



UNITED STATES HOUSE COMMITTEE ON
FINANCIAL SERVICES
CHAIRMAN FRENCH HILL

Guiding and Establishing National Innovation for U.S. Stablecoins Act, or the GENIUS Act

The GENIUS Act, introduced by Senator Bill Hagerty (R-TN), provides a clear regulatory framework for the issuance of payment stablecoins, a payment product that is currently offered in the United States with little, if any, federal oversight. The GENIUS Act prioritizes consumer protection, fosters innovation, and strengthens the U.S. dollar's reserve currency status. The GENIUS Act passed the U.S. Senate by a bipartisan vote of 68-30 on June 17, 2025.

Stablecoins Are the Future of Digital Payments:

- Payment stablecoins are digital currencies that are pegged to a stable currency, such as the U.S. dollar.
- They are 100%-backed by cash, U.S. Treasuries, and similar high-quality assets.
- The GENIUS Act creates a regulatory framework for payment stablecoins pegged to the U.S. dollar, allowing the benefits of payment stablecoins to be integrated with existing U.S. payment rails.
- Regulatory clarity also prevents future administrations from targeting digital assets with another Operation Chokepoint.
- Payment stablecoins are already widely used: As of April 2025, the total outstanding supply of U.S. dollar stablecoins had crossed \$220 billion, an increase of 54% since April 2024.

Payment System Innovation:

- Sending a payment abroad is costly and slow today.
- Stablecoins represent a paradigm shift in payments – they enable near-instantaneous worldwide payments and can cost a fraction of a percent of the transaction. This can help accelerate the pace of cross-border payments and unlock working capital for U.S. companies with international operations.

Stablecoins Will Drive Demand for U.S. Treasuries and Ensure the U.S. Dollar Remains the Reserve Currency of the World:

- The GENIUS Act requires issuers to back payment stablecoins with high-quality liquid assets, which will be primarily composed of Treasury bonds and bills. This creates new demand for U.S. debt.
- It is estimated that a U.S. regulatory framework for payment stablecoins would drive significant new demand for U.S. Treasuries.

The GENIUS Act Protects Consumers:

- The bill establishes a first of its kind federal framework to regulate payment stablecoins, which includes, among other things, robust reserve requirements to maintain transparency into the reserves backing payment stablecoins, ensuring they maintain their peg to the dollar.
- The GENIUS Act protects the claims of holders of permitted payment stablecoins in bankruptcy proceedings.