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ALERT

TOP STORY

Crypto market gets major win as Congress passes stablecoin bill

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Jul 18, 2025



The U.S. Capitol on June 28, 2025, in Washington, D.C.

Al Drago, Getty Images via TNS

Congress delivered a watershed victory for the crypto industry on Thursday, passing the first federal legislation to regulate stablecoins and clearing the way for broader use of the technology in everyday finance.

Backed by Republicans and championed by President Donald Trump, the bill imposes federal or state oversight on dollar-linked tokens that can move around the clock and across platforms. Supporters say it could unlock faster, cheaper forms of payments — and bring legitimacy to a \$265 billion market that Citigroup Inc. analysts expect could swell to \$3.7 trillion by 2030.

The measure, which passed the House with broad bipartisan support after clearing the Senate, is now on track to become law. Trump personally lobbied Republican lawmakers to support it.

The legislation marks a political coming-of-age for the digital assets industry, which rebounded from the confidence-rattling collapse of Sam Bankman-Fried's FTX crypto exchange less than three years ago to pour hundreds of millions of dollars into the election last year of friendly lawmakers.

The stablecoin bill is the centerpiece of a legislative push Trump has dubbed "Crypto Week." Earlier Thursday, the House also passed a broad crypto market structure bill that still has to be considered by the Senate.

Democratic critics such as Sen. Elizabeth Warren and Rep. Maxine Waters warned the new stablecoin regulatory regime won't do enough to protect consumers and could lead to pressure for government bailouts if issuers of the digital tokens fail.

But the nation's most influential bankers are already grappling with the challenge the new measure is likely to accelerate. On earnings calls this week, JPMorgan's Jamie Dimon, Bank of America's Brian Moynihan and Citigroup's Jane Fraser each described the upstart "digital dollar" as a potential threat to the banking industry's grip on payments — and signaled they're preparing to respond.

The digital tokens could potentially eat at bank deposits, as some consumers move money into stablecoin accounts. It could also broaden the stablecoins' use in cross-border money transfers and in payments, and open the way for everyone from banks to card networks to technology firms issuing their own stablecoins. In recent weeks, a slew of major banks including JPMorgan said they are looking at being involved in stablecoins.

U.S.-based crypto companies that issue dollar-denominated stablecoins such as Circle Internet Group Inc. may be in the most immediate position to gain.

The legislation “provides the stablecoin industry with the degree of legitimacy they have been craving” said Eswar Prasad, a senior fellow at the Brookings Institution. “And the bonus is that it comes with what I view as relatively light-touch regulation.”

The measure sets regulatory rules for dollar-backed stablecoins, including a requirement for firms to hold dollar-for-dollar reserves in short-term government debt or similar products overseen by state or federal regulators.

Trump and his family have ties to a series of digital-asset businesses including World Liberty Financial, a platform that has its own branded token as well as a stablecoin.

Crypto ventures have added at least \$620 million to Trump’s personal fortune in the span of months, according to the Bloomberg Billionaires Index.

Some Democrats unsuccessfully tried to add a provision to the stablecoin legislation that would bar elected officials such as Trump and their families from stablecoin business ventures.

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