

## [Banking and Finance Law Daily Wrap Up, FINANCIAL TECHNOLOGY —Democratic members ask OCC head to clarify agency direction for stablecoins, \(Nov. 12, 2020\)](#)

Banking and Finance Law Daily

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Six congressional members also expressed concerns about the OCC's recent actions regarding digital financial activities.

A group of Democratic representatives have [expressed](#) concern to Acting Comptroller of the Currency Brian Brooks about the agency's recent actions concerning digital financing activities, including interpretive letters on cryptocurrency custody, stablecoins, and announced plans to start offering special purpose "payments" charters. Spearheaded by Reps. Rashida Tlaib (D-Mich) and Stephen Lynch (D-Mass), the letter was also signed by Reps. Jesús G. "Chuy" García (D-III), Deb Haaland (D-NM), Barbara Lee (D-Calif), and Ayanna Pressley (D-Mass).

The [letter](#) specifically pointed to an Interpretive Letter published Sept. 21, 2020, that would "create a new class of institutions that benefits large, established fintech firms and harms the very innovation and choice that the former Comptroller of the Currency Joseph Otting said it would provide" (see [Banking and Finance Law Daily](#), Sept. 22, 2020). According to the legislators, this would allow commercial companies like Amazon and Facebook to access the Federal Reserve payments system without first protecting the financial system from increased exposures to vulnerabilities. This is particularly troubling due to the strain that has already been placed on the industry due to the COVID-19 pandemic, said the letter.

"Arguably, the immediate needs of millions of at-risk individuals who have not yet received an economic stimulus check and/or cannot deposit their funds in a bank, deserve greater attention than an effort to increase access to financial services to the 'banked community' via mobile phones," the lawmakers wrote. "Our concern regarding the OCC's excessive focus on crypto assets and crypto-related financial services is shared by the American Bankers Association and other trade groups who have expressed similar reservations that such services move too far away from the core business of banking."

As a result, the representatives are asking Brooks to answer a series of questions about the proposed regulation of stablecoins to gain a better understanding of the OCC's goals. The answers are sought by Dec. 10, 2020.

Companies: Amazon; American Bankers Association; Facebook

LegislativeActivity: BankingOperations BankSecrecyAct Blockchain Covid19 FederalReserveSystem FinTech SecuritiesDerivatives