Banking and Finance Law Daily Wrap Up, FINANCIAL TECHNOLOGY—Industry calls for changes to NCUA's proposed stablecoin rules, (Apr. 14, 2026)

Banking and Finance Law Daily Wrap Up

Click to open document in a browser

By Carrie DeLeon

Industry groups believe that the NCUA's proposed rules are deficient because they do not address capital, liquidity, risk management, and other 'prudential requirements.'

The American Bankers Association (ABA) has called on the National Credit Union Administration (NCUA) to pause the proposed rulemaking opened to establish a process under which entities can obtain approval to issue payment stablecoins until other aspects of the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act) are implemented. The Defense Credit Union Council (DCUC) also is calling for "targeted refinements" to the proposal.

"We appreciate the NCUA's leadership in advancing a regulatory framework to implement the GENIUS Act and bring greater clarity to the evolving digital asset marketplace," said Jason Stverak, DCUC chief advocacy officer, in a statement. "For credit unions, it is critical that this framework remains flexible, risk-appropriate, and consistent across the broader financial regulatory landscape. With targeted refinements, this rule can empower credit unions to responsibly engage in innovation, expand member services, and ensure they are not left behind as payment technologies continue to evolve."

The NCUA recently proposed a rule to establish a regulatory framework for applicants seeking approval to become a permitted payment stablecoin issuer (PPSI) (see *Banking and Finance Law Daily*, Feb. 12, 2026). The regulations would implement the statutorily required process for approval and licensure of PPSIs subject to the agency's jurisdiction. The GENIUS Act charges NCUA with licensing, regulating, and supervising payment stablecoin issuers that are subsidiaries of FICUs. The GENIUS Act requires NCUA to issue implementing regulations by July 18, 2026.

In comments filed in response to the notice of proposed rulemaking, the ABA suggested the NCUA pause the rulemaking until related regulatory requirements are resolved. In addition, ABA said that the proposed rule addresses only the "operationalization of the application aspects of the GENIUS Act; it does not include specific details on crucial aspects such as capital, liquidity, risk management, and other prudential requirements." Instead, the rule references "Subpart B" to be considering in a future notice of proposed rulemaking.

"Rather than finalize a rulemaking that implements an application process but that includes only placeholders for substantive provisions, the NCUA should pause its current Proposed Rule until such time that Subpart B exists in full (along with other key GENIUS Act regulations). This would allow for holistic consideration," ABA said.

ABA also said it "critical to have a level playing field, not only between traditional depositary institutions and novel market entrants, but also among the types of traditional depositary institutions and their subsidiaries."

"To that end, the product of the coordinated action must create equivalent regulatory requirements and supervisory expectations to the extent possible," ABA said. In addition, ABA called on the NCUA to include provisions for public notice and opportunity for public comment on any applications submitted under the rule.

DCUC's recommendations, meanwhile, include "greater flexibility in subsidiary structures, consistency with other federal regulators, transparent and efficient supervisory processes, and preserving pathways for credit unions to invest in permitted payment stablecoin issuers across regulatory regimes."

Companies: American Bankers Association; Defense Credit Union Council

© 2026 CCH Incorporated and its affiliates and licensors. All rights reserved.

RegulatoryActivity: BankingOperations Blockchain DepositInsurance FinancialIntermediaries FinTech PrudentialRegulation

© 2026 CCH Incorporated and its affiliates and licensors. All rights reserved.