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DEFENSE CREDIT UNION COUNCIL

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U.S. Department of the Treasury
Attention: Office of General Counsel
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Delivered electronically via: <https://www.regulations.gov>

RE: GENIUS Act Regulations on Payment Stablecoin Issuance, Offer, and Sale [TREAS-DO- 2026-0496; RIN 1505-AC95]

To Whom It May Concern:

On behalf of the Defense Credit Union Council (DCUC),¹ thank you for the opportunity to comment on the Department of the Treasury's (Treasury) proposed rulemaking to implement Section 3 of the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act, which includes the statutory prohibitions and limitations on payment stablecoin issuance, offer, and sale in the United States. DCUC represents credit unions that serve active-duty military, veterans, and their families worldwide.

DCUC's member credit unions provide essential financial services to consumers whose financial needs often extend across state and international borders. We therefore support a regulatory framework that enforces the protections of the GENIUS Act while enabling credit unions to manage compliance risk, understand the requirements, and provide quality services to their members. DCUC supports Treasury's efforts to create transparent, enforceable boundaries for issuing and distributing payment stablecoins. We encourage Treasury to consider our following recommendations for the final rule.

I. Definitions Should Be Clear and Tailored

DCUC encourages Treasury to clearly distinguish between activities that involve issuing or distributing a payment stablecoin and activities that merely support a payment, custody, or other financial service. Regulators should apply requirements based on the substance of the activity, not solely on participation in a transaction involving a digital asset.

¹ The Defense Credit Union Council represents more than 200 defense-affiliated credit unions and over 40 million members—including active-duty servicemembers, Guard and Reserve personnel, veterans, Department of Defense civilians, and military families.

Specifically, we support definitions that establish boundaries around incidental services and intermediaries so that credit unions are aware of what would require additional compliance measures and do not interpret the regulatory provisions more broadly than the statute requires. The final rule should clarify that providing ordinary banking, payment, custody, or technology services does not alone make a credit union an issuer or establish that it has offered, sold, or made a payment stablecoin available in violation of Section 3.

II. Safe Harbors for Credit Unions

DCUC supports reasonable standards for determining whether a payment stablecoin is offered or sold to a person located in the United States. In response to Treasury's request for comments on safe harbors in the regulatory requirements, DCUC supports a safe harbor for credit unions that establish reasonable, documented compliance controls. We also support clarification that a credit union maintaining appropriate controls is not in violation of the requirements solely because of an isolated, good-faith error that is promptly corrected, absent knowing participation in unlawful conduct or a failure to respond to identified risks.

We encourage Treasury to further define what constitutes "reasonable due diligence" when a digital asset service provider relies on a foreign payment stablecoin issuer's representations regarding its ability and willingness to comply with lawful orders or reciprocal arrangements. This definition should indicate that standards are proportional to the institution's role, the nature of the arrangement, and the information available. The final rule should also identify the types of information and documentation necessary to satisfy this standard.

III. Digital Assets and Credit Union Shares

Treasury specifically requests comments on whether a digital asset redeemable in credit union shares should be treated as a payment stablecoin under Section 3 of the GENIUS Act. DCUC supports a clear distinction between a payment stablecoin and traditional credit union products. DCUC encourages Treasury to distinguish between a digital asset that independently satisfies the statutory definition of a payment stablecoin and one whose redemption obligation is tied to a different form of financial value. The fact that credit union shares may be converted into deposits or other monetary value should not alone determine whether a digital asset redeemable in those shares is a payment stablecoin.

IV. Appendix A Interpretations

Treasury is also proposing to include in Appendix A interpretations to further clarify and illustrate the application of various aspects of the proposed rule. We support the inclusion of these interpretations and believe they will be helpful for credit unions. We support additional interpretations to be published in the appendix of this section, including examples involving a credit union that provides account access, processes a payment, uses a third-party vendor, or offers custody without itself issuing or selling the stablecoin.

V. Coordination with Federal Regulators

DCUC encourages Treasury to coordinate with the National Credit Union Administration (NCUA) and other federal regulators to promote the consistent application of GENIUS Act requirements across the financial sector. This coordination should include consistent supervisory expectations regarding third-party arrangements, compliance documentation, safe harbor application, and interpretative guidance.

Treasury should also allow sufficient implementation time after publication of the final rule, as credit unions will need to collaborate with vendors, review policies and procedures, and manage internal controls. Adequate implementation time will support effective compliance and reduce operational disruption.

DCUC appreciates Treasury's efforts to implement the GENIUS Act and create a framework that supports payment stablecoins. We look forward to continuing to engage with Treasury as requirements are finalized. Please contact me at Jason.Stverak@dcuc.org if you have questions about DCUC's comments or any other issues affecting the credit union industry.

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