

# NCUA letting credit unions do crypto collabs further mainstreams digital assets

Article

**The news:** The National Credit Union Administration (NCUA) recently [announced](#) that federally insured credit unions can enter into partnerships with outside crypto-services

**providers.** This guidance applies to insured credit unions with federal or state charters—states can still restrict activities of credit unions that they regulate.

**More on this:** The NCUA issued its letter last month in response to a July 2021 request for information seeking public feedback on the digital assets space.

- The US regulator said that it will review crypto-related partnerships just as it does other kinds: It asks credit unions to perform risk assessments, sound due diligence, and monitoring.
- Credit unions will also need to include disclosures in their marketing and advertising that the crypto products lack federal insurance and that they're offered by third parties.

**The stakes:** Allowing credit unions to get into crypto will help them to remain competitive and maintain relationships with their members, NCUA Vice Chair Kyle Hauptman said in an interview with CoinDesk.

The vice chair also warned that credit unions could have faced an existential challenge, had the regulator not given its approval, telling CoinDesk that **"I don't want credit unions to go the way of Blockbuster Video because we, the regulators, prevented innovation."**

**The opportunity:** While crypto has had a dicey reputation, it's also gaining traction with a growing number of people, per a recent Visa study. The survey found that FIs could benefit with customers by jumping in:

- 85% of crypto owners said they would be interested in purchasing crypto from their own bank.
- **39% of owners replied that they would switch to banks that offer it.**

Crypto partnerships may benefit credit unions by enabling them to persuade members to spend more time within their ecosystems instead of moving their deposits elsewhere. As Hauptman put it to CoinDesk: "Credit unions have been watching endless outflows of cash to crypto exchanges, and many people would rather use their primary financial institution for their first foray into crypto investing."

Also, credit unions' primary financial institution (FI) status and the trust they've established with their customers will help them grow business within the digital asset space. For example, our 2021 Banking Digital Trust Report found that US customers with above-average digital trust with their banks were more likely to obtain new accounts or products from them versus those with below-average digital trust.

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## Factors Influencing Cryptocurrency and Blockchain Adoption at Multinational Corporations According to Executives Worldwide, April 2021

% of respondents

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Source: PYMNTS.com, "Cryptocurrency, Blockchain and Cross-Border Payments: How Multinationals Leverage New Technology to Optimize Business Payments" in collaboration with Circle, Nov 11, 2021

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