

HB1355 OFR Stablecoin Written Testimony.pdf

Uploaded by: Amy Hennen

Position: FAV

MARYLAND DEPARTMENT OF LABOR TESTIMONY ON HB1355

TO: Economic Matters Committee
FROM: Antonio Salazar, Office of Financial Regulation
DATE: March 10, 2026
BILL: HB1355 Financial Institutions - Payment Stablecoin Services -
Establishment and Regulation (Maryland Stablecoin Act)

MDL POSITION: Support

Stablecoins, digital tokens backed by fiat assets such as U.S. dollars, represent a rapidly growing segment of financial markets. As of 2025, dollar-backed stablecoins have a circulation of over \$150 billion and have the ability to serve as the transactional backbone for tokenized settlements, cross-border payments, and emerging retail payment systems.

The recently enacted federal Guaranteeing Essential National Infrastructure in US-Stablecoins Act (the Genius Act) has established a federal framework for stablecoin issuance, use, and regulation. The Genius Act governs the issuance of stablecoin and the services to facilitate the use of stablecoin. The act provides the following pathways to become a stablecoin issuer:

- Insured Depository Institution Subsidiary
 - Federal Chartered Banks and Credit Unions
 - State Chartered Banks and Credit Unions
 - Approved by Federal Regulator
- Federal Qualified Issuer
 - Nonbank or uninsured national bank (i.e., OCC Trust)
- State Qualified Issuer
 - Nonbank, uninsured depository institution, state-chartered trust not a subsidiary of a state or federal bank or credit union

The federal pathway to becoming a stablecoin issuer has more options than the state pathway. For example, Maryland state-chartered banks would have to follow the insured

Depository Institution Subsidiary approval process. However, the act allows the state to approve and charter subsidiaries of Maryland state-chartered financial institutions that do not issue stablecoin but provide services to facilitate the use of stablecoin. An example of these types of stablecoin services would be custody and payment services.

As explained, Maryland's state-chartered banks and credit unions will have to seek a federal charter to issue stablecoin. However, if Maryland has the ability to offer a State Stablecoin Charter, it would be able to allow the following activities in Maryland:

Non-Depository Trust (Not a subsidiary of a state-chartered bank or credit union)

- Issue Stablecoin
- Provide Stablecoin Services

Non-Depository Trust (Subsidiary of a state-chartered bank or credit union)

- Provide Stablecoin Services

Credit Union Service Organization (CUSO)

- Provide Stablecoin Services

While Congress continues to debate how to implement a national framework, several states, **New York, Wyoming, Texas, and Nebraska**, have established specialized charters that authorize stablecoin issuance, custody, or payment operations under state supervision. These models offer a blueprint for Maryland to assert leadership in financial innovation while protecting consumers and ensuring systemic integrity.

Maryland has an opportunity to be at the forefront of changes in payment technology. The Office of Financial Regulation (OFR) advocates for the passage of the MD Stablecoin Act. This proposed legislation is crucial for Maryland to establish a supervised regulatory framework for the issuance and servicing of stablecoins by non-depository financial companies. Additionally,

it will establish necessary notification regulations for state-chartered financial institutions engaging in stablecoin activities.

Why This Bill is Needed:

The Genius Act also provides a pathway for states to establish and supervise certain stablecoin issuers and stablecoin payment services through a state payment stablecoin regulator. Maryland currently lacks a specific mechanism to charter institutions that wish to issue stablecoins or serve as stablecoin payment services. This bill would designate the OFR as Maryland's state payment stablecoin regulator and create the appropriate charter and legal framework for entities seeking to become Maryland-chartered stablecoin issuers or provide stablecoin payment services.

This proactive and responsive approach allows Maryland to adapt to the evolving financial services ecosystem, fostering innovation while simultaneously protecting consumers. The benefits of a Maryland Stablecoin Charter are listed below:

Economic Development and Innovation

A stablecoin charter positions Maryland as a destination for digital finance, payments, and custody innovation. By providing regulatory clarity, the State can attract high-growth firms, technology investment, and skilled jobs in blockchain engineering, compliance, and financial operations. In addition, allowing our state-chartered financial institutions to provide stablecoin services will further strengthen their position in the communities they serve, enabling them to offer modern financial products and services.

A Maryland-chartered entity could pilot tokenized settlement systems that improve payment efficiency for local banks, credit unions, and fintechs, enhancing Maryland's reputation as a forward-looking financial ecosystem.

Payment Financial Ecosystem Enhancements

A stablecoin charter will help Maryland support businesses and financial institutions by providing a payment solution that will do the following:

- The use of smart contracts and instant 24/7 settlement at scale, which is referred to as the atomic settlement.
- Businesses will be able to complete transactions faster with less cost
- International payment rails that businesses use to sell and purchase goods and services will be enhanced through stablecoin due to faster settlements, a universally accepted method of payment between foreign countries and lower costs of the transaction.

Interoperability and Financial Inclusion

A Maryland charter could bridge the gap between digital assets and traditional banking. Stablecoin-based payment rails can reduce transaction costs for small businesses, enable faster B2B settlements, and expand digital payment options in underserved communities.

Access to Banking in our State could be strengthened with a Stablecoin-enabled payment infrastructure that could support low-cost transactional accounts or remittance products offered through community banks and credit unions along with the opportunity of Partnerships between fintechs, stablecoin custodians, and local lenders could enable real-time micro-loans or grant disbursements to small businesses in low- and moderate-income (LMI) areas.

Policy Leadership

Establishing a Maryland framework would demonstrate state-level leadership in a critical national policy area. It would allow OFR to pilot a model emphasizing prudential safeguards, transparency, and interoperability with federal oversight, a pragmatic alternative to purely federal or purely private systems.

By acting early, Maryland can help shape national norms rather than react to them. This is our seat at the table to help shape the new modern payment ecosystem.

Public Confidence and Market Integrity

A state-chartered, prudentially supervised stablecoin issuer would carry regulatory legitimacy, reassuring consumers, investors, and counterparties that redemption and transparency are guaranteed by law.

This enhances confidence not only in digital assets but also in Maryland's broader financial ecosystem, bolstering the credibility of state-chartered institutions that integrate digital asset services into their offerings.

Expected Outcomes

1. **Economic Impact:** Attraction of digital finance firms, technology investment, and high-skilled jobs.
2. **Financial Inclusion:** Expanded access to affordable digital payment services for Maryland households and small businesses.
3. **Regulatory Credibility:** A trusted model for stablecoin supervision, balancing innovation and safety.
4. **National Leadership:** Early adoption positions Maryland among a handful of states shaping the next generation of financial infrastructure.

A Maryland stablecoin charter would represent a natural evolution of the State's financial innovation agenda, combining the prudential standards of traditional regulation with the technological potential of digital assets. By authorizing OFR to charter and supervise such entities, Maryland can ensure that stablecoin innovation aligns with the State's longstanding commitments to consumer protection, community banking, and economic inclusion.

Why Now is the Time:

Enactment in the 2026 legislative session is crucial for OFR to establish the regulatory framework and submit a timely application to the Stablecoin Certification Review Committee (SCRC) by mid-2027.

Milestone	Deadline / Period
Act becomes law	July 18, 2025
Final federal & state regulations issued	By July 18, 2026
GENIUS Act takes effect	Earliest: late 2026; latest: Jan 18, 2027
Report to Congress on regulations (and states submit initial applications)	180 days after effective date (~mid-2027)
SCRC approves certification	+30 days after each state submits
Full compliance required by issuers	By July 18, 2028 (3 years post-enactment)

The US Department of the Treasury Secretary, the Chair of the Board of Governors of the Federal Reserve System, and the Chair of the Federal Deposit Insurance Corporation (FDIC) make up the SCRC.

Operational Impact on the Office of Financial Regulation:

The new charter will necessitate the OFR to develop new policies and procedures for the charter approval process and establish appropriate regulatory protocols for the ongoing supervision and examination of chartered entities. Our existing examiner staff possesses core expertise in banking and money transmission, providing a strong foundation for overseeing these entities. While additional training or specialized resources may be required depending on the complexity of applicants' business models, the OFR anticipates managing this initiative within existing staffing levels at current demand. Should demand for the charter significantly increase, we may need to seek additional staff to support the program effectively.

This initiative will be an extension of the current regulatory supervision already conducted by the OFR, requiring examiner teams to expand their duties to regulate this new type of charter.

Fiscal Impact on the Office of Financial Regulation:

Initially, the OFR does not anticipate a large number of applicants for this new charter and expects to handle the chartering and regulation of these institutions with existing staff and resources. Increased revenues from fees and assessments associated with the new charter would provide support for future staffing needs if demand grows significantly.

Regarding capital or operational costs, training and travel expenses will be involved in regulating these entities. However, these costs are expected to be offset by the fees and assessments associated with the new charter. The funding for this initiative will be special funded, not from general fund allocation.

The revenue source will mirror the fees and assessments currently charged to state-chartered banks. Entities seeking these new charters will pay an application fee and an assessment fee to fund the necessary regulatory work, consistent with the existing structure for Maryland-chartered or licensed financial companies.

We urge your favorable consideration of the MD Stablecoin Act to ensure Maryland remains at the forefront of financial innovation while maintaining robust consumer protection.

For questions, please contact Andrew Fulginiti, at **Andrew.Fulginiti@maryland.gov**

Senator Alsobrooks Statement_Maryland Office of Fi

Uploaded by: Amy Hennen

Position: FAV

United States Senate

WASHINGTON, DC 20510

COMMITTEES:

BANKING, HOUSING, AND URBAN AFFAIRS
ENVIRONMENT AND PUBLIC WORKS
HEALTH, EDUCATION, LABOR, AND PENSIONS
SPECIAL COMMITTEE ON AGING

February 24, 2026

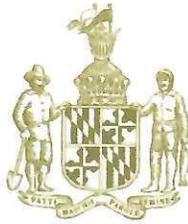
"I applaud the Maryland legislature, Office of Financial Regulation, and the Office of the Governor for their efforts to codify the GENIUS Act at the state level through collaboration and consensus building. I got involved with the GENIUS Act because I believe Maryland needs a seat at the table in talks about our financial future—Maryland's work at the state level is toward this same goal. I believe digital assets are here to stay, and we have a responsibility to develop rules of the road that protect consumers and encourage innovation here at home."

HB1395 Consumer Protection -Agriculture Equipment

Uploaded by: Jay Jacobs

Position: FAV

JAY A. JACOBS
Legislative District 36
Caroline, Cecil, Kent, and
Queen Anne's Counties



The Maryland House of Delegates
6 Bladen Street, Room 309
Annapolis, Maryland 21401
410-841-3449
800-492-7122 Ext. 3449
Jay.Jacobs@house.maryland.gov

Environment and Transportation
Committee

Subcommittees

Motor Vehicle and Transportation

Natural Resources, Agriculture,
and Open Space

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Local Government and Bicounty Agencies

Joint Committee on Administrative,
Executive, and Legislative Review

HB 1395 Consumer Protection-Agricultural Equipment Warranties

Madam Chair and members of the Economic Matters Committee:

This legislation is for the purpose of making a claim under a warranty of certain agricultural equipment, that a consumer is to provide written notice to certain parties to report a nonconformity, defect, or condition. It requires certain parties to correct the nonconformity, defect, or condition in a certain manner. It also requires certain parties to provide a consumer with the opportunity to replace agricultural equipment or receive a refund under certain circumstances.

Currently there are 10 states that have some sort of Agricultural Equipment Lemon Law Legislation in statute. The passage of HB 1395 would add Maryland to that list.

I ask for your favorable vote for HB 1395

[2026 - 01.28] HB1355 (Maryland Stablecoin Act) Wr

Uploaded by: Marlon Amprey

Position: FAV

MARLON AMPREY
Legislative District 40
Baltimore City

DEPUTY MAJORITY WHIP

Economic Matters Committee



The Maryland House of Delegates
6 Bladen Street, Room 314
Annapolis, Maryland 21401
410-841-3520
800-492-7122 Ext. 3520
Marlon.Amprey@house.maryland.gov

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 10, 2026

Chair Valderrama
Vice Chair Charkoudian
House Economic Matters Committee
230 Taylor House Office Building
231 Taylor House Office Building
Annapolis, MD 21401

FAV Written Testimony for HB1355 Maryland Stablecoin Act

Dear Chair Valderrama, Vice Chair Charkoudian, and Members of the House Economic Matters Committee,

HB1355 establishes a comprehensive regulatory structure by creating a new Title 14 in the Financial Institutions Article and designating the Office of Financial Regulation as Maryland's State Payment Stablecoin Regulator. The bill authorizes the Commissioner of Financial Regulation to license and supervise nondepository trust companies and credit union service organizations that provide payment stablecoin services.

Stablecoins are digital currencies designed to maintain a stable value, typically pegged one-to-one with the U.S. dollar. Unlike highly volatile cryptocurrencies, stablecoins combine blockchain efficiency with the reliability of traditional currency. They are increasingly used for low-cost domestic and international payments, real-time business settlement, liquidity in digital markets, and are even being explored in states such as Wyoming for government service payments.

With digital payments projected to approach \$2 trillion in the coming years, Maryland must act now to ensure innovation occurs within a transparent, well-regulated framework.

This bill contains strong consumer protection guardrails. Stablecoin entities authorized under Maryland law may not accept consumer deposits, may not make loans, and may not represent that funds are insured. These entities will be regulated under safety and soundness standards similar to state-chartered trust companies.

Applicants must demonstrate good moral character, financial responsibility, and operational capacity. The Commissioner is granted examination authority, enforcement powers, and the ability to impose conditions or revoke authorization when necessary to protect the public interest.

Importantly, this legislation aligns Maryland with the federal GENIUS Act, which established both federal and state pathways for stablecoin regulation. By creating a substantially similar state-level framework, Maryland can responsibly participate in this emerging industry while preserving strong oversight.

This bill provides legal clarity, reduces uncertainty, protects consumers and businesses from fraud and misinformation, and positions Maryland as a competitive, forward-thinking hub for digital finance. States such as New York and Wyoming have already taken action in this space; Maryland should not fall behind.

The Maryland Stablecoin Act does not promote unregulated digital currency activity. Rather, it provides a balanced, structured framework that safeguards residents while encouraging responsible economic growth. There is no expected fiscal impact.

I respectfully urge a favorable report on **HB1355**.

Sincerely,

A handwritten signature in black ink, appearing to read "Marlon Amprey". The signature is fluid and cursive, with the first name "Marlon" being the most prominent part.

Delegate Marlon Amprey
40th Legislative District of Maryland

2026 - HB1355 – Financial Institutions - Payment S

Uploaded by: Rory Murray

Position: FAV



RE: HB1355 – Financial Institutions - Payment Stablecoin Services - Establishment and Regulation (Maryland Stablecoin Act)

Position: Support

The MD|DC Credit Union Association is a trade association representing over 65 credit unions in Maryland, along with their more than 2.3 million members. Maryland credit unions are not-for-profit, member-owned financial cooperatives that serve communities across the State.

We respectfully urge a favorable report on SB 662, the “Maryland Stablecoin Act.” Credit unions strongly support a solid, risk-based regulatory framework that protects Maryland consumers while allowing responsible innovation in digital payments and stablecoin-related services.

SB 662 thoughtfully positions the Office of Financial Regulation as the State’s “payment stablecoin regulator” and creates a clear pathway for regulated entities to participate in this emerging market consistent with the Federal GENIUS Act of 2025. By using existing structures for nondepository trust companies and credit union service organizations (CUSOs), the bill builds on proven supervisory tools rather than creating an untested parallel regime. Credit unions appreciate this incremental approach, which recognizes that stablecoin activity must be subject to the same expectations for safety, soundness, and consumer protection that already govern traditional financial services.

From the credit union perspective, several features of SB 662 are particularly important for Maryland consumers:

- First, the bill confines “payment stablecoin-related services” to clearly defined functions, such as exchanging stablecoins for monetary value, custodial and safekeeping services, and management of reserve assets, explicitly excluding the issuance of payment stablecoins itself. This separation of issuance and servicing roles helps limit concentration of risk and provides the Commissioner with clear lines of accountability.
- Second, SB 662 requires that any products and services approved for a payment stablecoin services institution must facilitate the use of payment stablecoin in a manner that is not inconsistent with federal law, including the GENIUS Act of 2025. This alignment reduces regulatory fragmentation and helps ensure Maryland consumers receive protections comparable to those in other jurisdictions.
- Third, the bill retains strong prudential expectations by requiring the Commissioner to find that applicants have good moral character, financial responsibility, and business experience, and that their activities support the welfare of the State’s economy and are not detrimental to the public interest. These standards mirror the risk-sensitive oversight credit unions already experience and expect.



Credit unions are member-owned, not-for-profit cooperatives with a statutory mission to promote thrift and provide access to credit for provident purposes. In practice, this mission means credit unions approach new technologies like stablecoin and tokenized payments as tools to improve member service, faster settlement, lower transaction costs, and expanded access, rather than as speculative assets. Under SB 662, a credit union-owned CUSO may seek authority to operate as a “payment stablecoin services institution,” subject to Commissioner approval, a tailored certificate, and ongoing supervision. This structure allows credit unions to deliver innovative payment solutions at scale while keeping core insured depository activities appropriately insulated from experimental or higher-risk use cases.

Consumer protection is central to credit unions’ support for SB 662. The bill requires applications to include business plans, disclosures about key individuals, and any additional information the Commissioner may require by regulation, providing transparency into governance, risk management, and compliance frameworks before any stablecoin-related service is offered to the public. The authority to impose specific terms and conditions in the certificate, enter into memoranda of understanding, and tailor powers and products on an institution-by-institution basis gives the Commissioner practical tools to address emerging risks, including cybersecurity, operational resilience, fraud, and third-party vendor relationships. These tools are consistent with the way regulators and the credit union industry have successfully managed innovation in areas such as remote deposit capture, P2P payments, and open-banking APIs.

SB 662 also appropriately integrates stablecoin-related activity into existing assessment, examination, and information-sharing regimes. The Commissioner is authorized to set assessments for institutions engaging in business under Title 14 by regulation and to share information with federal regulators and other state agencies, supporting coordinated oversight and reducing the risk of regulatory arbitrage. Credit unions support this coordinated approach because fragmented oversight ultimately increases risk for consumers and compliant institutions alike.

As member-focused institutions, credit unions see opportunities for responsible use of payment stablecoins in areas such as real-time member-to-member transfers, cross-border remittances for immigrant and military families, and lower-cost merchant settlement for small businesses in Maryland’s communities. SB 662 provides a framework within which those use cases can be explored carefully, under state supervision, and in alignment with federal standards, rather than leaving Maryland consumers to rely solely on unregulated or out-of-state providers.

For these reasons, Maryland’s credit unions support SB 662 and appreciate its balanced effort to marry innovation with prudential oversight and strong consumer safeguards. We respectfully ask the Committee to issue a favorable report.



MD|DC
Credit Union Association

Thank you for your consideration and for your continued work to protect Maryland consumers while modernizing our financial regulatory framework.

We respectfully request a **FAVORABLE** report on Senate Bill 662.

Sincerely,

John Bratsakis
President/CEO
MD|DC Credit Union Association

CSBS Maryland House Stablecoin Act Testimony.pdf

Uploaded by: Yevgeny Shrago

Position: INFO

CSBS Testimony on Maryland Stablecoin Act

Yevgeny Shrago

March 10, 2026

My name is Yevgeny Shrago, Senior Director for Regulatory Policy at the Conference of State Bank Supervisors. CSBS supports state regulators in advancing the system of state financial supervision.

I appreciate the opportunity to testify today on HB 1355, the Maryland Stablecoin Act.

State regulatory regimes have fostered important digital assets innovations for more than a decade, sparking market competition, product development, and experimentation, all while helping protect consumers.

When Congress passed the GENIUS Act to create a nationwide framework for regulating payment stablecoins, it created a regime that recognized this history and respected the role of the states.

This bill, if passed, would be among the first pieces of state legislation to establish a state regulatory framework for approving and regulating payment stablecoin issuers since the GENIUS Act was passed.

State payment stablecoin regulators must seek certification from Treasury that their state-level regime is “substantially similar” to the Federal regulatory framework. CSBS interprets this provision to mean that state’s requirements meet or exceed the requirements set forth in Section 4(a) of the GENIUS Act, and we have encouraged the United States Treasury Department to adopt this interpretation in its forthcoming implementing regulations.

We believe the Maryland Stablecoin Act would meet the certification criteria with its provisions and by granting the Commissioner the authority to adopt regulations that facilitate certification of the Office as a state payment stablecoin regulator.

Such regulations would include capital, liquidity, and risk management requirements, redemption policies, specific guidelines for authorizing incidental or digital asset service provider activities, and prohibitions on paying interest or yield.

Any consumer protection laws or rules applicable to Maryland-licensed issuers would also apply to other state- and federally-licensed issuers operating in Maryland.

CSBS stands ready to continue advocating on behalf of the state system and supporting states in their development of state-level regulatory regimes that preserve safety and

soundness and consumer protection while advancing responsible innovation. Thank you for your time.