NASCUS
The National Association of State Credit Union Supervisors

August 21, 2026

Melane Conyer-Ausbrooks
Secretary of the Board
National Credit Union Association
1775 Duke Street
Alexandria, VA 22314-3428

Regulatory and Strategic Affairs Division
Financial Crimes Enforcement Network
P.O. Box 39
Vienna, VA 22183

RE: Comments on Proposed Rule, Permitted Payment Stablecoin Issuer Customer Identification Program; Docket No. NCUA-2026-0793; RIN 3133-AG09; Docket No. FINCEN-2026-0101; RIN 1506-AB74

Dear Ms. Conyers-Ausbrooks and FinCEN Regulatory and Strategic Affairs Division:

On behalf of the National Association of State Credit Union Supervisors[1] (NASCUS), thank you for the opportunity to comment on the Notice of Proposed Rulemaking issued jointly by the Financial Crimes Enforcement Network's (FinCEN), together with the Office of the Comptroller of the Currency (OCC), the Federal Reserve System (Board), the Federal Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA), titled Permitted Stablecoin Issuer Customer Identification Program.

NASCUS generally supports the proposal and FinCEN's, and the Agencies', efforts to implement certain provisions of the Guiding and Establishing National and Innovation for U.S. Stablecoins Act (GENIUS Act) in treating permitted payment stablecoin issuers (PPSIs) as financial institutions under the Bank Secrecy Act, and to require those issuers to maintain an effective customer identification program (CIP).

Key Considerations:

I. Risk-Based CIP Framework and Scope

NASCUS supports the risk-based identity verification procedures outlined in the proposal, tailored to the PPSI's account types, onboarding methods, and available identifying

[1] NASCUS is the professional association of the nation's forty-five state and territorial credit union regulatory agencies that charter and supervise 1,755 state credit unions. NASCUS membership includes state regulatory agencies, state chartered and federally chartered credit unions, and other important stakeholders in the state system. State-chartered credit unions hold approximately half of the $2.4 trillion assets in the credit union system and are proud to represent nearly half of the 145 million members. The remaining six states lack state-chartered credit unions.

information, along with size, location, and customer base. By utilizing identifying information similar to traditional CIP requirements for financial institutions, it builds upon a historical base of knowledge that organizations can draw on when developing their CIP in tandem with their broader anti-money laundering and counter the financing of terrorism (AML/CFT) framework.

NASCUS appreciates the proposals focus around acknowledging that while the majority of customers can be verified through documentary and non-documentary methods, there may be circumstances where a PPSI cannot form a reasonable belief that it knows a customer's true identity. NASCUS appreciates the outline that the proposal provides around what areas PPSIs should focus attention when these situations occur.

As well, the proposal's focus on limiting CIP requirements to direct customer relationships (i.e., directly purchasing or redeeming stablecoins) will help PPSIs create frameworks that closely mirrors traditional AML/CFT programs. We encourage FinCEN and the Agencies to reinforce this approach in the final rule by maintaining a clear distinction between primary and secondary market activity and confirming CIP requirements do not extend to secondary market transactions that do not directly involve the PPSI.

NASCUS supports the proposal's position on digital identity tools. The proposal states that the Agencies propose "that technological variation and innovation are best accounted for by maintaining the flexibility in the proposal relating to how a PPSI verifies a customer's identity." The Agencies acknowledge that digital identity tools have become more "common place and more sophisticated." Given the inherent digital nature of payment stablecoins, allowing PPSIs to leverage reliable digital identity solutions provides needed flexibility while supporting effective customer identification.

II. Regulatory Parity in the Definition of "Customer"

NASCUS supports the proposed exclusion of financial institutions regulated by a Federal functional regulator from the definition of "customer." To avoid ambiguity and ensure regulatory parity between banks and credit unions, we encourage FinCEN and the Agencies to expressly confirm in the final rule that credit unions, including federally insured state-chartered credit unions (FISCUs), are excluded from the definition of "customer." We would encourage the Agencies to consider incorporating the terms "Federal credit union" and "State credit union" as defined in 12 U.S.C. § 1752, to ensure the definition encompasses both federally and privately insured credit unions.

III. Reliance

The proposal notes that the reliance framework is generally consistent with the existing CIP requirements under the BSA. However, it acknowledges that it may create a distinction between federally regulated and state-qualified PPSIs, as reliance would be limited to entities with oversight from federal regulators. Therefore, a state-qualified PPSI could rely on the CIP procedures of a federally regulated PPSI, but a federally regulated PPSI could not rely on a state-qualified PPSI because they are not overseen by a federal regulator.

NASCUS would like FinCEN and the Agencies to consider whether the distinction is necessary given that state-qualified PPSIs will be subject to the CIP requirements established under the final rule. Providing the same recognition of CIP procedures performed by State-qualified PPSIs would promote regulatory parity and recognize the strength of state supervision, while maintaining the safeguards established under the proposed reliance framework.

IV. Questions

1) Should any CIP requirements be extended to secondary market activity? If yes, in what circumstances? What would be benefits and drawbacks of doing so?

NASCUS believes that FinCEN and the Agencies should only require CIP related to primary market activity. As the proposal states, "despite this being the location of significant activity, and potentially significant risk, issuers have *limited ability* to collect customer information on the secondary market."

Secondary-market activity would remain subject to a PPSI's AML/CFT program, including transaction monitoring. This provides a key risk-management mechanism without extending CIP requirements to individuals the PPSI has no direct customer relationship.

5) Should the regulatory text explicitly discuss digital identity solutions or verifiable credentials? How could it best do so given the range of tools available on the market?

Given the inherently digital nature of stablecoins, allowing PPSIs to utilize evolving digital identity tools provides needed flexibility while supporting effective customer identification. NASCUS supports recognizing digital solutions in the final rule while maintaining a technology neutral approach that does not define specific tools or methods, given the ever-evolving nature of this area.

Conclusion

NASCUS generally supports FinCEN's and the Agencies' efforts to establish an effective CIP framework for PPSIs consistent with the requirements of the GENIUS Act. We believe the proposed framework provides an important foundation for integrating PPSIs into the broader AML/CFT regulatory framework, while also recognizing the unique characteristics of payment stablecoins.

NASCUS appreciates the opportunity to comment on the proposal and would welcome the opportunity to discuss these comments further.

Sincerely,

-signature redacted for electronic publication –

Craig Money

Vice President, Regulatory Affairs & AML/AFC Compliance

NASCUS