

### At a Glance

#### S. 1582, the GENIUS Act

As passed by the Senate on June 17, 2025

By Fiscal Year, Millions of Dollars	2025	2025-2030	2025-2035
Direct Spending (Outlays)	*	19	47
Revenues	0	-34	-73
Increase or Decrease (-) in the Deficit	*	53	120
Spending Subject to Appropriation (Outlays)	*	*	not estimated

Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2036?	<b>&lt; \$2.5 billion</b>	Statutory pay-as-you-go procedures apply?	<b>Yes</b>
<b>Mandate Effects</b>			
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2036?	<b>&lt; \$5 billion</b>	Contains intergovernmental mandate?	<b>Yes, Under Threshold</b>
		Contains private-sector mandate?	<b>Yes, Over Threshold</b>

\* = between -\$500,000 and \$500,000.

#### The legislation would

- Define payment stablecoin to mean a digital asset issued for a payment or settlement that is pegged to a reference asset, such as the U.S. dollar, and redeemable at a fixed amount
- Establish a process for insured depository institutions and nonbanks to issue stablecoins
- Create a regulatory framework for federal or state oversight of stablecoin issuers

#### Estimated budgetary effects would mainly stem from

- Administrative costs for federal financial agencies to establish and manage a regulatory system for stablecoin

#### Areas of significant uncertainty include

- Projecting growth in stablecoin use
- Predicting the role in and effects of digital assets for the financial markets and the banking industry
- Determining whether state regulators will cede regulatory authority to the Federal Reserve

**Detailed estimate begins on the next page.**

## **Legislation Summary**

S. 1582 would define payment stablecoin to mean a digital asset issued for a payment or settlement that is pegged to a reference asset, such as the U.S. dollar, and redeemable at a fixed amount. The act also would establish a regulatory framework for stablecoin issuers. Nonbank entities or subsidiaries of insured depository institutions could apply to become issuers; within three years of enactment only those approved issuers would be authorized to offer stablecoin. Once approved, an issuer would be subject to supervision by appropriate federal or state regulators and would be required to hold at least one dollar of permitted reserves for every dollar issued in stablecoin.

Under S. 1582, the responsible federal financial regulators would be the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), and the Federal Reserve.

S. 1582 would permit nonbank entities with less than \$10 billion in issuance to opt in to a state regulatory system, provided that the state's system is substantially similar to its federal counterpart; state regulators could choose to cede their authority to the Federal Reserve. The act would require federal and state regulators to issue specific capital, liquidity, and risk management rules for federal and state stablecoin issuers and to report on stablecoins. The Financial Crimes Enforcement Network (FinCEN) would be required to issue anti-money-laundering rules for stablecoin issuers.

## **Estimated Federal Cost**

The estimated budgetary effect of S. 1582 is shown in Table 1. The costs of the legislation fall within budget functions 370 (commerce and housing credit) and 750 (administration of justice).

## **Basis of Estimate**

Enacting S. 1582 would impose additional administrative costs on the federal financial regulators, CBO estimates. We expect that during the two years after enactment, the regulatory agencies would conduct rulemaking, develop industry and examiner guidance, train examiners, and establish processes for state and federal regulation of small issuers of stablecoins. After that, the agencies would incur additional administrative costs for examinations, risk monitoring, enforcement, and certifying state regulators. Using information from the affected agencies, CBO estimates that, on average, the annual cost in 2025 of employing a financial regulatory staff member at the FDIC, NCUA, OCC, and Federal Reserve is \$270,000. Costs in later years are adjusted to account for anticipated inflation.

**Table 1.**  
**Estimated Budgetary Effects of S. 1582**

	By Fiscal Year, Millions of Dollars											2025-2030	2025-2035
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
<b>Increases in Direct Spending</b>													
Estimated Budget Authority	*	2	3	5	4	5	5	5	6	6	6	19	47
Estimated Outlays	*	2	3	5	4	5	5	5	6	6	6	19	47
<b>Decreases in Revenues</b>													
Estimated Revenues	0	-1	-1	-2	-1	-29	-7	-8	-8	-8	-8	-34	-73
<b>Net Increase in the Deficit From Changes in Direct Spending and Revenues</b>													
Effect on the Deficit	*	3	4	7	5	34	12	13	14	14	14	53	120

\* = between zero and \$500,000.

CBO estimates that implementing S. 1582 would increase spending subject to appropriation for the Financial Crimes Enforcement Network by less than \$500,000 in each year and over the 2025-2030 period.

## Direct Spending

The administrative costs of the FDIC, NCUA, and OCC are classified in the federal budget as direct spending. Using information from those agencies, CBO estimates that enacting the legislation would increase gross direct spending by \$77 million over the 2025-2035 period. However, OCC and NCUA collect fees from financial institutions to offset their costs; those fees are treated as reductions in direct spending. Thus, CBO estimates that, on net, enacting the legislation would increase direct spending by \$47 million over the same period.

## Revenues

Costs incurred by the Federal Reserve reduce remittances to the Treasury, which are recorded in the budget as revenues. CBO estimates that enacting S. 1582 would decrease revenues by \$73 million over the 2025-2035 period. Changes in costs for the Federal Reserve banks have historically resulted in changes to remittances during the same year. However, since fiscal year 2023, the central bank has recorded a deferred asset to account for accrued net losses from expenses in excess of income. As a result, remittances largely have been suspended. In CBO's projections, remittances from the Federal Reserve will generally be suspended until 2030, and until they resume, most changes in costs incurred by the system will not be recorded as changes in remittances.<sup>1</sup>

1. For more information, see Congressional Budget Office, *Recent Changes to CBO's Projections of Remittances From the Federal Reserve* (February 2023), [www.cbo.gov/publication/58913](http://www.cbo.gov/publication/58913).

## **Spending Subject to Appropriation**

S. 1582 would require FinCEN to write anti-money-laundering rules for stablecoin issuers. That agency's administrative costs are funded through annual appropriations. CBO estimates that implementing the provision would cost less than \$500,000 over the 2025-2030 period; any related spending would be subject to the availability of appropriated funds.

## **Uncertainty**

The regulatory framework established under S. 1582 would change the way traditional financial institutions interact with digital assets. CBO has estimated only the additional administrative costs of enacting S. 1582 and has not estimated any other budgetary effects—either for the financial system specifically or for the federal budget overall, including the effects on Treasury yields—that would arise from changes to the banking sector.

CBO cannot predict the magnitude or direction of any budgetary effects because they depend on uncertain factors, including growth in stablecoin use, changes in bank deposits, or enhanced efficiency or disruptions for the financial markets or the banking industry. CBO also cannot determine whether state regulators would cede authority to the Federal Reserve.

## **Pay-As-You-Go Considerations**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in Table 1.

## **Increase in Long-Term Net Direct Spending and Deficits**

CBO estimates that enacting S. 1582 would not increase net direct spending by more than \$2.5 billion in any of the four consecutive 10-year periods beginning in 2036.

CBO estimates that enacting S. 1582 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2036.

## **Mandates**

The legislation would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the total cost of those mandates would not exceed the threshold established in UMRA for intergovernmental mandates but would exceed the threshold for private-sector mandates (\$103 million and \$206 million in 2025, respectively, adjusted annually for inflation).

## **Intergovernmental Mandate**

Some states (such as New York) have implemented laws specifically governing some aspects of stablecoin issuance. Other states (including Texas) have applied their existing money transmission laws to the transmission of stablecoins. S. 1582 would impose an intergovernmental mandate by preempting certain state laws that regulate stablecoins.

Although the preemption would limit the application of state laws, it would impose no duty on state governments that would result in additional spending or loss of revenue. The act would not require states to govern or continue to govern stablecoins and would allow states to simply cease their current regulatory practices.

### **Private-Sector Mandates**

The legislation would require stablecoin issuers and offerors (including those in secondary markets) to comply with new financial regulations and reporting requirements, which is a private-sector mandate. The act would require stablecoins to be backed by reserves that are tied to a fiat currency. Currently, some stablecoin issuers “maintain the peg” with an adjacent cryptocurrency or with an algorithm for supply and demand. Stablecoin issuers also would be required to make their redemption policies public.

To comply with the legislation, stablecoin issuers and offerors would probably have to restructure their business practices or potentially divest from issuing and selling noncompliant stablecoins in the United States. CBO cannot determine the exact cost of the mandate because the act would allow federal regulatory agencies to exempt some stablecoin issuers from complying with certain provisions. However, the entities likely to be affected are large multinational companies with market capitalizations in the hundreds of billions of dollars. Using publicly available information on the current business practices of stablecoin issuers and information from industry experts, CBO estimates that the aggregate cost of the mandate would greatly exceed the private-sector threshold established in UMRA.

If the federal financial regulators increase annual fee collections to offset the costs of implementing provisions in the act, S. 1582 would increase the cost of an existing private-sector mandate on entities required to pay those fees. CBO estimates that the incremental cost of that mandate would be small.

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