



Mutual Alert

White House Announces Executive Order to Develop Cryptocurrency Policies and Regulation Including CBDC

On March 9, 2022, the Biden Administration announced it was [implementing an executive order](#) asking federal agencies to develop reports on potential policy and regulation towards cryptocurrency. Although there have been several initiatives to create a whole government approach to the sector, including a PWG report on stablecoins, the executive order will be the most significant action thus far.

Although there are no specific policies or regulations included in the order, the goal will be to put the entire cryptocurrency sector under a microscope. One high priority area that the Fed will explore is the implementation of central bank digital currency (CBDC), a digital dollar. **Ultimately this would allow individuals and businesses to store capital and remit payments without the need for a bank account.** This would have profound effects on the banking sector and contradicts Chairman Powell's own recommendations. We have grave concerns that there is an agenda by some interests to develop CBDC as an alternative to retail banking deposits particularly checking and other transaction accounts which are an attractive source of revenue for community mutual banks. Other agencies including the Treasury Department, and the Commerce Department will be tasked with assessing potential systemic risks associated with the sector, as well as facilitating U.S. innovation in the sector.

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