

**Rob Nichols Washington Update
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Fighting on in 2026

In just the first few weeks of 2026, the banking industry faced two separate and significant policy challenges.

The first was a fight over the future of stablecoins and digital asset regulation, which heated up as 2025 drew to a close and lawmakers were considering new market structure legislation. For bankers, this legislation represented an opportunity to close a critical loophole in the Genius Act that allowed stablecoin partners and affiliates to offer yield-like rewards, clearly undermining the intention of the Genius Act's ban on issuers paying interest.

The threat to the banking sector was clear: failure to address the loophole could lead to billions of dollars in deposits exiting banks, which would have severe downstream effects on local lending and economic growth.

The second major challenge we faced came when the president in early January expressed support for a 10% credit card interest rate cap in a social media post. As bankers know all too well, price caps always have unforeseen and costly consequences for consumers, and if this kind of cap was imposed, as many as 159 million Americans could lose access to credit.

In the face of these dual threats, America's banks sprang into action.

Thanks to ABA members and our partners in the State Association Alliance, we were able to send over 10,000 letters to senators and 3,200 signatures on a petition reminding them about the Genius Act loophole and its potential impact on families and small businesses across the country. Our Community Bankers Council—which includes community bankers from every state—penned its own letter, and ABA rallied the other community financial institutions trades together helping the industry demonstrate a united front on Capitol Hill.

ABA and our members were also out in front on card issues, issuing a grassroots call to action and quickly publishing new data (available at RateCapReality.com) that showed that the proposed 10% rate cap would have a drastic impact on the card industry, threatening between up to 85% of open credit card accounts.

These policy threats remain very real, and at the time this column was written, ABA was still engaged in an all-out push to ensure that our perspective is being heard by the entire policy community. We're using every tool in our toolbox, from grassroots calls to action to targeted advertising to in-person lobbying efforts. Even more messaging efforts are planned.

The speed and velocity with which these issues emerged was a reminder that even as we face a more supportive regulatory environment, major policy challenges remain and we must be ready to respond.

At the same time, it also underscored the strength of our collective advocacy. When bankers come together to elevate the issues that matter, our voices carry significant weight. In these two policy debates, the response from our industry has changed the momentum even if the final outcomes remain uncertain.

Rest assured, ABA and the state associations are working tirelessly on behalf of the industry, and with your support, I'm confident in our ability to move the needle on major policy challenges, wherever and whenever they arise. But we need your voice.

Please consider joining us at the 2026 ABA Washington Summit, March 9-11 in the nation's capital. This free event is our best opportunity to show up in person in Washington and show the administration and Congress that the banking industry is strong, united, and ready to advocate on behalf of the customers, clients and communities we serve.

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