Banking and Finance Law Daily Wrap Up, FINANCIAL TECHNOLOGY—Durbin targets crypto investments, bailouts in newly filed bill amendments, (Mar. 11, 2026)

Banking and Finance Law Daily Wrap Up

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The amendments incorporate definitions of key terms like “digital asset” and “digital asset service provider” from the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act).

Senator Dick Durban (D-Ill.), the ranking member of the Senate Judiciary Committee, has proposed new legislation aimed at cryptocurrency. The measures, introduced as amendments, prohibit Social Security trust funds from investing in cryptocurrency and prevent distressed crypto firms from receiving financial assistance with taxpayer dollars. The amendments come after Durban previously introduced a bill to crack down on crypto ATM fraud.

Social Security trust funds. Durbin submitted an amendment to Section 201 of the Social Security Act, 42 U.S.C. § 401, that prohibits Social Security trust funds from investing in crypto. Specifically, the amendment prohibits Social Security trust fund investments in any “digital asset or any crypto-related investment.”

The definition of the term “digital asset” is the same as under the GENIUS Act, 12 U.S.C. § 5901. The term “crypto-related investment” means “(A) any investment fund under the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.) related to futures on digital assets (as so defined) or on digital asset indices; (B) any stock or bond of a public company that . . . (i) substantially derives its value from holdings of digital assets; or (ii) primarily derives revenue from providing products or services (including issuance, trading, management, distribution, custody, settlement, or similar services) related to digital assets; or (C) any other asset or investment whose value is tied to, or derived from, digital assets.”

Financial assistance. Durbin filed an amendment to H.R. 5533, a bill to increase the American housing supply, to prevent distressed crypto firms from receiving financial assistance with taxpayer dollars. The amendment prohibits a federal agency from providing financial assistance to a “digital asset intermediary, digital asset service provider, distributed ledger protocol, decentralized finance trading protocol, or financial service provider with respect to digital asset activities, to prevent the failure or bankruptcy of the digital asset commodity intermediary.” The amendment also prohibits access to “any emergency liquidity facility established under section 13(3) of the Federal Reserve Act (12 U.S.C. 343).” Further, the amendment prohibits the Treasury secretary from using any amounts in the Exchange Stabilization Fund “established under section 5302 of title 31, United States Code, for the benefit of any digital asset intermediary, digital asset service provider, distributed ledger protocol, decentralized finance trading protocol or financial service provider with respect to digital asset activities.”

The amendment defines several of the key terms. The term “digital asset intermediary” means “any person that provides services that are financial in nature, as defined in section 4(k)(4) of the Bank Holding Company Act (12 U.S.C. 1843(k)(4)), with respect to any digital asset.” The term “financial service provider” means “a financial service provider that is regulated by a Federal banking agency, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).” The terms “digital asset,” “digital asset service provider,” and “distributed ledger protocol” have the same meanings given those terms in section 2 of the GENIUS Act (12 U.S.C. 5901).

Crypto ATM fraud. In February 2025, Durbin introduced the Crypto ATM Fraud Prevention Act, which requires cryptocurrency ATM operators to clearly warn consumers about the risk of fraud when using the machines and remind consumers that they should never send money to someone they have never met (see *Banking and Finance Law Daily*, Feb. 27, 2025). The bill also mandates that ATM operators develop an anti-fraud policy,

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appoint a chief compliance officer, and develop a comprehensive anti-fraud policy, which must be submitted to the Financial Crimes Enforcement Network. In addition, operators must provide live customer support during operating hours and protect new customers—defined as a customer within 14 days of their first transaction—by limiting transactions to $2,000 per day, and a total of $10,000 over the first 14 days. Further, operators must give full refunds for fraudulent transactions if the customer makes a report within 30 days.

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