

STABLECOINS AND DEPOSIT OUTFLOWS: Implications for Community Banks in North Carolina



Payment stablecoins are poised to reshape the financial landscape. Today, payment stablecoins total around \$250 billion—but within the next decade, that figure is projected to swell to \$1–2 trillion¹, potentially representing 5% to 10% of all U.S. bank deposits.



This shift isn't just about digital assets—it's about the future of lending. As stablecoin supply grows, deposits will be siphoned from the U.S. banking system, undermining a critical source of funding banks rely on to provide loans to communities. Community banks are especially vulnerable, as they depend heavily on local deposits to finance loans to households and small businesses. Fewer deposits mean fewer loans—and the consequences are significant.

Closing the payment of interest loophole. While the GENIUS Act prohibits payment stablecoin issuers from paying interest, crypto exchanges have discovered a loophole and are offering yield to customers who hold stablecoins on their platforms—fueling adoption and accelerating the shift of value from deposits to payment stablecoins. Unless this regulatory loophole is addressed, the implications for bank customers could grow even more severe.

The Impact on North Carolina Communities

Community banks ² headquartered in North Carolina:	35
Community banks operating in North Carolina:	55
Total deposits held at bank branches in North Carolina:	\$29 billion
Potential deposit outflows from North Carolina banks to payment stablecoins:	\$1.5 billion to \$3.0 billion
Lost lending to North Carolina households and businesses as a result of deposit outflow:	\$1.3 billion - \$2.5 billion drop in loans

¹ [How stablecoins could affect borrowing costs for the government, businesses and households](#), ABA Banking Journal, July 14, 2025

² Banks with total assets of less than \$10 billion as of December 31, 2024