30(c).

Payment Stablecoin Mechanics

(Responding to Questions 86, 100, 108, 124)

A. Redemption Timeframes

The OCC should consider the implications of the two-day redemption window established in proposed § 15.12(b)(1)(i) for institutional payment acceptance. Institutional payees often operate under internal frameworks governing liquidity management, risk management procedures, settlement policies, and internal control requirements. These frameworks may also incorporate audit obligations and contractual payment terms. Establishing a redemption timeframe longer than same-day settlement may create a divide between transmission finality and economic finality for payees.

Payment stablecoins add value to the current range of payment options because of their speed and global transmission capabilities. Importantly, these capabilities could enable smaller banks to compete more effectively with the payment infrastructure and geographic reach of larger institutions. Some commentators may point to the fact that direct redemption is not the only, and may not even be the primary, liquidation method for payment stablecoins. Payment stablecoins do benefit from secondary markets, which are not available for most traditional payment instruments and may allow economic finality through off-ramping prior to expiration of the permissible redemption window. However, the availability of secondary markets may not be determinative when evaluated through institutional risk-management frameworks and may not suffice in contexts where the incentives for 24/7 wallet monitoring and liquidation are limited.

While Section 3(g) of the GENIUS Act makes it possible that payment stablecoins may be treated as cash equivalents under generally accepted accounting principles, it is not yet clear how institutional payees will treat payment stablecoins in their accounting policies and internal risk frameworks. A permissible multi-day time lag between transmission and redemption might create friction in situations where immediate settlement is required to satisfy legal or contractual obligations. Attion offers this observation for the OCC's consideration.

Question 100: Has the OCC appropriately defined "timely" for purposes of redemption in proposed § 15.12(b)(1)(i) as not exceeding two business days? If not, what may be a more appropriate timeframe? For example, should the OCC consider other timeframes

ranging from one calendar day to seven calendar days timely? Should the OCC consider some timeframe longer than seven calendar days timely? Should the OCC define “timely” in a manner that scales with the liquidity of the underlying reserve assets or other factors? How should any definition of “timely” appropriately balance considerations of price stability and run risk?

In order to realize a core benefit of payment stablecoins, timely redemption should occur within 24 hours.

B. De-pegging in the Secondary Market and Additional Measures

Question 86: Should the proposed rule include additional measures to address de-pegging in the secondary market? For example, should the proposed rule bar a permitted payment stablecoin issuer from issuing new payment stablecoins if a permitted payment stablecoin issuer’s payment stablecoins trade in secondary markets at some price that is a set amount less than par (e.g., trading at or below \$0.99, \$0.80 or some other amount) for some sustained period of time (e.g., 24 hours)?

No. The condition and fair market value of the reserve should be the primary basis for regulatory action rather than the valuation of the stablecoin in secondary markets. Proposed § 15.12 requires PPSIs to clearly disclose their redemption policies. As long as customers can redeem stablecoins against the reserve at par, issuance of new payment stablecoins should remain permitted.

Secondary market prices may serve as useful indicators of market perceptions regarding reserve quality or liquidity conditions, but they should not be dispositive or automatically trigger regulatory constraints on business activities.

C. Redemption Minimums

Question 108: Currently, many stablecoin issuers have issuance policies that may limit direct interaction with retail stablecoin holders. What are the potential impacts of these policies on retail stablecoin holders during a liquidity event? Should the OCC explicitly require permitted payment stablecoin issuers to redeem stablecoins presented by any stablecoin holder that has undergone appropriate on-boarding including customer screening, as proposed? Should the OCC require permitted payment stablecoin issuers to redeem payment stablecoins presented by a stablecoin holder that has an account relationship at a regulated financial institution? Is additional clarity needed as to for whom a permitted payment stablecoin issuer is obligated to redeem a permitted payment stablecoin? Should the OCC impose any additional rules addressing minimum amounts for redemption? For example, should the OCC prohibit redemption minimums or set the minimum at some point other than one payment stablecoin?

Additional clarity is needed regarding the parties for whom a PPSI is obligated to redeem a payment stablecoin. A PPSI should not be required to redeem a payment stablecoin for a holder that it has not screened in accordance with its customer identification and compliance procedures.

The OCC should impose a rule that there is no minimum amount for redemption, as redemption at par is a core feature supporting confidence in payment stablecoins.

Disclosures

(Responding to Questions 42, 94, 95)

Question 42: Should permitted payment stablecoin issuers be required to provide disclosures stating that stablecoins are not legal tender, issued by the United States, or guaranteed or approved by the United States? If so, should the OCC impose any requirements on the manner in which disclosures are made? For example, should the OCC require that disclosures be made on the permitted payment stablecoin issuer's website, at point of direct sale by the issuer, alongside other types of disclosures, or in some other manner?

Attion encourages the OCC to establish safe harbors for payment stablecoin disclosures that emphasize clarity and brevity. Via a combination of iconography and short statements, an appropriate disclosure should state: (1) that the token is issued by a PPSI, (2) that the token is not FDIC insured, (3) the name of the issuer (or white-label provider, if applicable), (4) the identity of the primary regulator, and (5) a warning, if applicable, that transactions using the token are irreversible. The content and format of this disclosure should be harmonized across all primary PPSI regulators.

PPSIs should provide a fuller set of disclosures on their primary user interfaces and webpages.

Question 94: Should the OCC require permitted payment stablecoin issuers to publish the monthly certification on their websites, in addition to publishing the monthly reserve asset composition report? Should the OCC specify the content and form of the certification?

Yes. The OCC should require PPSIs to publish the monthly certification in addition to the monthly reserve asset composition report. The OCC should specify the content and form of the certification.

Question 95: Should the monthly composition report be published at some point before the examination by a registered public accounting firm? For example, a permitted payment stablecoin issuer could publish the report five days after the end of the previous month and have the report examined 30 days after the end of the previous month and disclose any discrepancies uncovered by the examination. Would the benefits of more timely availability of these reports outweigh the potential costs associated with the risk of subsequent changes as a result of the examination that would be completed at a later date?

PPSIs should have the ability to publish the report prior to the examination by a registered public accounting firm, and should do so at its discretion. However, the OCC should prescribe appropriate formats and/or disclosures for unexamined monthly composition reports, including clear and conspicuous labeling that the report is unexamined.

Incentive Compensation

(Responding to Question 124)

Question 124: Should the OCC include additional requirements relating to the maintenance of safeguards to prevent the payment of compensation, fees, and benefits that are excessive or that could lead to material financial loss to the permitted payment stablecoin issuer?

Attion proposes that the OCC reserve the issue of incentive compensation for subsequent rulemaking. The structure, scale, and risk profile of the payment stablecoin sector remain in early stages of development. Prematurely imposing a comprehensive incentive compensation regime modeled on existing banking guidance could introduce unnecessary complexity before supervisory experience with the sector has been established.

If the OCC determines that rulemaking on incentive compensation is necessary at this time, Attion proposes that the rule include a simple prohibition on incentive compensation arrangements that present a risk of material financial loss to the PPSI. It would not be appropriate to apply the 2010 Interagency Guidance on Sound Incentive Compensation Policies in this context. That framework was developed for insured banking organizations operating within the federal safety-net framework and presumes supervisory structures and institutional complexity that may not exist for PPSIs. Payment stablecoins are not FDIC insured and therefore present a lower degree of moral hazard than insured banking products. Additionally, imposing the 2010 Guidance at this time would likely require the OCC to create supervisory designations for PPSIs analogous to existing classifications for large banking organizations and could introduce issues related to international regulatory coordination.

Thank you for the opportunity to provide comments on the proposed rule implementing the GENIUS Act. Attion would be pleased to provide additional information or respond to any questions the OCC may have regarding the observations offered in this letter.

Respectfully submitted,

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