

Banking and Finance Law Daily Wrap Up, BANKING OPERATIONS—ICBA urges OCC to reject ZeroHash National Trust Bank charter application, (Apr. 2, 2026)

Banking and Finance Law Daily Wrap Up

By George M. Gullo J.D.

ICBA argues the proposal would push national trust bank authorities beyond traditional fiduciary boundaries and create risks in the banking system.

The Independent Community Bankers of America (ICBA) filed a formal objection on Apr. 1, 2026, requesting the Office of the Comptroller of the Currency to deny the charter application for ZeroHash National Trust Bank, N.A. (ZNTB), arguing that the proposal would push national trust bank authorities beyond traditional fiduciary boundaries and embed novel crypto-market infrastructure risks inside the federal banking system. In a [letter](#) addressed to Sebastian R. Astrada, Director for Licensing, ICBA stated it has “significant concerns” about ZeroHash’s business model and broader policy implications, and urged the OCC to reject the filing outright. At a minimum, ICBA argued, the agency should defer any action until the application materials are more fully disclosed and the applicant’s risk-management capabilities are independently validated.

Application. ICBA’s objection targets an [application](#) submitted Feb. 27, 2026, by ZeroHash US LLC and its parent ZeroHash Holdings LTD., seeking to charter a de novo national trust bank headquartered in Asheville, North Carolina. The application describes a proposed institution that would not seek Federal Deposit Insurance Corporation deposit insurance and would offer its products electronically. Both ICBA’s letter and the application describe an extensive suite of proposed digital-asset services, including custody of digital assets and fiat currency, custodial staking and validation, transfer agent services, trade execution, stablecoin management, and settlement, clearing, and escrow services. ICBA characterized ZNTB as the intended regulated banking arm of a crypto infrastructure business that positions itself as enabling a financial system “2.0” for developers, neo-banks, payment processors, and liquidity providers.

Overarching concerns. ICBA organized its opposition around three overarching concerns: (1) the proposal “exceeds traditional trust powers,” (2) the structure enables “regulatory arbitrage,” and (3) the OCC’s pace of approvals and policy shifts is outstripping what ICBA views as the agency’s ability to make deliberate, transparent policy.

Trust powers. ICBA argued that national trust banks have historically been chartered for classic fiduciary roles—such as trustee and custodian for traditional securities and estates—and that ZeroHash’s plan goes well beyond those functions. The letter pointed to activities such as stablecoin management, custodial staking (with validator and “slashing” risks), trade execution, and operating as a settlement and clearing hub as features that are not “incidental” to trust powers but instead resemble core banking and market-infrastructure functions. ICBA further objected to a recent OCC rulemaking that codified Interpretive Letter #1176, which expanded the permissible powers of national trust banks beyond traditional fiduciary custody—including allowing such banks to act as non-fiduciary custodians in the management of stablecoin reserves. ICBA has maintained that this interpretation exceeds the OCC’s statutory authority and argued the rulemaking failed to adequately address public comments raising concerns about statutory overreach, safety and soundness, and erosion of the traditional banking charter.

Regulatory arbitrage. A central theme of the letter is that ZNTB would obtain bank-like authorities—including nationwide preemption—without what ICBA described as corresponding obligations typically associated with insured

depository institutions. ICBA asserted that stablecoin management and custodial staking can create functional equivalents of demand deposits—instantly transferable and redeemable at par—while the proposed trust bank would operate without FDIC insurance and, in ICBA's framing, outside key frameworks such as consolidated supervision under the Bank Holding Company Act and Community Reinvestment Act requirements. ICBA further argued that an uninsured national trust bank model would allow ZeroHash to compete with community banks for "core deposits" through migration of customer funds into stablecoin instruments and related products—potentially eroding the funding base that banks rely on to support small-business lending, agricultural finance, and residential mortgages.

Supervision. ICBA stated that the OCC is rapidly expanding the perimeter of federally supervised banking to include crypto and fintech applicants, noting that in less than a year the OCC has conditionally approved or received applications from multiple firms and that the pace—"eleven filings or approvals in under one hundred days in some windows"—undermines deliberate policymaking. The letter also argued that even if federal legislation provides a framework for stablecoins, it does not necessarily authorize the OCC to charter trust banks as de facto stablecoin and digital-asset market infrastructure providers.

Transparency. On transparency, ICBA contended that meaningful public comment requires access to more than high-level public exhibits and urged the OCC to release a comprehensive, non-confidential summary—or the full public file—covering items such as the business plan, financial projections, compliance program, intercompany agreements, capital adequacy assessment, and governance materials.

Risk concerns. ICBA warned that ZNTB would introduce concentrated crypto-market risk into the federal banking system and highlighted specific operational hazards tied to custodial staking, including validator penalties, smart-contract vulnerabilities, and extreme price volatility. The letter also argued that stablecoin reserve management, even if fully backed, has not been stress-tested at scale in a severe liquidity event, and that cyber and operational risks are heightened by reliance on affiliated platforms and third-party validators. From a consumer-protection standpoint, ICBA said customers may not appreciate that funds held in wallets or stablecoin positions would lack FDIC insurance and that marketing emphasizing "bank-level custody" could increase confusion. ICBA suggested that disclosures alone are insufficient absent OCC validation of resolution planning and contingency liquidity arrangements.

Deny or defer. ICBA closed its letter by reiterating its request that the OCC deny the charter. Alternatively, ICBA asked the agency to defer action until it completes an independent assessment of risk management, provides fuller disclosure to enable meaningful public comment, and undertakes more substantive rulemaking on the powers and supervision of national trust banks in the digital-asset arena.

Companies: Independent Community Bankers of America; ZeroHash Holdings LTD; ZeroHash National Trust Bank, N.A.; ZeroHash US LLC

RegulatoryActivity: BankHolding BankingOperations CommunityDevelopment FinTech NorthCarolinaNews SecuritiesDerivatives

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