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**National Association of Federally-Insured Credit Unions**

April 26, 2023

The Honorable French Hill  
Chairman  
Committee on Financial Services  
Subcommittee on Digital Assets,  
Financial Technology, and Inclusion  
United States House of Representatives  
Washington, DC 20515

The Honorable Stephen Lynch  
Ranking Member  
Committee on Financial Services  
Subcommittee on Digital Assets,  
Financial Technology, and Inclusion  
United States House of Representatives  
Washington, DC 20515

**Re: Tomorrow's Hearing: "The Future of Digital Assets: Identifying the Regulatory Gaps in Digital Asset Market Structure"**

Dear Chairman Hill and Ranking Member Lynch:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to share our thoughts on issues of importance to credit unions ahead of tomorrow's hearing on gaps in the current regulatory framework for digital assets. NAFCU advocates for all federally-insured not-for profit credit unions that, in turn, serve over 135 million consumers with personal and small business financial service products.

NAFCU appreciates the continued work of the Subcommittee in examining the integration of digital assets into traditional financial products, including the creation of stablecoins—digital assets pegged to the value of another asset. As we have previously shared, we appreciate that the draft noticed for this hearing uses the Federal Reserve definition of an insured depository institution (IDI) instead of other definitions that exclude credit unions. Establishing barriers to credit union engagement with digital assets would also undercut many of the financial inclusion benefits that may be realized through related technologies given that the credit union industry has a long history of prioritizing the needs of underserved and low-income communities. NAFCU also supports enforcement and examination being left up to existing regulators—in the case of credit unions, the National Credit Union Administration (NCUA)—as well as establishing a basic framework for oversight of non-depository stablecoin issuers. We are supportive of your efforts in this draft legislation and appreciate your engagement with us on it.

We thank you for the opportunity to share our thoughts and look forward to continuing to work with you on including emerging technologies into financial services. Should you have any questions or require any additional information, please contact me or Lewis Plush, NAFCU's Senior Associate Director of Legislative Affairs, at (703) 258-4981 or [lplush@nafcu.org](mailto:lplush@nafcu.org).

Sincerely,

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the Subcommittee on Digital Assets, Financial Technology, and Inclusion