Banking and Finance Law Daily Wrap Up, STATE BANKING LAWS—Delaware looks to modernize banking in the state, (Mar. 25, 2026)

Banking and Finance Law Daily Wrap Up

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Delaware state legislators introduced a comprehensive package of legislation aimed at modernizing the state's banking laws while reinforcing consumer protections amid rapid change in the financial services industry.

Delaware lawmakers have introduced a comprehensive package of legislation aimed at modernizing the state's banking laws while reinforcing consumer protections amid rapid change in the financial services industry. Following a press conference Monday morning with leaders from Delaware's financial sector, Delaware State Sen. Spiros Mantzavinos and Rep. Bill Bush filed legislation to modernize Delaware's banking laws.

Mantzavinos, chair of the state Senate Banking, Business, Insurance & Technology Committee, noted that much has changed in the financial sector since 1981, when the state passed the Financial Center Development Act, paving the way for Delaware to become the "credit card capital" of the nation. "Modernizing Delaware's banking code is long overdue. With this package of legislation, we're not vastly changing our identity in the financial sector, but we're continuing the tradition that made us successful in the first place," he said.

In the state, the financial sector accounts for roughly 9% of Delaware's jobs—nearly double the national average.

Proposed legislation. Senate Bill 19 , also known as the Delaware Payment Stablecoin Act, creates a licensing framework for payment stablecoin issuers and digital asset service providers operating with or on behalf of Delaware residents. Language in SB 19 adopts definitions drawn from the federal Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act), and other federal models. If adopted, SB 19 would establish reserve requirements including reserve shortfall remediation cascades, mandatory redemption timing standards, capital standards, anti-money laundering obligations, data privacy statutory floors, change-in-control notice procedures, custody safeguards, a federal-to-state charter conversion pathway, and strong preemption provisions. The State Bank Commissioner would be directed to promulgate implementing regulations within specified timeframes to align Delaware's framework with evolving federal standards.

Senate Bill 16—the Delaware Banking Modernization Act, is the first major revision to Title 5 of the Delaware Code since the 1981 passage of the Financial Center Development Act. SB 16 updates Delaware Code by defining digital assets, expanding the State Bank Commissioner's authority, modernizing corporate governance and organizational requirements for state-chartered banks and trust companies, facilitating interstate trust company operations and conversions, and expanding the authority of out-of-state financial institutions to act as fiduciaries in Delaware.

The legislators stated that additional legislation based on model legislation from the Conference of State Bank Supervisors (CSBS) Money Transmission Model Act, and is designed to replace existing state money transmission laws will be filed in the coming days.

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