



October 19, 2026

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

Re: GENIUS Act Regulations on Payment Stablecoin Issuance, Offer, and Sale (Docket No. TREAS-DO-2026-0496; RIN 1505-AC95)

The [National Cryptocurrency Association](#) (NCA) commends the Department's efforts to seek broad stakeholder input as it implements Section 3 of the historic Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act).

NCA is a nonprofit organization – protocol, company, and politically neutral – dedicated to helping everyday Americans understand and use cryptocurrency with confidence. More than 67 million Americans, roughly 1 in 4 adults, now hold crypto, a population that grew by approximately 12 million in the past year alone.¹ More than 33 million Americans who do not currently hold crypto are likely to buy it this year.² Today's crypto holders span income levels across the American economy: more than half earn less than \$150,000 a year, and 87% don't just own crypto, they use it, sending money to family (41%) and shopping and paying (40%).³ Stablecoins are a vital part of consumer utilization and 71% of crypto holders consider U.S. leadership in stablecoin innovation important.⁴

NCA recognizes that many of Treasury's questions concern the technical and operational mechanics of issuance and platform compliance that other stakeholders are well positioned to address. Therefore, NCA's comments focus on three themes where its research offers direct evidence about the perspectives of everyday American consumers who hold, use, and rely on stablecoins:

1. Holders who lawfully acquired a stablecoin should not be stranded when its legal status changes.
2. There should be no doubt that stolen funds can be recovered and returned to victims under a lawful order.
3. Protections for self-custody and peer-to-peer transfers should have clear boundaries.

I. Holders Should Not Be Stranded When a Stablecoin's Legal Status Changes

¹ [NCA, 2026 State of Crypto Holders Report, p. 2-3](#)

² [NCA, 2026 Crypto Readiness Report, p. 4](#)

³ [NCA, 2026 State of Crypto Holders Report, p. 3, 10, 24](#)

⁴ [NCA, Crypto in America: Stablecoin Rewards January 2026, p. 1](#)

The GENIUS Act's effective date, the 12-month waiver period that follows, state certification decisions by the Stablecoin Certification Review Committee, and the July 18, 2028 offer-and-sale deadline will each change which stablecoins Americans can lawfully acquire. Each is also a point at which a holder could lose access through no fault of their own. The stakes are practical for the 67 million Americans that hold and use crypto today, especially for the 23% of holders who earn less than \$75,000 a year.⁵

Questions 49, 69, 71, 72, 73, 74, and 76 – Protecting existing holders through each transition

Part 1523 will, by design, make some stablecoins unlawful to issue or offer in the United States at defined points in time. The proposal is less clear about what happens to Americans who already hold them. Treasury itself notes that some payment stablecoins are redeemable only by certain persons, such as intermediaries in contractual privity with the issuer, rather than by each individual holder. For many retail holders, the practical path out of a stablecoin runs through a platform. If that path closes the day a prohibition takes effect, holders are stranded. A consumer redeeming, selling, or converting a stablecoin they already own is not the conduct Section 3 is designed to stop, and the rule should say so.

Holders also need to know when a change is coming. The proposal does not say how a holder or platform would learn that a stablecoin is available only under a temporary waiver, that a waiver is about to expire, or that a state's certification is pending or has been denied. When NCA asked holders what would build their trust in crypto, 49% pointed to greater transparency from crypto companies, the top response, and 39% pointed to government oversight and regulatory clarity.⁶ As NCA has maintained, holders should learn the risk before going in, not after.⁷

Recommendations: Treasury should use its safe harbor authority under section 3(c) to establish a defined, time-limited transition window that opens before a prohibition takes effect for a particular stablecoin, including on July 18, 2028, upon expiration of a section 5(f) waiver, and upon denial or lapse of a state certification. During that window, existing U.S. holders should be able to redeem, sell, or convert their stablecoins, and platforms should support those transactions without offering new purchases. Treasury should also provide time-limited relief for stablecoins issued under the established state frameworks whose certification is pending on the Act's effective date, so holders do not lose access because of that timing gap. Treasury should confirm that processing redemptions and conversions for existing holders, and routine service to existing holders such as legally required notices, factual communications, custody, and technical support, do not on their own constitute an unlawful issuance, offer, sale, or directed selling effort. Finally, Treasury should work with the primary Federal payment stablecoin regulators and state regulators to make the status and expiration dates of waivers and certifications public, so platforms can give customers clear notice before a change takes effect.

II. Recovering Stolen Funds Through Lawful Orders

Questions 4 & 18 – Theft recovery and the lawful-order exception

The proposed definition of “issue” excludes transfers required by a lawful order, and its reissuance clause allows an issuer to reissue a payment stablecoin to comply with a lawful order

⁵ [NCA, 2026 State of Crypto Holders Report, p. 10](#)

⁶ [NCA, 2026 State of Crypto Holders Report, p. 44, 46](#)

⁷ [NCA Statement for the Record, House Committee on Financial Services Field Hearing \(July 17, 2026\), p. 2](#)

notwithstanding § 1523.2. NCA supports this exception. Lawful orders are one way stolen funds are frozen and, when possible, returned to victims. Nearly three in four holders (72%) are concerned about scams and security, with older Americans often targeted by scams.⁸ Concern about recovery also keeps Americans on the sidelines: 80% of non-holders believe losing money with no way to recover it is more likely in crypto than in traditional finance.⁹

The rule should leave no doubt that recovery reaches the victim. Recovery orders are frequently issued after a theft or mistaken transfer has already occurred, and the final step, the transfer of recovered coins to the rightful holder, is the one that makes the victim whole. If any part of that sequence were treated as a new issuance, an issuer could be barred from completing the return, and intermediaries assisting with it could face participation liability.

Recommendations: Treasury should confirm that recovery and reissuance of stolen or mistakenly transferred payment stablecoins, undertaken pursuant to a lawful order, falls within the existing “except as required by a lawful order” exception in the definition of “issue” at § 1523.1(c), including where the issuer acts on a lawful order issued after the theft or mistaken transfer has already occurred, and that this treatment extends to the issuer’s subsequent transfer of the recovered stablecoin to the rightful holder pursuant to that order. Consistent with NCA’s GENIUS Act FDIC comment, holders whose stablecoins are frozen under a lawful order should be notified within a defined period, unless the order itself prohibits disclosure.¹⁰ Separately, Treasury should align the definition of “lawful order” with FinCEN’s proposed definition so that issuers and DASPs apply a single standard.¹¹

III. Protecting Self-Custody and Peer-to-Peer Transfers

Questions 51 & 77 – Self-custody and peer-to-peer transfers

Proposed § 1523.4(c) codifies the Act’s exemptions for direct peer-to-peer transfers, transfers between an individual’s own U.S. and foreign accounts at the same company, and transactions through self-custody wallets. NCA supports these exemptions and asks Treasury to make their boundaries unmistakable. Some 41% of holders, about 27.5 million Americans, send crypto to friends and family, and 54% say crypto has increased their financial independence.¹² As NCA told the House Committee on Small Business, the ability to hold one’s own wallet and transact peer-to-peer is the same mechanism a contractor uses to pay a subcontractor or a small studio uses to pay an editor overseas.¹³

Treasury reads section 3(b)(2)’s “otherwise make available” as largely overlapping with “offer” and “sell.” Read more broadly, the phrase could reach software that merely displays or routes a payment stablecoin without ever holding a user’s assets, chilling the self-custody tools Section 3(h) protects.

Recommendations: Treasury should confirm that (i) providing non-custodial wallet software or interfaces that display or route payment stablecoins, without taking custody, does not constitute

⁸ [NCA, 2026 State of Crypto Holders Report, p. 46](#)

⁹ [NCA, 2026 Crypto Readiness Report, p. 20](#)

¹⁰ [NCA Comments, GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions, RIN 3064-AG19, p. 3](#)

¹¹ [91 Fed. Reg. 18582, 18594-95 \(Apr. 10, 2026\)](#)

¹² [NCA, 2026 State of Crypto Holders Report, p. 24, 31](#)

¹³ [NCA Statement for the Record, House Committee on Small Business Hearing \(September 15, 2026\), p. 2](#)

offering, selling, or making available a payment stablecoin under § 1523.3; and (ii) such software is not an “intermediary” for purposes of the peer-to-peer exemption in § 1523.4(c)(1). This is consistent with NCA’s position that consumer protections should not depend on the method a consumer chooses to hold their stablecoins.¹⁴

IV. Conclusion

Part 1523 will determine which stablecoins Americans can acquire and hold, and when. NCA’s research points to three priorities for getting that right from the consumer’s perspective:

1. Holders who lawfully acquired a stablecoin should not be stranded when its legal status changes
2. There should be no doubt that stolen funds can be recovered and returned to victims under a lawful order
3. The Act’s self-custody and peer-to-peer exemptions should have unmistakable boundaries, so the non-custodial wallets consumers use to hold and send their own stablecoins stay outside the rule.

The questions addressed above are the questions on which NCA’s research offers direct evidence about what everyday Americans need from this rule. NCA respectfully urges Treasury to give that evidence substantial weight as it moves toward a final rule.

We appreciate Treasury’s consideration of these comments and welcome the opportunity to discuss NCA’s research and recommendations further. Inquiries may be directed to Ali Tager, VP of External Affairs (ali@nca.org).

Respectfully submitted,

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¹⁴ [NCA Comments, GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions, RIN 3064-AG19, p. 2](#)