



323 West Jones Street, Suite 200
Raleigh, NC 27603

508 Hampton Street, Suite 300
Columbia, SC 29201

800-822-8859

carolinaleague.org

The Carolinas Credit Union League (CCUL) appreciates the opportunity to provide comments on the National Credit Union Administration. The Carolinas Credit Union League (CCUL) appreciates the opportunity to provide comments on the National Credit Union Administration's proposed rule establishing an application framework for permitted payment stablecoin issuers (PPSIs). CCUL represents credit unions across North Carolina and South Carolina that collectively serve millions of members and play a critical role in promoting financial inclusion, economic stability, and access to responsible financial services. CCUL supports the NCUA's efforts to implement the Guiding and Establishing National Innovation for U.S. Stablecoins Act and to develop a supervisory framework for payment stablecoins associated with federally insured credit unions. The emergence of digital assets and tokenized payment systems represents a meaningful evolution in financial services, and it is essential that credit unions can participate in these innovations on a level playing field.

Ensuring regulatory parity for credit unions

As regulators develop policies governing stablecoin issuance and related activities, CCUL urges the NCUA to ensure that credit unions are not placed at a competitive disadvantage relative to banks and other regulated financial institutions.

The GENIUS Act envisions a system in which federal banking regulators—including the NCUA, the FDIC, and the OCC—oversee stablecoin issuers affiliated with their respective institutions.

To maintain fairness and competitive balance across the financial system, regulatory expectations should be applied in a manner that ensures credit unions have the same opportunity as banks to participate in emerging digital payment infrastructure.

Credit unions operate under a member-owned cooperative model and frequently serve communities that may be underserved by larger financial institutions. If credit unions are unable to participate meaningfully in the stablecoin ecosystem due to structural or regulatory barriers, their members could be excluded from innovations that improve payment efficiency, reduce transaction costs, and expand financial access.

Structure of stablecoin issuance through subsidiaries

CCUL recognizes that the GENIUS Act requires stablecoins to be issued through regulated subsidiaries rather than directly by insured depository institutions. The proposed rule appropriately reflects this structure by allowing subsidiaries of federally insured credit unions to

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apply for PPSI status and by requiring joint applications with parent credit unions in certain ownership circumstances.

However, the League encourages the NCUA to ensure that the application process is clear, transparent, and operationally feasible for credit unions of varying sizes. Many credit unions may pursue participation in stablecoin-related activities through shared service structures such as credit union service organizations (CUSOs). The final rule should ensure that these collaborative models remain viable pathways for credit union participation.

Avoiding structural disadvantages for credit unions

The proposed framework may unintentionally constrain credit union participation in the digital asset ecosystem if regulatory requirements are applied more restrictively than those applicable to banks or other financial institutions.

For example, credit unions operate under statutory limits on investments in subsidiaries and CUSOs, including capital limitations that may restrict participation in innovative ventures. Policymakers should ensure that these structural differences do not prevent credit unions from meaningfully engaging in stablecoin infrastructure while other regulated institutions are able to do so more easily.

Regulatory parity should remain a guiding principle as the NCUA finalizes this rule and develops future guidance.

Safety, soundness, and consumer protection

CCUL strongly supports the NCUA's focus on maintaining safety and soundness in the credit union system. Stablecoin issuers operating under NCUA supervision should maintain strong governance standards, effective liquidity and reserve management, and robust compliance with anti-money laundering and sanctions obligations. The proposed rule appropriately emphasizes these responsibilities as part of the application and certification process.

At the same time, regulatory requirements should remain proportional to the risk profile and operational complexity of participating institutions.

The role of credit unions in financial innovation

Credit unions have a long history of adopting technology to better serve their members—from electronic payments to mobile banking and real-time payments networks. Stablecoins and tokenized payment systems may represent the next stage of that evolution.

Ensuring that credit unions can responsibly participate in these emerging technologies will help promote competition, expand financial access, and prevent innovation from becoming concentrated among a small number of large financial institutions or unregulated entities.

Carolinan Credit Union League appreciates the NCUA's proactive engagement on stablecoin policy and its commitment to implementing the requirements of the GENIUS Act.

As the agency finalizes this rule, CCUL respectfully urges the NCUA to ensure that credit unions can participate in the stablecoin ecosystem on equal footing with other federally regulated financial institutions. Preserving regulatory parity will enable credit unions to continue delivering innovative, secure, and member-focused financial services in an increasingly digital financial landscape.

CCUL looks forward to continued engagement with the NCUA as the agency refines its regulatory approach to digital assets and emerging payment technologies.

Respectfully,

Dan Schline
President and CEO
Carolinan Credit Union League

