

Around the Corner with Greg Adelson: Stablecoins

To help share to the questions we received on February 13, 2026 during our *Around the Corner with Greg Adelson* meetup that focused on stablecoins, we have prepared this FAQ summary document to help provide a more comprehensive understanding of the discussion.

Integration & Technology

Q: Would this be a separate Cloud Core for managing stablecoin transactions and accounts storing deposited stablecoin in addition to our Jack Henry Symitar/EASE managed core?

This is available in the Jack Henry platform across all of our core systems.

Q: How many different stablecoin offerings are there out there?

There are a number of stablecoins available; however, USDC is currently the largest and most dominant network in the U.S. today.

Q: I believe none of our cores support sufficient decimal places in order to hold digital assets on our GL. How do you see that coming together so that we can aggregate legacy financials with digital asset financials?

The Jack Henry platform supports nine decimal places, while digital assets typically require six. Although foundational cores only support two decimal places, this solution is built on the platform level which integrates with all four Jack Henry cores.

Q: What will be the route for Silverlake Banks to transact with Stablecoins that do not have the Banno Digital Platform?

The system is available to SilverLake customers. Online banking systems can build an integration to this via their User Interface (UI).

Q: Are GL transactions not automated? I would hate to have manual entries made for every transaction.

The transactions and ledgering are automated. The demonstration showed "under the waterline" processes to quickly illustrate how the system functions.

Q: Ben's presentation - was that actually going through blockchain channels?

Yes, the orchestration was happening on-chain, specifically settling on the Ethereum blockchain network.

Q: Would the Digital Core shown live as a product within Xperience and would it only pertain to managing digital assets? Meaning no other transactions will be viewable there?

It is modular. It can be used just for digital assets, or you can add other modules like wires or deposit products. You control access via role-based permissions in Xperience.

Q: What chain is Jack Henry using for the Digital Core? (What coins are native to the chain?)

Ethereum.

Q: So the digital core allows a bank to custody USDC for the bank and for customers? Versus using someone like Coinbase or Galaxy Digital to be the custody platform?

The Jack Henry digital core is built to manage and handle wallets for both financial institutions and their consumers at the platform level. However, it is important to distinguish between wallet management and custodianship:

- **Wallet Orchestration:** The platform allows the financial institution to structure and manage wallets, bringing that data back into APIs so online banking systems can use it.
- **Custodianship:** Currently, Jack Henry is not a custodian operator and does not custody any crypto assets.
- **Partnerships:** In the solution demonstrated, Jack Henry utilizes the Circle network as the custodian for the wallets while Jack Henry manages the orchestration for the bank and the consumer.
- **Strategy:** Jack Henry is currently evaluating and talking to all major custody players through a Request for Information (RFI) process to find the best path forward for institutions.

Strategy & Market Adoption

Q: What is the catalyst that will move consumers to using stablecoins over traditional payment methods? Walmart or Amazon moving to USDC?

Adoption may be driven by debit-first experiences, the ability to earn interest on holdings, and the use of stablecoins by brokerage and trading houses. Additionally, major infrastructure players like the New York Stock Exchange are shifting.

Q: Why would I pay to convert to USDC (a cost) to pay for something on Shopify while shopping?

If you don't have a wallet, you probably wouldn't. However, those who already hold USDC for its 4%+ interest yields are incentivized to use it as their primary payment method.

Q: At Jack Henry Connect, it was mentioned that you would share the Coinbase integration in Banno with other digital platforms. Is that still the plan and if so what is the timing?

The current focus is on USDC integration. Once the solution matures and clears regulatory hurdles, it is intended to be available to all customers via an SDK or money movement capabilities.

Q: Schwab doesn't charge for wire or ACH, what is the advantage of using stablecoin to the average consumer?

The primary advantages are the speed of real-time settlement and the potential to hold funds in interest-bearing wallets.

Q: How do you see this market being capitalized from an income standpoint for a financial institution?

Initially, it serves as a defensive strategy to retain deposits. Over time, income may come from custody services or digital asset-secured lending once regulations are more defined.

Q: Have any banks or credit unions shown interest in minting their own stablecoin, and if so what would be the reason? Do you think we focus on being an on and off ramp for USDC, or need to start considering our own coins?

Some larger banks have discussed minting, and there is a movement regarding a credit union industry stablecoin. However, it is currently recommended to focus on on-off ramps for established coins like USDC to ensure ubiquity and network effects.

Q: There is some movement on creating a Credit Union industry stable coin. We will likely offer both CU industry coins and non-CU industry coins in the future. How does it benefit an individual credit union to offer a specific CU-industry coin vs. other non-industry coins?

While there is significant discussion around the potential for a unified credit union industry stablecoin, the current strategic focus remains on established networks like USDC to leverage their existing ubiquity and network effects. Offering a specific industry-backed coin could theoretically create a cohesive ecosystem for all credit unions, but attempting to mint a unique coin at this stage is considered premature for most community institutions. Instead, the recommended approach is to prioritize building robust on-and-off ramps for dominant, widely-used coins to ensure that members have the most flexible and functional transaction options available in the current market

Q: Can Jack Henry support multiple "offerings" at each Credit Union? Must a member be limited to one type of Stablecoin?

You will not be limited. Jack Henry aims to provide optionality so you can execute your specific strategy.

Q: Do we as financial institutions get interchange income from these transactions? Also, how would this show on Banno for our customers?

If a debit card is involved, there is interchange; if it is wallet-to-wallet, there are no interchange fees, though there may be blockchain network fees. The Banno experience is still being refined, likely focusing on peer-to-peer money movement.

Q: Are you going to discuss tokenized deposits?

Tokenized deposits are legal under the Genius Act, but there is less regulatory clarity regarding FDIC insurance and intraday settlement compared to stablecoins.

Q: Does Jack Henry plan on reaching out individually to your banks and have a discussion on how we might want to participate? Then based on our answers, you all could formulate a way forward for us?

We will be holding working group sessions with our customers and value any feedback that you have. You can contact us for ongoing discussions at any time.

Q: You mentioned that the companies with the network effects have a reason to avoid the card networks from a cost perspective. What's in it for the consumer, if rewards/interest are off the table?

Consumers are incentivized to adopt stablecoins through high-yield interest rates, which often exceed 4%, and the ability to access liquidity quickly through collateralized lending. Additionally, merchants like Shopify may offer discounts to shoppers using stablecoins to avoid traditional card

network fees, while users benefit from the speed of real-time, on-chain settlement that eliminates the friction of ACH or wire transfers.

Q: Our bank has sizable correspondent banking business which is cross border payments to and from twenty three countries. What do we need to do to prepare for this? We have Banno. We would also like to discuss tokenized deposits option.

For institutions with significant cross-border activity, stablecoins offer a streamlined alternative that can eliminate some of the traditional correspondent banking friction and intermediate steps required by systems like SWIFT. While you can continue managing payments through existing methods, preparing for this shift involves exploring partners that facilitate these settlements regardless of whether they use traditional wire or stablecoin rails. Jack Henry encourages a direct discussion with your CRM or digital team to explore how these technologies, including tokenized deposit options, can be integrated into your specific strategy.

Q: Where can banks and credit unions go for further help and research?

Banks and credit unions are encouraged to begin by using these digital products personally—such as setting up accounts with Coinbase, Cash App, or Venmo—to experience the technology and understand the competitive threat firsthand. For ongoing research, Jack Henry recommends following industry leaders on social platforms like X and engaging with specialized resources. A highly recommended source of information is the [Bankers on Chain Substack](#), which provides deep insights into the intersection of banking and blockchain. Additionally, credit unions can leverage advocacy materials from state and national banking associations, such as the ABA, to support their internal education and legislative outreach efforts.

Q: How soon do the big retailers (Amazon, Walmart) start enticing consumers to adopt that coin? Should we fear a liquidity run when they start incentivizing consumers to hold that coin?

While a specific launch date is not confirmed, major retailers like Amazon and Walmart are exploring stablecoins to bypass high interchange fees and streamline payments, potentially issuing their own coins to eliminate bank delays. There is significant concern that if these giants incentivize consumers to hold stablecoins through rewards or lower prices, it could trigger a "liquidity run" or massive deposit drain from traditional banks. This shift is expected to occur in the underlying infrastructure first—such as paying third-party sellers via stablecoin—before moving to widespread consumer adoption. If deposits migrate to these platforms, banks risk losing their core funding base, which could tighten credit and raise funding costs across the financial industry.

Legislative & Regulatory

Q: Curious if you agree that the interest payment "loophole" in the GENIUS act was entirely intentional as a legislative compromise to the crypto world?

It is understood that the omission was intentional and is expected to be addressed in the future CLARITY Act.

Q: The GENIUS Act allowed for depositories to custody stablecoins. What does this look like from a systems standpoint, and particularly the nexus between our balance sheet vs. stablecoin on the blockchain?

Depositories can custody stablecoins, which could become a new line of business. This allows for the possibility of bringing digital assets, like Bitcoin held in outside accounts, back inside the bank as a service.

Q: For Wade, what are you seeing from the Fed? It seems like if the Fed doesn't get into the Stablecoin game, they will eventually cede their role in financial transfers.

Because the Federal Reserve's currency is not tokenized, banks must act as the connector between Decentralized Finance (DeFi) and traditional finance. A regulatory framework is necessary for the Fed to maintain control of the dollar supply.

Q: Do we need to be contacting our elected officials? If so, what is the ask?

Yes, the ask should include a level playing field for regulations (BSA, AML, KYC) and prohibition on interest payments for stablecoins held at intermediaries like Coinbase.

Q: What happens to deposit insurance as the money moves back and forth thru stablecoin or held in wallets? Is that an advantage to the banks?

When funds move between traditional bank accounts and stablecoin wallets, they shift between two distinct reserve systems. Traditional financial institutions provide the security of FDIC or NCUA insurance, typically up to \$250,000, which remains a core advantage for banks and credit unions. In contrast, stablecoin issuers do not offer government-backed insurance; instead, they market their tokens as being 100% backed by safe, liquid assets within their own private reserves. The perceived advantage for a bank depends on how effectively it communicates the unique safety of government-backed insurance compared to the "100% backing" narrative used by fintechs.

Operations & Risk

Q: Within this solution - is Jack Henry a custodial owner of the member or customer's wallet?

No, Jack Henry is not a custodian. The orchestration demo utilized the Circle network for custody.

Q: Curious how overdraft programs will interface with this?

Because the transactions are ledgered within the system, overdraft programs are naturally integrated.

Q: Is a tokenized deposit still a deposit on my bank's books until it is spent? Or, once something is "tokenized", does it move off of our books?

It remains on your ledger.

Q: What happens to deposit insurance as the money moves back and forth through stablecoin or held in wallets? Is that an advantage to the banks?

Funds move between two different types of reserve systems. Fintechs will likely market their 100% backing against the bank's \$250,000 FDIC insurance.

Q: Does Coinbase receive any information about the bank client that could get leveraged by Coinbase for targeted marketing tactics?

If a consumer sends money via Coinbase, the platform sees the transaction and the user's Know Your Customer (KYC) profile. It should be assumed that they would retain that information for their own purposes.

Q: Coinbase lets you lend out your USDC at 10%, I presume there is credit risk in that?

Yes, this is collateralized lending, and there is significant risk involved, including the potential to lose assets.

Q: How are stablecoin issuers able to pay the yields they are? Are they taking on additional risk?

It is often subsidized by distribution payments from issuers (like Circle) to platforms (like Coinbase) to get the tokens into the market.

Q: What happens when a customer uses a stablecoin-linked card (like a Coinbase card) and encounters a problem like a product dispute or fraud? Will the stablecoin issuer provide the same level of human customer service as a community bank, and are these transactions regulated by Regulation E?

From a regulatory standpoint, rule-writers have indicated there will likely be no asymmetry between the compliance rules for banks and stablecoin issuers, meaning similar consumer protections should apply. However, in practice, fintechs are often noted for poor customer service. This presents a competitive advantage for community financial institutions, which can compete on established service, relationships, and trust without requiring customers to pay a monthly fee for access to human support.

Q: The 4.33% that was mentioned, is that interchange back to the bank on the transaction or a customer reward for using USDC?

This figure refers to interest earned by the user on their USDC balance, rather than interchange. While a debit card linked to a stablecoin wallet does generate interchange when swiped, that revenue is typically shared between the fintech provider (such as Coinbase) and their partner bank. These high yields are often subsidized by distribution agreements; for example, it was noted that Circle paid Coinbase over \$900 million in 2025 to help fund these interest economics and drive distribution.

Q: Are there transaction processing delays/limitations due to the nature of cryptocurrency processing networks? Specifically if they're presented as debit transactions.

While underlying blockchain networks can occasionally experience slowdowns, this is typically mitigated through sophisticated internal management. In a consumer-facing product, such as a stablecoin-linked debit card, the provider manages these potential delays using their own ledgering systems, making the transaction feel effectively real-time. Because managing on-chain settlement is complex and differs significantly from traditional core or card-based systems, it is critical to properly ledger and orchestrate these movements "under the waterline" to ensure funds are handled correctly without the user seeing the friction.

Q: Coinbase is already allowing consumers to lend our USDC, what's the future of that ability? If that goes wide, doesn't that effectively kill our industry?

While Coinbase and other platforms already offer collateralized lending—allowing users to borrow against their digital assets—this is currently viewed as a new type of lending opportunity rather than an existential threat to the banking industry. This model is similar to margin lending in brokerage accounts, where assets can be lost if the market shifts, a risk that "everyday" consumers are typically less accustomed to than professional traders. However, the real concern lies in the potential for loans and deposits to become entirely separated from the banking system; if fintechs move toward tokenizing real-world assets like auto loans or mortgages on-chain, banks risk being completely disintermediated from the entire credit transaction.

Q: Should banks not embrace the yield/incentive 'game' instead of trying to fight it because that's the current fight until the fintechs find a new loophole?

The decision to embrace or fight yield incentives represents a "slippery slope" for financial institutions, centered on whether to defend existing models or extend into new ones. Rather than simply fighting these shifts to the death, institutions must decide if they want to be active competitors, observers, or participants in a technology that offers clear benefits. While the current focus is often on defensive measures to retain deposits, the long-term challenge is determining how to pick a strategic spot in an environment where fintechs will continually seek new ways to incentivize consumers.

we're here for you every step of the way

Our team is here to support you. Reach out to your Account Executive or Customer Relationship Manager and we'll be in touch.

For more information about Jack Henry, visit jackhenry.com.