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Insured State Member Banks Receive Support to Engage in Crypto-Asset Activities

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On December 22, 2025, the Board of Governors of the Federal Reserve (the Board) **issued a final rule** that rescinded a 2023 policy statement and that in turn issued a new policy statement. In a **memo submitted to the Board in November**, Board staff explained that the 2023 policy statement was put into place at the time to address "particular sets of facts related to certain crypto-assets" and that the policy was intended to describe how the Board would approach regulating state member banks interested in engaging in such crypto-asset activities. Specifically, the 2023 policy statement established that all state member banks, insured and uninsured alike, were required to apply to the Federal Deposit Insurance Corporation (FDIC) for permission to engage in crypto-asset activities, even if national banks were permitted to engage in those activities by the Office of the Comptroller of the Currency (OCC).

The 2025 policy statement establishes that to the extent national banks are permitted to engage in crypto-asset activities as determined by the OCC, insured state member banks may also engage in those activities. Uninsured state member banks still may not engage in such crypto-asset activities without express permission. Should an uninsured state member bank wish to engage in such activities, "the Board will engage with the FDIC and OCC as appropriate" in a manner consistent with the parameters described in the policy statement.

Specifically, for the Board to evaluate whether an uninsured bank should be permitted to engage in the crypto-asset activity, the policy statement states that the Board should consider (i) the risks presented by the proposed activities and the bank's planned internal controls framework to address such risks and (ii) how the institution would mitigate the risks otherwise addressed by deposit insurance and FDIC resolution. The latter may be demonstrated by the bank demonstrating that it has an adequate resolution plan, as well as either (i) a sufficient amount of total loss-absorbing capacity or (ii) high-quality liquid assets equal to 100 percent of the bank's demand deposits and other short-term liabilities.

The parameters described by the Board for uninsured state member banks are meaningful for non-bank companies considering whether to become a Permitted Payment Stablecoin Issuer pursuant to the GENIUS Act. In other words, such companies can anticipate being required to demonstrate similar kinds of loss-absorbing capacity and resolution plans.