April 13, 2026

Ms. Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Investments in and Licensing of Permitted Payment Stablecoins Issuers (GENIUS Act)
(Docket No. NCUA-2025-1335; RIN 3133-AF69)

Dear Ms. Conyers-Ausbrooks:

On behalf of its member credit unions, the Cooperative Credit Union Association, Inc. ("Association") appreciates the opportunity to comment on the National Credit Union Administration (NCUA) Board's proposed rule on Investments in and Licensing of Permitted Payment Stablecoins Issuers to implement the GENIUS Act. The Association is the state trade association representing nearly 160 state and federally-chartered credit unions located in the states of Delaware, Massachusetts, New Hampshire, and Rhode Island, which further serve over 5 million consumer members. The Association developed these comments in consultation with our members.

<u>The Association's High-Level Comments</u>

- The Association urges the Board to ensure that federally-insured credit unions (FICUs) have regulatory parity and a level competitive playing field with banks in relation to stable coins issued by permitted payment stablecoin issuers (PPSI). NCUA should ensure that credit unions do not face structural disadvantages in the stablecoin market as a result of NCUA's PPSI regulatory framework.

- We agree with the Board's interpretation that NCUA's Credit Union Service Organization (CUSO) rule are in most respects an appropriate framework for defining the term "subsidiary of an insured credit union" in relation to PPSI subsidiaries of federal credit unions. Typically, a "a subsidiary of a State chartered insured credit union authorized under State law" would also be a CUSO under state law. To the extent that state-chartered credit unions can have subsidiaries under state law that are not CUSOs, however, we agree with the Board that state law should control.

- We urge the Board to ensure that the PPSI application process is fair and transparent, with due regard to the fitness and probity of management.

845 Donald Lynch Boulevard, Marlborough, MA 01752
Tel: 508-481-6755 | Toll-Free: 800-842-1242 | www.ccua.org

- We urge the Board to adopt a 25 percent ownership threshold of any class of voting securities for the owner as the bright-line test to define "control" of a stablecoin issuer, instead of the proposed 10 percent, to be better aligned with the Bank Holding Company Act's control test.

The Association's Detailed Comments

Request for Comment: The Board specifically solicits comment on whether 10% is the appropriate threshold. Do commenters believe that a higher threshold would be appropriate? For example, 25 percent of any class of voting securities? If so, why? Should other factors be considered in evaluating control?

We urge the Board to adopt a 25 percent ownership threshold of any class of voting securities for the owner as the bright-line test to define "control" of a PPSI stablecoin issuer, instead of the proposed 10 percent, to be better aligned with the Bank Holding Company Act's control test. Like under that Act, the Board could also define "control" to include when a credit union or another person controls in any manner the election of a majority of the directors of the PPSI or otherwise exercises a controlling influence over its management or policies.

Request for Comment: Under the proposed definition, if no FICU owns 10 percent or greater of a class of voting securities, then the FICU(s) with the greatest ownership interest, even if that ownership is less than 10 percent, is the Parent Company. In theory, 100 FICUs could each own 1 percent and all would technically be considered the Parent Company. Is a widely held subsidiary with equal de minimis ownership interests likely? If so, should the Board adopt a provision such that the widely held group selects one FICU to be the Parent Company? The Board may consider adopting a provision that the widely held Issuing Group could designate the Parent Company(ies).

Yes, we agree that if no FICU "controls" the PPSI under the applicable "control" test, the group of FICUs should be able to select one FICU to be the "Parent Company."

Request for Comment: The Board specifically solicits comment on whether 10% is the appropriate threshold for a non-FICU "Principal Shareholder." Do commenters believe that a higher threshold would be appropriate? For

example, 25 percent of any class of voting securities? If so, why? Should other factors be considered in evaluating control?

Like with the definition of "control," we urge the Board to adopt a 25 percent ownership threshold of any class of voting securities for the bright-line test to define the "Principal Shareholder" of a PPSI stablecoin issuer, instead of the proposed 10 percent, to be better aligned with the Bank Holding Company Act's control test. Like under the Bank Holding Company Act, the Board could also define "control" to include when a credit union or another person controls in any manner the election of a majority of the directors of the PPSI or otherwise exercises a controlling influence over its management or policies.

Request for Comment: The Board also specifically solicits comment as to whether an NCUA-licensed PPSI should be permitted to have non-FICU investors or if there should otherwise be a cap on non-FICU investment.

Yes, NCUA-licensed PPSIs should be permitted to have non-FICU investors without limitation so that adequate capital can be attracted to credit union PPSI stablecoin issuers, like is the case with other CUSOs generally.

Request for Comment: The Board solicits comments on which provisions of part 712 should not be applicable to NCUA-licensed PPSIs. The Board seeks to reduce regulatory redundancies and is considering whether to explicitly exclude NCUA-licensed PPSIs from certain provisions in part 712 as part of future rulemakings related to PPSI issuer standards.

We support exempting PPSI from the CUSO service test under 12 C.F.R. § 712.3(b) and agree there is adequate statutory authority for the Board to exempt PPSI's from the requirement that a CUSO "primarily serve" credit unions, its own members, or the memberships of credit union contracting with it.

While NCUA has interpreted the definitions in sections 107(5)(D) and 1757(7)(I) of the FCU Act as both referring to CUSOs, the separate references to these provisions in the GENIUS Act's definition of "subsidiary of an insured credit union," as well as the canon against surplusage, mean that Congress intended to give the Board leeway in to authorize PPSIs that could be exempt from some or most of CUSO requirements in the agency's Part 712 rules.

We believe that following the Part 712 rules in general will help limit regulatory burdens since these rules are well known, limiting who credit union PPSIs can "primarily serve" could create structural problems that would hinder adoption of credit union PPSI stablecoins and make it more difficult for these PPSI to achieve efficient economies of scale. Such economic challenges could lead to contagion.

Request for Comment: Should the Board reconsider in a separate rulemaking its longstanding interpretation that the entities described in sections 107(5)(D) and 1757(7)(I) of the FCU Act are identical? If so, what would the implication be for PPSIs and non-PPSI CUSOs? Would a revised interpretation result in any additional risk to FCUs?

No. The Board has raised this issue in the proposal. Any exemptions in the final rule (such as from the CUSO service test) would be a logical outgrowth of the proposal.

Request for Comment: What is the impact of the wording differences in the FCU Act and GENIUS Act related to section 1757(7)(I) of the FCU Act? Would FCUs have to receive services from any PPSI in which it invests under section 1757(7)(I) of the FCU Act?

The canon against surplusage should mean that the plain language of the GENIUS Act—i.e. that the insured credit union must receive services from the subsidiary unless it is a CUSO or a subsidiary authorized under state law—should be given effect. For example, if a PPSI is exempted from the CUSO service test, in that situation the plain language of the GENIUS Act means that the FICU should receive at least a nominal level of service from the PPSI, such as by investing in one stablecoin worth $1 (one dollar of the United State of America) issued by the PPSI.
Congress clearly intended to give the Board leeway to authorize PPSIs that could be exempt from some or most of CUSO requirements in the agency's Part 712 rules.

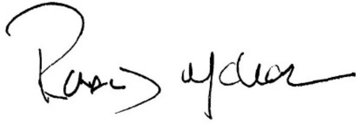
Request for Comment: Fees for PPSI Applications, Investigations, and Examinations

The Association does not support NCUA charging application fees for PPSI applications. Having no application fees required should help spur the creation of credit union PPSIs. Similarly, not charging fees for investigations will also help credit union PPSIs become approved and achieve efficient economies of scale.

Regarding examination fees for PPSIs, we believe it would be appropriate to levy examination fees on PPSIs so that credit unions in general are not subsidizing the examinations of going-concern PPSIs with substantial financial resources. Any examination fee, however, should be based on a published schedule similar to the FCU operating fee, or be otherwise based on transparent and predictable examination costs for documented expenses.

Thank you for the opportunity to comment on the NCUA Board's proposed rule on Investments in and Licensing of Permitted Payment Stablecoins Issuers to implement the GENIUS Act. If you have any questions or desire further information, please do not hesitate to contact the Association at (508) 481-6755 or govaff-reg@ccua.org.

Sincerely,



Ronald McLean
President/CEO
Cooperative Credit Union Association, Inc.
rmclean@ccua.org