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Durbin Introduces No Bailout For Crypto Act

Despite the risk of crypto, President Trump has embraced the scandal-ridden industry; Durbin's bill would prevent taxpayers from footing the cost of a federal bailout for crypto companies if the

industry causes an economic crash

WASHINGTON – U.S. Senate Democratic Whip Dick Durbin (D-IL) today introduced the *No Bailout for Crypto Act*to prevent taxpayers from footing the cost of a federal bailout for crypto companies if the industry causes an economic crash or sees mass bankruptcies. While the cryptocurrency industry has made sweeping promises of a decentralized financial system, faster payments, and financial inclusion, reality shows that crypto is volatile, and the industry is riddled with corruption. The 2008 financial crisis cost taxpayers $498 billion, and the Savings and Loan Crisis of the 1980s and 1990s cost taxpayers $124 billion. Nearly two-thirds of Americans oppose a bailout of the crypto industry.

"When crypto crashes, everyday Americans should not be on the hook for saving a failed industry—as they were during the 2008 financial crisis. That only punishes hardworking Americans despite no wrongdoing of their own," Durbin said. **"My simple legislation would ensure that taxpayers aren't left holding the bag for this shady industry."**

The *No Bailout for Crypto Act* is cosponsored by U.S. Senators Elizabeth Warren (D-MA), Peter Welch (D-VT), Bernie Sanders (I-VT), Tina Smith (D-MN), and Mazie Hirono (D-HI).

The value of Bitcoin—the largest and most popular cryptocurrency—has tumbled by nearly 50 percent from its peak in October 2025. As for previous crypto crashes, a study from the Bank of International Settlements found that $1.8 trillion worth of crypto asset value was lost in the 2022 crypto crash, spurred by the FTX scandal. Another Pew survey found that, of the 14 percent of U.S. adults who claim to have invested in, traded, or used a cryptocurrency, 46 percent report that their investments have done more poorly than expected.

Despite the risk of crypto, President Trump has embraced the scandal-ridden industry. Since returning to office, he pardoned Changpeng Zhao (CZ), the founder of Binance, after CZ helped facilitate a $2 billion deal between World Liberty Financial, President Trump's crypto venture, and the United Arab Emirates.

The Trump Administration also has terminated several lawsuits, investigations, and enforcement actions involving crypto firms accused of violating investor protections and other federal laws. These deregulatory efforts are, in part, being pursued to further enrich President Trump and his family, who have profited $1.4 billion from their crypto ventures.

Specifically, Durbin's *No Bailout for Crypto Act* would:

- Instate a prohibition on federal agencies providing financial assistance, for the purpose of preventing the failure or bankruptcy of the crypto industry or other financial institutions, with respect to digital asset activities;
- Restrict access to any emergency liquidity facility established under section 13(3) of the *Federal Reserve Act* (12 U.S.C. 343) for the crypto industry or other financial institutions, with respect to digital asset activities; and

- Prevent the Secretary of the Treasury from using any amounts in the Exchange Stabilization Fund for the benefit of the crypto industry or other financial institutions, with respect to digital asset activities.

The bill is endorsed by Consumer Federation of America, American Economic Liberties Project, Americans for Financial Reform, Consumer Action, National Association of Consumer Advocates, National Consumer Law Center on behalf of its low-income clients, National Consumers League, Public Citizen, and Woodstock Institute.

Durbin has continuously urged his colleagues to implement guardrails to the crypto market so there is not a repeat of the 2008 financial crisis. Following the 2008 financial crisis, Durbin helped pass the *Dodd-Frank Act* and create the Consumer Financial Protection Bureau (CFPB).

Bill text of the *No Bailout for Crypto Act* can be found here.

A one-pager of the *No Bailout for Crypto Act* can be found here.

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