



# CORNERSTONE LEAGUE

*Uniting & Inspiring Credit Unions  
to Advance the Greater Good*

April 13<sup>th</sup>, 2026

Melane Conyers-Ausbrooks, Secretary of the  
Board National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428

## **RE: Investments in and Licensing of Permitted Payment Stablecoins Issuers (Docket No. NCUA-2025-1335)**

Dear Secretary Conyers-Ausbrooks,

I am writing on behalf of the Cornerstone Credit Union League ["Cornerstone"] in response to the National Credit Union Administration's ["NCUA"] proposed rule to implement the statutorily required process for approval and licensure of permitted payment stablecoin issuers (PPSIs) subject to the NCUA's jurisdiction. Cornerstone is a trade association representing over 600 state and federal credit unions in a 5-state region which includes Arkansas, Kansas, Missouri, Oklahoma, and Texas. Thank you for the opportunity to voice our comments.

Cornerstone supports the NCUA's efforts to implement the Guiding and Establishing National Innovation for U.S. Stablecoins Act ["GENIUS Act"] and to develop a supervisory framework for payment stablecoins associated with federally insured credit unions. Financial services are evolving, and it is essential that credit unions be able to participate in these innovations on a level playing field with other financial institutions.

We recommend the NCUA consider flexible approaches to expand credit union participation in stablecoin markets by allowing federal credit unions (FCUs) to invest in PPSI subsidiaries that are distinct from credit union service organizations (CUSOs), consistent with Congress's intent. Recognizing that certain questions may be answered through subsequent rulemakings, we also recommend that the NCUA provide clarity on a number of open questions to reduce uncertainty and improve industry competitiveness. These clarifications should address:

1. Whether PPSI reserve assets count against the one percent aggregate CUSO investment cap;
2. The NCUA's expectations for credit unions that engage in custodial activities but do not plan to issue a permitted payment stablecoin;
3. What role the NCUA will play in terms of licensing and ongoing supervision of mixed ownership PPSI subsidiaries that have credit union and bank owners;
4. What standards may be applicable to corporate credit unions' formation of PPSI

- subsidiaries;
5. The extent to which the NCUA will coordinate its future rulemaking activity with other federal banking regulators to facilitate contemporaneous review of comparable implementation proposals.

### **The NCUA Should Permit FCUs to Form Non-CUSO PPSI Subsidiaries**

The NCUA should permit an FCU to issue stablecoins through a non-CUSO PPSI to align with Congress's intent to accommodate multiple types of subsidiaries for insured credit unions.

The GENIUS Act provides three separate options for defining a subsidiary of an insured credit union. One of those options refers to a CUSO, defined in part 712 of the NCUA's regulations. The other relevant option for a FCU's PPSI subsidiary is "an organization providing services to the insured credit union that are associated with the routine operations of credit unions, as described in section 1757(7)(I) [of the Federal Credit Union Act]."

Although NCUA has historically interpreted these separate references as describing the same types of organizations, the GENIUS Act clearly recognizes just such a distinction—a fact made evident by the multiple definitions used to designate a credit union subsidiary.

The GENIUS Act does not require credit unions to restrict their activities solely to NCUA licensed entities. As a result, the proposal is more restrictive than necessary effectively precluding credit unions from engaging with issuers regulated by other federal or state authorities. This limitation places credit unions at a competitive disadvantage by constraining market entry opportunities and limiting their ability to leverage relationships with established and supervised partners.

We encourage NCUA to consider developing a coordinated supervisory framework with other federal and state regulators that would permit credit unions to invest in or partner with stablecoin issuers subject to comparable regulatory oversight.

### **Tailoring of CUSO-Specific Rules for PPSIs**

Certain rules generally applicable to CUSOs should not be extended to PPSI CUSOs. For example, the requirement that a CUSO primarily serve the members of credit unions would likely frustrate plans to launch a stablecoin through a mixed-ownership

PPSI and severely constrain the addressable market of all but the largest CUSOs.

The NCUA would not need to reinterpret the requirement that a CUSO be “engaged primarily in providing products or services to credit unions or credit union members” if the agency were to accommodate non-CUSO PPSI subsidiaries contemplated by the GENIUS Act’s general authorizing language.

### **Clarification Around Reserve Assets and the One Percent CUSO Investment Threshold**

We recommend that the NCUA provide clarity on whether PPSI reserve balances are treated as investments; and therefore, count against the one percent cap on an FICU’s paid-in and unimpaired capital and surplus in aggregate. The proposed rule is silent on this point, and we recommend that the NCUA assure credit unions that reserves will not count towards the investment cap as described in 12 CFR § 712.2.

### **Clarification of Prohibition Against Stablecoin Yield**

The proposal does not address the topic of how the GENIUS Act’s prohibition against yield or interest paid by an issuer will apply to an NCUA-licensed PPSI. Despite a nominal prohibition against an issuer offering yield or interest on stablecoins, the GENIUS Act is silent on the topic of known loopholes, whereby non-affiliated parties provide rewards or other incentives to consumers for holding specific stablecoins on preferred platforms or wallets. These practices have already materialized through revenue sharing agreements between nonbank issuers of stablecoins and exchanges. The NCUA should clarify how the prohibition would operate with respect to rewards offered by credit unions who may be custodians of stablecoins but not affiliated with an issuer.

The NCUA should also address how the yield prohibition applies to the use of interest earned on reserve assets. For example, it is unclear how interest earned on reserves may be retained or used by the PPSI, or whether the interest may be used by a custodian institution holding reserves as deposits or Treasuries.

Clarification from the NCUA on the specific treatment of interest in these varying contexts would reduce uncertainty for both issuer subsidiaries and credit unions who may only intend to provide stablecoin services in a custodial capacity.

## **PPSI Licensing Jurisdiction and Supervisory Harmonization**

The NCUA's proposal would limit FICUs to investing in NCUA-licensed PPSIs but does not address how the NCUA will evaluate applications involving a credit union's decision to invest in a PPSI subsidiary that has mixed ownership or that has already been licensed by a primary federal payment stablecoin regulator. The NCUA suggests that in cases where multiple licenses are required, the NCUA could provide a process for expedited licensure or rely on the licensure of another federal regulator.

In cases where a mixed ownership PPSI is seeking a license from a federal payment stablecoin regulator, the NCUA should coordinate with other federal banking agencies to designate a lead regulator for licensure and ongoing supervision. The designation of a lead regulator should be informed by the overall composition of the PPSI's investors, taking into consideration the degree of control exercised by particular types of depository institutions; for example, a majority of voting rights held by banks would support a decision to identify the FDIC as the lead regulator.

Credit unions would also benefit from an expedited approval process that recognizes a license already granted by a federal primary payment stablecoin regulator, such that the NCUA would not need to review a full application when a credit union joins a mixed ownership PPSI.

FICUs may look to invest in subsidiaries that are already licensed PPSIs because they have a wider mix of participants, a larger addressable market, and potentially greater access to capital—all features that are necessary to support the infrastructure and reserves necessary to issue a competitive stablecoin.

While bank licensing regimes may exhibit slight variations in substance, they are expected to align closely due to the rulemaking coordination requirements of the GENIUS Act. To date, the application frameworks proposed by the Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency consider the same core statutory factors listed in sections 4 and 5 of the GENIUS Act, which also form the foundation of the NCUA's own proposal.

## **Conclusion**

Cornerstone 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, Cornerstone 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.

If you have further questions or would like to discuss these comments in more detail, please feel free to contact me.

Sincerely,

Suzanne Yashewski  
Regulatory Compliance Counsel  
Cornerstone Credit Union League  
Direct phone: (512) 853-8516  
Email: [syashewski@cornerstoneleague.coop](mailto:syashewski@cornerstoneleague.coop)