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Christopher L. Williston VI, CAE

President and CEO

IBAT, Austin

Jennifer M. Jones

Deputy Executive Secretary

Federal Deposit Insurance Corporation

550 17th Street NW

Washington, DC 20429

Re: Approval Requirements for Issuance of Payment Stablecoins by
Subsidiaries of FDIC-Supervised Insured Depository Institutions; RIN
3064-AG20

Dear Ms. Jones:

On behalf of our member banks, the Independent Bankers Association of Texas ("IBAT") appreciates the opportunity to comment on the Federal Deposit Insurance Corporation's ("FDIC") Notice of Proposed Rulemaking establishing approval requirements for FDIC-supervised insured depository institutions seeking to issue payment stablecoins through subsidiaries pursuant to the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act).

IBAT represents community-based insured depository institutions of varying asset sizes and business models, many of which serve rural, agricultural, and small-business markets. While a limited number of banks may possess the scale or strategic interest necessary to consider payment stablecoin issuance, the vast majority of community banks do not currently engage in, and have no plans to engage in, these activities on their own accord.

Support for Regulatory Clarity

IBAT supports the FDIC's objective of establishing a clear, transparent approval framework for banks that elect to pursue payment stablecoin activities. Clear standards and procedures reduce regulatory uncertainty and assist boards and management in evaluating whether such activities are consistent with safety and soundness expectations.

Scope and Supervisory Expectations

We respectfully request that the final rule clearly articulate that the approval framework is activity-based and does not create implicit supervisory expectations that all FDIC-supervised institutions should be prepared to engage in stablecoin issuance. For community banks, decisions not to pursue these activities reflect prudent risk management and strategic focus and should not be viewed negatively in the supervisory process.

IBAT further encourages the FDIC to reaffirm that supervisory expectations related to capital adequacy, liquidity, model risk management, third-party relationships, and affiliate transactions will continue to be applied in a manner proportionate to an institution's size, complexity, and risk profile.

Subsidiary Structure and Governance Considerations

The proposed rule contemplates issuance through a subsidiary of the insured depository institution. For many community banks, creating and overseeing a subsidiary engaged in novel digital asset activities may be operationally burdensome and cost-prohibitive. We encourage the FDIC to ensure that governance, reporting, and internal control expectations are scalable and do not inadvertently disadvantage smaller banks relative to larger, more complex organizations.

Competitive Equity and Market Considerations

IBAT notes that nonbank entities may continue to engage in payments-related innovation outside the bank regulatory framework. We encourage ongoing interagency coordination to promote consistent treatment of economically similar activities across bank and nonbank firms, thereby avoiding regulatory arbitrage and preserving the competitive position of all banks.

Incidental and Indirect Exposure

Even where banks do not issue payment stablecoins directly, community banks may maintain customer relationships with businesses that interact with stablecoin platforms or related service providers. IBAT requests that supervisory materials accompanying the final rule clearly distinguish between direct issuance activities and incidental or indirect exposure arising from traditional banking relationships.

Conclusion

Community banks remain focused on delivering safe, sound, and relationship-driven financial services tailored to local markets. IBAT respectfully urges the FDIC to finalize the rule in a manner that preserves flexibility, appropriately scales regulatory expectations, and avoids imposing unnecessary compliance burdens on banks that do not engage in payment stablecoin issuance.

We appreciate the opportunity to comment and would welcome continued dialogue with the FDIC as implementation of the GENIUS Act proceeds.

Sincerely,

/s/

Christopher L. Williston VI
President and CEO
Independent Bankers Association of Texas (IBAT)