



3138 10th Street North
Arlington, VA 22201-2149
703.522.4770 | 800.336.4644
f: 703.524.1082
nafcu@nafcu.org | nafcu.org

National Association of Federally-Insured Credit Unions

February 8, 2022

The Honorable Debbie Stabenow
Chairwoman
Senate Committee on Agriculture,
Nutrition, and Forestry
United States Senate
Washington, DC 20510

The Honorable John Boozman
Ranking Member
Senate Committee on Agriculture,
Nutrition, and Forestry
United States Senate
Washington, DC 20510

Re: Tomorrow's Hearing: "Examining Digital Assets: Risks, Regulation, and Innovation"

Dear Chairwoman Stabenow and Ranking Member Boozman:

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 digital assets. NAFCU advocates for all federally-insured not-for profit credit unions that, in turn, serve over 127 million consumers with personal and small business financial service products.

NAFCU appreciates the Committee examining the risks, regulation and innovation of digital assets. Recent years have seen increased interest in cryptocurrencies, with prices reaching new highs as well as experiencing pullbacks. Notwithstanding these fluctuations, distributed ledger technology and other technologies which support a broad ecosystem of digital assets offer an array of potential operational efficiencies. For example, the ability to facilitate payment transactions that support smart contracts, either through the use of stablecoins or other digital assets, may help members with specific business needs and potentially reduce credit unions' operational costs. Most importantly, digital asset technologies can be designed with strong auditability features, which can enhance regulatory compliance and reduce instances of human error, fraud, and other misconduct. However, the absence of a clear regulatory environment and appropriate supervisory framework poses risks to the adoption of these otherwise promising technologies. As you weigh the integration of these emergent technologies, we urge you to ensure the needs of credit unions are considered in any legislative approach you consider in the future. It is very important for our member credit unions that they be given regulatory certainty and parity with other financial institutions in any policymaking in this area.

We thank you for the opportunity to share our thoughts and look forward to continuing to work with you in this important area. Should you have any questions or require any additional information, please contact me or Lewis Plush, NAFCU's Associate Director of Legislative Affairs, at (703) 258-4981 or lplush@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the U.S. Senate Committee on Agriculture, Nutrition, and Forestry