

[Banking and Finance Law Daily Wrap Up, FINANCIAL TECHNOLOGY—AFREF opposes Coinbase’s efforts to obtain national bank charter, \(Nov. 5, 2025\)](#)

Banking and Finance Law Daily Wrap Up

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By [Thomas G. Wolfe, J.D.](#)

Meanwhile, the crypto exchange speculates whether those in the banking industry opposing its charter application are primarily concerned with preventing competition.

The Americans for Financial Reform Education Fund (AFREF) has transmitted a comment letter to the Office of the Comptroller of the Currency expressing its opposition to Coinbase Global, Inc.’s proposed creation of a “wholly-owned subsidiary crypto national trust bank.” Noting that Coinbase is the “nation’s biggest cryptocurrency exchange,” AFREF urges the OCC to reject Coinbase’s application for a national bank charter. Among other things, AFREF maintains that approving Coinbase’s proposed new crypto bank “would impermissibly combine commerce and banking, create giant risks to the financial system and economy when the next crypto crash inevitably occurs, and gives Coinbase the public benefits of being a member bank of the Federal Reserve—including accessing discounted loans, payment rails, and emergency bailout funding.”

Established in the wake of the 2008 financial crisis, the Americans for Financial Reform Education Fund describes itself as “a nonpartisan and nonprofit organization formed by a coalition of more than 200 civil rights, consumer, labor, business, investor, faith-based, and civic and community groups.” Further, while AFREF’s stated mission is to “work towards a strong, stable, and ethical financial system that serves workers, communities and the real economy, and provides a foundation for advancing economic and racial justice,” the organization also is “dedicated to advocating policies that shape a financial sector, including the chartering of financial institutions.”

AFREF letter highlights. In its 25-page comment letter, dated Nov. 3, 2025, AFREF [states](#) that the OCC and Federal Reserve must reject Coinbase Global’s application proposing to form a wholly-owned national trust bank subsidiary because it: “fails to meet the statutory requirements for national trust banks and bank holding companies;” would “impermissibly commingle commerce and banking;” would “amplify risks to the financial system and the broader economy;” would not “meet the convenience and needs of customers or communities;” and would not “address the companies’ failures to combat money laundering.”

Elaborating on these core points, AFREF argues that the proposed Coinbase national trust bank would fail to meet the “high fiduciary standard demanded by statute and regulation.” Congress intended national trust banks to “exercise only narrow fiduciary activities,” and these federal statutes and regulations “solely prescribe narrow fiduciary activities for national trust banks,” the organization said. Against this backdrop, AFREF maintains that Coinbase’s proposed activities “greatly exceed the enumerated fiduciary activities” and would include activities where Coinbase “will not be acting as their clients’ fiduciaries. For instance, Coinbase “does not primarily offer *bona fide* fiduciary services,” “does not provide the required investment advice for a fee necessary to manage national trust bank funds,” and Coinbase arguably would have a “conflict of interest with its clients” in violation of such fiduciary duties.

Stating that the proposed Coinbase national trust bank “should be considered and rejected under the Bank Holding Company Act,” AFREF maintains that while the proposed national trust bank arguably “meets the definition of bank under the Bank Holding Company Act,” Coinbase would “violate the separation of banking and commerce.”

Along these lines, if Coinbase were to be granted a national bank charter, this would “amplify systemic risk to the banking industry and the economy” and “undermine financial stability,” AFREF wrote. “Coinbase is especially vulnerable to bubbles, crashes, and runs that would be more likely to infect the financial system if it controlled a federally chartered bank,” the organization added.

Moreover, according to AFREF, the proposed Coinbase national trust bank “would offer lower levels of consumer protection than consumers expect and deserve from banks” and “would mislead customers into believing accounts were covered by FDIC insurance and consumer protections.”

Lastly, the OCC and Federal Reserve should reject Coinbase's application for a national trust bank charter because Coinbase “has failed to effectively prevent and police money laundering on its crypto platform,” AFREF contends.

ICBA. Similarly, the Independent Community Bankers of America (ICBA) recently urged the OCC to deny Coinbase Global, Inc.'s application to organize “Coinbase National Trust Company” as a national trust bank (see [Banking and Finance Law Daily](#), Nov. 4, 2025).

Coinbase's reported stance. In the wake of ICBA's opposition to Coinbase's efforts to obtain a national trust bank charter, a *Cryptopolitan* article [reports](#) that Coinbase's chief legal officer recently criticized ICBA (and presumably others of like mind in the banking industry) for “pushing back against the company's efforts to secure a federal trust charter.” According to the *Cryptopolitan* article, titled “Coinbase executive slams banks' opposition to crypto trust charter,” Coinbase perceives such opposition by “traditional lenders” in the banking industry as largely an attempt to “prevent competition in the financial sector.”

Moreover, the article conveys that, from the crypto exchange's perspective, many in the conventional banking industry opposed to the proposed charter appear to be more concerned about maintaining or expanding their foothold in the financial marketplace than about issues surrounding financial stability and/or consumer protection.

Companies: Americans for Financial Reform Education Fund; Coinbase Global, Inc.; Independent Community Bankers of America

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