



March 4, 2026

United States Senate
Washington, D.C. 20510

Re: ICBA Federal Delegate Board Urges Congress to Protect Vital Community Lending in Digital Assets Market Structure Legislation

Dear Senator:

We write to you as members of the Independent Community Bankers of America (ICBA) Federal Delegate Board—comprised of community bank leaders from across the country elected and entrusted by peer bankers in our home states to represent them. We are committed to innovation that will allow us to reach more customers with more efficient and effective products and services. But innovation must be done responsibly to avoid economic harm. As you take up digital assets market structure legislation, we ask that you seriously consider our views. This legislation carries high stakes for our industry and the communities we serve.

We urge your support for a robust and effective prohibition on the payment of interest, yield, rewards or similar inducements to stablecoin holders by exchanges, their affiliates, and other digital asset market participants.

Passing legislation without a strong prohibition would threaten the deposits that fuel community lending and support economic growth across America.

Community Bank Deposits Fuel Lending and Local Economies

Why is this prohibition so important to Americans? Community bank lending is funded almost exclusively by deposits. Proposals that incentivize deposit migration to payment stablecoins create a direct threat to our lending capacity. If legislation allows crypto exchanges, affiliates, and other intermediaries to pay interest or interest-equivalents on payment stablecoins, they become, in effect, a deposit-substitute that could siphon away deposits. This reduction in deposits will sharply reduce community bank capacity to provide the loans that create jobs and drive economic activity on Main Street. Crypto exchanges and other non-bank digital assets entities do not have the ability or time-tested commitment to filling these credit needs.

This very real concern has brought us together, from the diverse institutions and communities we represent, to urge your support for a prohibition on yield or equivalent payments.

What Does the Research Say?

[Based on new macroeconomic modeling](#), ICBA estimates that the growth of the stablecoin market, if payment of yield or interest on payment stablecoins at crypto exchanges continues to be permitted, will significantly reduce community banks' ability to support local lending needs. Deposits could be reduced

by \$1.3 trillion (out of a total of \$4.8 trillion community bank deposits). In turn, lending could be reduced by \$850 billion.

Recent Federal Reserve research, [“Banks in the Age of Stablecoins: Some Possible Implications for Deposits, Credit, and Financial Intermediation.”](#) concludes that: “Erosion of [community banks’] deposit base and rising funding costs could weaken their lending capacity, particularly in markets where relationship banking has been central to local credit provision.”

Deposit losses of the magnitude described above would ripple across the country as farmers would have less credit to prepare for the next planting season and small business owners—responsible for most new job creation—would lack credit to expand operations or hire new workers. Economic life in many smaller communities would stagnate, weakening the strength of the national economy.

We ask for your support in ensuring that digital market structure legislation extends the prohibition on yield-bearing stablecoins to preserve the lending we provide to small businesses, farmers, and families.

Thank you for your consideration.

Sincerely,

Ms. Alice P. Frazier
Potomac Bank
Charles Town, WV

Mr. Brad Bolton
Community Spirit Bank
Red Bay, AL

Mr. Gregory Niska
Gateway Commercial Bank
Mesa, AZ

Mr. P.J. Wharton
Yampa Valley Bank
Steamboat Springs, CO

Mr. John R. Ramage
Troy Bank & Trust Company
Brundidge, AL

Mr. Andrew J. Ryback
Plumas Bank
Quincy, CA

Ms. Ginger Fennell
Ion Bank
Naugatuck, CT

Mr. Jim S. Gowen, Jr.
Merchants & Planters Bank
Newport, AR

Mr. Kyle J. Heckman
Flatirons Bank
Boulder, CO

Mr. Wm. Jack Riddle
Community Bank Delaware
Lewes, DE

Mr. Marty L Sellars
FNBC Bank
Ash Flat, AR

Mr. Quentin Leighty
First National Bank Colorado
Las Animas, CO

Mr. Andrew Miller Couse
First Bank
Clewiston, FL

Mr. Ron G. Quinn
Peach State Bank & Trust
Gainesville, GA

Mr. Derek B. Williams
Century Bank & Trust
Milledgeville, GA

Mr. Verlin J. Barker
First Community Bank
Newell, IA

Mr. Wade Gort
Premier Bank
Rock Valley, IA

Mr. John 'JV' V. Evans, III
D.L. Evans Bank
Boise, ID

Mr. Jeffery A. Bonnett
The Havana National Bank
Havana, IL

Mr. Michael W. Estes
The Fisher National Bank
Fisher, IL

Ms. Kimberly McKee
North Central Bank
Ladd, IL

Mr. Douglas E. Parrott
State Bank of Toulon
Toulon, IL

Mr. Kent Liechty
First Bank of Berne
Berne, IN

Mr. Lucas White
The Fountain Trust Company
Covington, IN

Mr. Blake Heid
First Option Bank
Paola, KS

Mr. Billy Bingham
United Southern Bank
Hopkinsville, KY

Mr. Jason E. Jones
Community Financial Services
Bank
Benton, KY

Mr. Ken Hale
BOM Bank
Natchitoches, LA

Mr. Edward F. Doherty, Jr.
StonehamBank
Stoneham, MA

Mr. Richard Holmes Ohnmacht
Woodsboro Bank
Woodsboro, MD

Mr. Reid B. Tingle
Bank of Ocean City
Ocean City, MD

Mr. Craig J. Garofalo
Kennebec Savings Bank
Augusta, ME

Mr. Andrew E. Silsby
Kennebec Savings Bank
Augusta, ME

Mr. Michael J. Burke, Jr.
ChoiceOne Bank
Lapeer, MI

Mr. Kelly Potes
ChoiceOne Bank
Sparta, MI

Mr. David C. Williams
Upper Peninsula State Bank
Escanaba, MI

Ms. Anita Drentlaw
New Market Bank
Lakeville, MN

Mr. Bernie Gaytko, Jr.
Keen Bank, National
Association
Waseca, MN

Mr. Bill LaVigne
The Bank of Elk River
Elk River, MN

Mr. Noah W. Wilcox
Grand Rapids State Bank
Grand Rapids, MN

Mr. Tyler M. Bender
Midwest Regional Bank
Clayton, MO

Mr. Robert Barnes
PriorityOne Bank
Magee, MS

Mr. Johnny Barrett
FNB Oxford Bank
Oxford, MS

Mr. Kenneth Martin
Independence Bank
Havre, MT

Mr. James H. Sills, III
Mechanics & Farmers Bank
Durham, NC

Mr. Earl W. Worley, Jr.
KS Bank, Inc.
Smithfield, NC

Ms. Brenda Foster
First Western Bank & Trust
Minot, ND

Ms. Sarah Getzlaff
Security First Bank of North
Dakota
Bismarck, ND

Mr. Brian Morrow
Pinnacle Bank
Lincoln, NE

Mr. David Finnerty
Claremont Savings Bank
Claremont, NH

Mr. Brett deMilliano
First American Bank
Las Cruces, NM

Mr. Alan Shettlesworth
Main Bank
Albuquerque, NM

Mr. Spencer Hafen
Nevada Bank and Trust
Company
Caliente, NV

Mr. Robert M. Fisher
Tioga State Bank, N.A.
Spencer, NY

Mr. Carlos P Naudon
Ponce Bank, National
Association
Bronx, NY

Ms. Jill Sung
Abacus Federal Savings Bank
New York, NY

Mr. Steven J. Woodard
Alden State Bank
Alden, NY

Mr. Jack A. Hartings
The Peoples Bank Co.
Coldwater, OH

Mr. Shon B. Myers
Farmers & Merchants Bank
Miamisburg, OH

Mr. Rick Carrol Holder
Cattlemens Bank
Gould, OK
Mr. Ryan Dempster
Willamette Valley Bank
Salem, OR

Mr. Troy M. Campbell
Altoona First Savings Bank
Altoona, PA

Mr. Troy A. Peters
Jonestown Bank and Trust
Company
Jonestown, PA

Mr. James A. Bennett
Spratt Savings Bank
Chester, SC

Mr. Todd Griffith Buddin, Sr.
First National Bank of South
Carolina
Holly Hill, SC

Ms. Emily Hofer
Merchants State Bank
Freeman, SD

Mr. Joshua Hogue
Reliabank Dakota
Watertown, SD

Mr. Jack E. Hopkins
CorTrust Bank National
Association
Sioux Falls, SD

Ms. Gay Dempsey
Bank of Lincoln County
Fayetteville, TN

Ms. Cynthia L Blankenship
Bank of the West
Grapevine, TX

Mr. Christopher C. Doyle
Texas First Bank
Texas City, TX

Mr. Gabriel Guerra
Kleberg Bank
Corpus Christi, TX

Mr. R. Scott Heitkamp
ValueBank Texas
Corpus Christi, TX

Mr. Sam Nunn
Citizens Bank
Amarillo, TX

Mr. Blake Edwards
Skyline National Bank
Independence, VA

Ms. Louise M. Bonvechio
Community National Bank
Derby, VT

Mr. Gregory S. Deckard
State Bank Northwest
Spokane Valley, WA

Ms. Denise Portmann
Bank of the Pacific
Aberdeen, WA

Mr. Daniel J. Ravenscroft
Royal Bank
Hillsboro, WI

Mr. Mark Harrell
CNB Bank, Inc.
Berkeley Springs, WV

Mr. David M. Thomas
Clear Mountain Bank, Inc.
Bruceton Mills, WV

Mr. Kevin Paintner
ANB Bank
Cheyenne, WY

Mr. Michael Williams
Jonah Bank of Wyoming
Cheyenne, WY

866-843-4222
icba.org

1100 New York Avenue NW
Suite 500 East
Washington, DC 20005

518 Lincoln Road
P.O. Box 267
Sauk Centre, MN 56378