



## Mutual Alert

### **Banking Committee Chair Brown Sends Clear Message That The Door No Longer Swings Wide For Fintech National Charter Applicants**

In a letter to Acting Comptroller Hsu (see link below), Senate Banking Committee Chairman Sherrod Brown called on the OCC to tighten its criteria for granting national trust charters and reconsider its recent approval of the charters approved for three fintech companies. He warned against granting federal charters to companies trying to expand access to “risky and unproven” digital assets and technologies. He asked newly appointed acting Comptroller Michael Hsu, to reconsider recent OCC decisions to approve three crypto firms, Paxos, Protego and Anchorage to become national trust banks.

The OCC is awaiting a decision from the Second Circuit on its appeal of a U.S. District Court decision in favor of a challenge by the New York Banking Superintendent invalidating the OCC regulation authorizing special purpose charters based on the OCC public statements encouraging fintech applicants to apply. Trust charters are specifically authorized by statute whereas special purpose charters are not. Senator Brown raising concern that the OCC approval was being used to mislead customers as to the risk in crypto currencies stated: “Not only could these charter approvals lead customers to underestimate the risks related to these assets, but it could undermine faith in the safety and stability of the entire banking system,”. It would appear that with the change in Administration and the appointment of a new Acting Comptroller who has already questioned the lack of a clear message among the bank regulatory agencies concerning fintech banking, that there will be a significant pause in the OCC’s handling of these applications.

[https://www.banking.senate.gov/imo/media/doc/brown letter to hsu - crypto.pdf?source=email](https://www.banking.senate.gov/imo/media/doc/brown%20letter%20to%20hsu%20-%20crypto.pdf?source=email)

Douglas Faucette  
America’s Mutual Banks  
202 220 6961  
701 8th Street, N.W.  
Suite 700  
Washington D. C. 20001  
[dfaucette@lockelord.com](mailto:dfaucette@lockelord.com)  
[www.americasmutualbanks.com](http://www.americasmutualbanks.com)