



## TESTIMONY OF THE MARYLAND BLOCKCHAIN ASSOCIATION

In Support of SB 662 – The Maryland Stablecoin Act

Subject: Alignment with the Federal GENIUS Act and National Regulatory Standards

Before the Senate Finance Committee

February 24, 2026

Dear Chairman Beidle, Vice Chair Hayes and Members of the Committee,

The Maryland Blockchain Association strongly urges a **favorable report** on SB 662. This legislation is not only timely but essential for maintaining Maryland's status as a premier jurisdiction for financial innovation. Most importantly, this legislation is architected to align seamlessly with the **Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act)**, signed into law on July 18, 2025.

As the federal government moves toward a unified framework for "Payment Stablecoins," Maryland must ensure its state-level regulations are "substantially similar" to federal standards to preserve our state's dual-banking and dual-regulatory authority.

### 1. Integration with the GENIUS Act Framework

The GENIUS Act of 2025 established the first comprehensive federal framework for digital assets, specifically distinguishing **Payment Stablecoins** from securities or commodities. HB 1355 mirrors this federal distinction by:

- **Permitted Issuer Pathways:** Following the federal model, HB 1355 creates a clear pathway for **nondepository trust companies** to operate as state-qualified issuers. This ensures that Maryland businesses can apply for federal "Qualified Issuer" status under the GENIUS Act's state-delegation provisions.
- **Asset Segregation and Redemption:** Federal law now mandates 1:1 reserve backing and immediate redemption rights. HB 1355 codifies these requirements at the state level, ensuring Maryland consumers receive the same "gold standard" protections afforded by federal law.



## 2. Compliance with New Agency Guidance

In late 2025 and early 2026, the **Office of the Comptroller of the Currency (OCC)** and the **FDIC** issued updated interpretive guidance regarding bank-led stablecoin activities. HB 1355 aligns with this guidance by:

- **Lowering Barriers for Commercial Banks:** By reducing charter fees for new commercial banks, Maryland encourages traditional institutions to build "Payment Stablecoin" divisions, as permitted under the new OCC interpretive letters.
- **NMLS Interoperability:** The GENIUS Act encourages states to use the **Nationwide Multistate Licensing System (NMLS)** for transparency. HB 1355 explicitly authorizes our Commissioner of Financial Regulation to participate in the NMLS, ensuring Maryland issuers can scale across state lines without friction.

## 3. Strategic Importance of Substantial Similarity

Under Section 3 of the GENIUS Act, state-regulated stablecoin issuers with less than \$10 billion in circulation can remain primarily under state supervision **only if** the state's regulatory regime is certified as "substantially similar" to the federal framework.

**This bill is the Maryland's "Certification Bridge."** Without this bill, Maryland-based fintechs may be forced into more expensive and burdensome federal-only oversight, potentially driving innovation and tax revenue out of our state to jurisdictions like Wyoming or New York that have already updated their statutes.

## Conclusion

This bill is a proactive, pro-growth response to a new federal reality. By passing this act, Maryland provides its businesses with a regulatory "operating system" that is fully compatible with the laws of the United States, positioning our state as the East Coast leader for the next generation of global payments.

We respectfully request a **favorable report** on SB 662

Jacqueline Cooper, CEO.

**Maryland Blockchain Association**

[www.marylandblockchainassociation.org](http://www.marylandblockchainassociation.org)