National Community Reinvestment Coalition

202 628-8866 | www.ncrc.org
740 15th Street, NW
Washington, DC 20005

July 30, 2025

Johnathan V. Gould
Comptroller of the Currency
400 7th St., SW
Washington, DC 20219
Via Email: jonathan.gould@occ.treas.gov

Sebastian R. Astrada
Director for Licensing, Midsize, Trust, Credit Card, and Novel Banks
Office of the Comptroller of the Currency
400 7th St., SW
Washington, DC 20219
Via Email: sebastian.astrada@occ.treas.gov

RE: Public Comment Letter in Opposition to First National Digital Currency Bank (FNDCB) Charter Application (2025-Charter-342299)

Dear Director Estrada,

The National Community Reinvestment Coalition ("***NCRC***") and the undersigned organizations strongly oppose the application by Circle Internet Group, Inc. ("***Circle***") for a national trust bank charter under the name First National Digital Currency Bank, N.A. ("***FNDCB***").

NCRC is a coalition of more than 700 community-based organizations that have been fighting for economic justice for almost 30 years. Our mission is to create opportunities for people and communities to build and maintain wealth. NCRC members include community reinvestment organizations, community development corporations, local and state government agencies, faith-based institutions, fair housing and civil rights groups, minority and women-owned business associations, and housing counselors from across the nation. NCRC also partners with many of the nation's largest national and regional banks to develop Community Benefits Agreements that channel billions of dollars into underserved communities. These partnerships are designed to ensure transparency, accountability, and long-term impact. NCRC's Innovation Council brings together leaders from financial technology companies to explore innovative, inclusive financial solutions. Each of these networks and partnerships serve as collaborative spaces where stakeholders can share insights, develop strategies, and promote equitable access to financial services.

Granting a national trust bank charter would establish a fiduciary relationship between Circle and consumers nationwide, allowing Circle to offer custodial services, hold consumer funds, and manage settlements. The OCC must reject Circle's application for a national trust bank charter due to serious concerns regarding Circle's disregard for enforcement, governance, compliance, and consumer protection laws.

1. The OCC has ample authority to deny any charter application.

The OCC charters national banks under the authority of the National Bank Act of 1864, as amended.[1] Federal regulations detail the factors and principles that the OCC will consider when reviewing charter applications. The Comptroller's Licensing Manual further details the considerations involved in the chartering process.[2]

In reviewing charter applications for national banks, including national trust banks, numerous factors and principles guide the OCC[3], the factors and principles that the OCC must consider include:

- Maintaining a safe and sound banking system;[4]
- Encouraging a national bank to provide fair access to financial services by helping to meet the credit needs of its entire community;[5]
- Ensuring compliance with laws and regulations;[6] and
- Promoting fair treatment of customers, including efficiency and better service.[7]

In addition, federal regulations detail the policy considerations that the OCC accounts for when evaluating an application to establish a national bank. The OCC considers whether the proposed institution:

- Has organizers who are familiar with national banking laws and regulations or Federal savings association laws and regulations, respectively;[8]
- Has competent management, including a board of directors, with ability and experience relevant to the types of services to be provided;[9]
- Has capital that is sufficient to support the projected volume and type of business;[10]
- Can reasonably be expected to achieve and maintain profitability;[11]
- Will be operated in a safe and sound manner;[12] and

---

[1] 12 U.S.C. 1 *et seq*.

[2] Office of the Comptroller of the Currency. Comptroller's Licensing Manual: Charters. December 2021. https://www.occ.gov/publications-and-resources/publications/comptrollers-licensing-manual/files/charters.pdf

[3] 12 C.F.R. s. 5.20(e).

[4] 12 CFR 5.20(f)(1)(i)

[5] 12 CFR 5.20(f)(1)(ii)

[6] Ibid.

[7] Ibid.

[8] 12 CFR 5.20(f)(2)(i)(A)

[9] 12 CFR 5.20(f)(2)(i)(B)

[10] 12 CFR 5.20(f)(2)(i)(C)

[11] 12 CFR 5.20(f)(2)(i)(D)

[12] 12 CFR 5.20(f)(2)(i)(E)

- Does not have a title that misrepresents the nature of the institution or the services it offers.[13]

Finally, the OCC may also consider additional factors listed in section 6 of the Federal Deposit Insurance Act[14], including the risk to the Federal deposit insurance fund, and whether the proposed institution's corporate powers are consistent with the purposes of the Federal Deposit Insurance Act, the National Bank Act, and the Home Owners' Loan Act, as applicable.

The Comptroller's Licensing Manual outlines in more detail the factors that the OCC considers in reviewing charter applications. The OCC grants approval of charter applications in two steps: preliminary approval and final approval. Preliminary approval is granted if the factors the OCC considers in reviewing charter applications are favorable; this approval permits the organizers to proceed with organizing the bank.[15]

In determining whether to approve an application to establish a national bank, the OCC is guided by the goal of maintaining a safe and sound banking system. The OCC approves proposals to establish banks that have a reasonable chance of success, will provide fair access to financial services by helping to meet the credit needs of its entire community (if the bank will extend credit), will ensure compliance with laws and regulations, will promote fair treatment of customers including efficiency and better service, and will foster healthy competition.[16]

In addition, the OCC considers a proposed bank's plans for meeting the credit needs of its community, including low- and moderate-income (LMI) neighborhoods, consistent with the safe and sound operation of the bank as required by the Community Reinvestment Act (CRA).[17]

The OCC may deny an application, as specified in 12 CFR 5.13(b), based on several factors, including whether significant supervisory, CRA (if applicable), or compliance concerns exist with respect to the filer.[18]

2. Circle's history of enforcement actions and litigation creates significant supervisory and compliance concerns, and shows a disregard for regulatory compliance, consumer protection, governance, and risk management.

A history of public enforcement actions and litigation matters raises fundamental questions about the character and fitness of Circle's leadership. These actions and cases raise doubts about Circle's ability, or willingness, to invest in the creation of adequate internal controls and risk management systems that are necessary for the operation of a national trust bank. Below are

[13] 12 CFR 5.20(f)(2)(i)(F)

[14] 12 U.S.C. 1816

[15] Office of the Comptroller of the Currency. Comptroller's Licensing Manual: Charters. December 2021, p. 3. https://www.occ.gov/publications-and-resources/publications/comptrollers-licensing-manual/files/charters.pdf

[16] Ibid.

[17] Ibid., 4.

[18] Ibid., 5.

details of six recent actions against Circle or its affiliates, which demonstrate a reckless disregard for regulatory compliance and consumer protection.

2.1. OFAC settlement in connection with over 65,000 violations of U.S. sanctions programs involving Circle affiliate, Poloniex, LLC.

On May 1, 2023, the Office of Foreign Asset Control ("OFAC") announced a settlement with Poloniex, LLC for $7,591,630 related to apparent violations of multiple sanctions programs. Between January 2014 and November 2019, Poloniex committed 65,942 violations of various U.S. sanctions programs, allowing users from sanctioned jurisdictions to conduct transactions totaling $15,335,349, despite having access to location data that could have prevented these transactions. These transactions took place between January 2014 and November 2019. Circle acquired Poloniex in February 2018. OFAC violations continued until Circle sold Poloniex, LLC in 2019.[19] Reports indicate that Circle sold Poloniex to Justin Sun,[20] who until earlier this year faced civil charges in the United States for fraud and market manipulation; his SEC lawsuit was paused earlier this year when the Trump administration dropped lawsuits and investigations against alleged crypto violators.[21]

2.2. SEC Cease and Desist Order against Circle affiliate, Poloniex, LLC.

On August 9, 2021, the Commission issued an Order instituting Administrative and Cease-and-Desist Proceedings (the "Order") against Poloniex, LLC ("the Respondent"). In the Order, the Commission found that, from July 2017 through November 2019, Poloniex operated a digital asset trading platform that meets the definition of an "exchange" under the federal securities laws but did not register as a national securities exchange nor operate pursuant to an exemption from registration at any time, in violation of Section 5 of the Securities Exchange Act of 1934. The Commission ordered Poloniex to pay $8,484,313.99 in disgorgement, $403,995.12 in prejudgment interest, and a $1,500,000 civil money penalty to the Commission.[22]

2.3. Operation as an unlicensed money transmitter by Circle affiliate, Poloniex, LLC.

Circle affiliate, Poloniex, LLC, engaged in money transmission activities in multiple states without a license for several years. Poloniex, LLC operated as an unlicensed money transmitter in at least two states, Connecticut and Vermont, according to a 2019 Consent Order issued by the

---

[19] U.S. Department of the Treasury, Foreign Asset Control "OFAC Settles with Poloniex, LLC for $7,591,630 Related to Apparent Violations of Multiple Sanctions Programs," May 1, 2023. https://ofac.treasury.gov/media/931701/download?inline

[20] Celia Wan and Frank Chapparo, "Circle insiders say Justin Sun is leading the investment consortium taking over Poloniex," October 18, 2019. https://www.theblock.co/article/43811/circle-insiders-say-justin-sun-is-leading-the-investment-consortium-taking-over-poloniex

[21] Mary Whitfill Roeloffs, "Justin Sun—Trump's Crypto Guardian Angel—Will Be The Next Billionaire In Space," July 22, 2025. https://www.forbes.com/sites/maryroeloffs/2025/07/22/justin-sun-trumps-crypto-guardian-angel-will-be-the-next-billionaire-in-space/

[22] U.S. Securities and Exchange Commission. "In the Matter of Poloniex, LLC." Administrative Proceeding File No. 3-20455, Release No. 92607, Aug. 9, 2021. https://www.sec.gov/files/litigation/admin/2021/34-92607.pdf. See also https://www.poloniexfairfund.com/

Connecticut Banking Commissioner;[23] and a 2019 Consent Order issued by the Vermont Department of Financial Regulation.[24]

2.4. FINRA order and fine of $185,000 involving Circle affiliate SI Securities, LLC.

Another Circle affiliate, SI Securities, LLC, is the subject of a 2024 order from the Financial Industry Regulatory Authority ("FINRA"). In 2024, SI Securities failed to return investor funds following a material change in a private placement and neglected to report customer complaints. The firm was fined $185,000.[25] The failure to return funds and report customer complaints took place from December 2022 to January 2023.

Despite reports that Circle sold SI Securities, LLC and related affiliate, Seed Invest, LLC,[26] current FINRA BrokerCheck disclosures list Circle Internet Holdings, Inc. as an indirect shareholder of SI Securities, LLC, with a 75% ownership interest; and discloses that SI Securities, LLC and SI Advisors, LLC are under common control of Pluto Holdings, LLC. The sole member of Pluto Holdings, LLC is Circle Internet Holdings, Inc.[27]

2.5. Florida Office of Financial Regulation Orders against Circle Internet Financial, LLC for violations of state money transmitter laws.

In 2020 and 2024, the Florida Office of Financial Regulation ("OFR") issued orders against Circle Internet Financial, LLC for violating state law governing money transmitters. The 2020 OFR order cites several violations, including findings that Circle Internet Financial, LLC failed to maintain accurate records of sender and receiver names and addresses, and failed to maintain the required records of money transmissions that exceeded $3,000.[28] The 2024 OFR order cites failures to comply with state reporting requirements for money transmitters.[29]

---

[23] Connecticut Department of Banking, Consent Order in the Matter of: Poloniex, LLC, November 7, 2019. https://portal.ct.gov/-/media/dob/enforcement/consumer-credit/2019-cc-orders/poloniex-co.pdf?rev=395a37ea049746f186741d8fc721ee9c&hash=70BB94136841A522E6B73719BF9FE865#:~:text=Poloniex%20shall%20cease%20and%20desist,of%20the%20Connecticut%20General%20Statutes.

[24] Vermont Department of Financial Regulation, In the Matter of: Poloniex, LLC, Docket No. 19-006-B, July 9, 2019, https://dfr.vermont.gov/sites/finreg/files/regbul/dfr-order-docket-19-006-b-poloniex.pdf.

[25] Financial Industry Regulatory Authority, FINRA Disciplinary Actions – September 2024, September 2024, 3, https://www.finra.org/sites/default/files/2024-09/Disciplinary_Actions_September_2024.pdf.

[26] Start Engine, "StartEngine Acquires SeedInvest Assets," May 18, 2023. https://www.startengine.com/blog/seedinvest.

[27] Financial Industry Regulatory Authority, BrokerCheck Report: SI Securities, LLC (CRD No. 170937), https://files.brokercheck.finra.org/firm/firm_170937.pdf

[28] Florida Office of Financial Regulation. (2020, July 20). Final order in re: Circle Internet Financial, Inc. (Case No. 95335). https://real.flofr.gov/datamart/searchFinalOrderFLOFR.do

[29] Florida Office of Financial Regulation. (2024, June 27). Final order in re: Circle Internet Financial, LLC (Case No. 121516). https://real.flofr.gov/datamart/searchFinalOrderFLOFR.do

2.6. Class action lawsuit allegations of materially misleading email solicitations by Circle affiliates.

Circle affiliates Seed Invest Technology, LLC and SI Securities, LLC are the subject of an ongoing class action lawsuit in which plaintiffs allege "a barrage of some 48 hard sell email solicitations sent during an approximately nine month period by Seed Invest Technology, LLC and/or SI Securities, LLC (collectively, Seed Invest) which told the plaintiff and other similarly situated potential class members, in effect, that they better "act now" because NowRx shares were flying off the shelf and they would lose the opportunity to invest in the then well positioned NowRx."[30] Circle Internet Financial Public Limited Company is named as a defendant, the court holding that this Circle entity "had "the power to direct or cause the direction of the management and policies of [the primary violators], whether through the ownership of voting securities, by contract or otherwise."[31]

3. Granting a national trust bank charter to any stablecoin issuer would enable regulatory arbitrage that harms communities and consumers.

Any entity engaged in currency issuance and deposit-taking, including in the form of issuance of stablecoins, must be held to the same standards as traditional financial institutions. Issuers of currency—including stablecoins—must be subject to robust regulations. Issuing a stablecoin is functionally similar to printing money and taking deposits, and as such, it carries significant implications for financial stability, consumer protection, and systemic risk.

The US has a well-established legal and regulatory framework that governs banks and banking activities. This framework exists to ensure strong consumer protections, including transparency around fees and privacy; rigorous anti-money laundering (AML) and counter-terrorism financing requirements; fraud prevention and reporting obligations; deposit insurance to protect consumers' funds; and the overall safety and soundness of the U.S. financial system. A national trust bank charter would create regulatory arbitrage, weaken public trust, and expose consumers and markets to unnecessary risk.

3.1. Lost Reinvestment to Communities

Circle's proposed national trust bank would not be subject to the Community Reinvestment Act (CRA). This exemption highlights a critical regulatory gap: the company would receive the reputational and operational benefits of a national bank charter without any obligation to support local credit needs or serve low- and moderate-income communities. Approving such a charter risks creating a parallel financial system that enjoys public privileges while avoiding the core public responsibilities that define community banking.

Deposit-taking and reinvestment in local communities are core principles of the Community Reinvestment Act (CRA) and fundamental to the banking system as a whole. Approving this charter would divert deposits away from regulated banks and into the hands of a private technology giant whose sole objective is profit—not public service or community development.

---

[30] *Mueller v. Seed Invest Tech LLC*, No. 1:22-cv-07936, NYSCEF Doc No. 30, at 2 (Sup. Ct. N.Y. Cnty. Mar. 27, 2024).

[31] Ibid.

One analyst has estimated that industry stablecoin supply will reach as much as $4 trillion over the next decade.[32] Although backed by the U.S. dollar, stablecoin reserves are not all held as deposits in the US banking system. For example, according to a March 2025 report from Tether, another stablecoin issuer, its reserves are allocated among multiple holdings, including U.S. Treasury Bills, overnight reverse repurchase agreements, money market funds, corporate bonds, funds, precious metals, bitcoin and other digital tokens, and other investments.[33] Not bank deposits.

3.2. The Need for Community Development Obligations

The CRA states that banks which benefit from federal deposit insurance have an obligation to meet the credit needs of entire communities, meaning that banks cannot solely serve the wealthiest customers. They must serve the needs of low- and moderate-income households as well. Stablecoin issuers should be held to CRA-like standards as they will also rely on a supervisory regime that assures consumers that stablecoins are sound ways to store money.[34]

Until stablecoin legislation requires stablecoin issuers to reinvest a portion of their proceeds into community development projects in underserved communities, no stablecoin issuer should receive any form of bank charter. Traditional deposit insurance is a form of public subsidy to the banking industry and will grant the patina of legitimacy to a national trust bank even if it is, in form but not substance, only providing custodial services, in exchange for which banks accept obligations to the public interest. The same exchange should apply to stablecoin issuance.

Applying community development obligations to stablecoin issuers would drive billions of dollars into needed community and economic development projects and initiatives. In 2023 alone, banks originated over $127 billion in loans that meet the CRA's definition of community development for LMI communities and households. In addition, ensuring community development conditions are being met by nonbank or national trust bank issuers would also allow for a more level playing field between banks, especially community banks – and nonbank or national trust bank issuers.

3.3. Embedded in banking laws is the assumption that the deposits held by a bank are insured.

If Circle's trust bank charter is approved, it would not be FDIC insured, as the firm does not accept retail deposits. Yet operating under a national bank charter would confer the appearance of regulatory legitimacy and safety—potentially leading consumers to believe their USDC holdings are federally protected when they are not.

The concept that deposit taking is a foundational aspect of banking and that deposits held by national banks must be insured was incorporated into the existing legal and regulatory framework governing banks and banking, largely established by the National Bank Act (NBA),

---

[32] Yahoo Finance, "Stablecoins go mainstream after Circle's blockbuster IPO: Here's what they do," July 10, 2024, https://finance.yahoo.com/news/stablecoins-go-mainstream-after-circles-blockbuster-ipo-heres-what-they-do-152159324.html,Stablecoins go mainstream after Circle's blockbuster IPO. Here's what they do.

[33] Ibid.

[34] For more information on the need for all stablecoin issuers to be held to CRA-like standards, see The Need for Community Development Accountability for Stablecoin Issuers » NCRC.

the Federal Deposit Insurance Act (FDIA), the Federal Reserve Act (FRA). This concept has been incorporated into numerous laws passed by Congress since the enactment of these laws.[35]

The Federal Deposit Insurance Act defines the term "deposit" very broadly:

> The term deposit: the unpaid balance of money or its equivalent received or held by a bank or savings association in the usual course of business and for which it has given or is obligated to give credit, either conditionally or unconditionally, to a commercial, checking, savings, time, or thrift account, or which is evidenced by its certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar name, or a check or draft drawn against a deposit account and certified by the bank or savings association, or a letter of credit or a traveler's check on which the bank or savings association is primarily liable.[36]

Circle or other stablecoin issuers might argue that the deposits they hold for consumers are safe because they are backed by the U.S. dollar. Reserves are not the same thing as deposit insurance. Consumers using stablecoins issued by Circle simply do not have protections that federally insured deposits offer to consumers and there is no information in Circle's application to indicate how they will protect consumers from financial losses due to business failures or fraud.

This perception gap increases public exposure to financial loss while allowing Circle to benefit from the reputational privileges of the federal banking system without offering the core protections that actual banks provide.

3.4. Under current National Bank Charges regulations, Circle would have no obligation to avoid unfair, deceptive or abusive practices in setting fees.

The OCC's National Bank Charges regulation is inadequate because it does not require national banks or trust banks to consider key consumer protection principles—such as fairness, affordability, disparate impacts, or the avoidance of unfair, deceptive, or abusive practices—when setting fees.

This regulatory gap is especially concerning in the context of stablecoin issuers like Circle. If granted, Circle will operate a national trust bank holding over $60 billion in consumer funds and managing related money transfers, without any obligation under the National Bank Charges regulation to consider the potential for unfair, deceptive or abusive practices when setting fees.

The OCC should not grant national trust bank charters to stablecoin issuers until it amends the National Bank Charges regulation to require consideration of fairness, affordability, disparate impacts and avoidance of unfair, deceptive or abusive practices in setting fees.[37]

---

[35] National Community Reinvestment Coalition, "NCRC, CRL, and NCLC Send Comment Letter Opposing Figure's Application for a National Bank Charter," December 8, 2020, https://ncrc.org/ncrc-two-other-consumer-groups-send-comment-letter-opposing-figures-application-for-a-national-bank-charter/#_ftnref3

[36] 12 U.S.C. § 1813(l)

[37] NCLC et al., Comments on EGRPRA review of 12 CFR Part 7, Subpart D (preemption), OCC Docket IS OCC-2023-0016 at 3 (Oct. 30, 2024).

3.5. Stablecoin issuers should not be permitted to use a federal trust bank charter to avoid state-level consumer protections.

A national trust bank is not a full-service bank and does not operate under the same regulatory framework as federally insured depository institutions. Granting Circle a national trust bank charter would allow it to access certain federal privileges—such as preemption of state consumer protection laws—without being subject to the comprehensive oversight and consumer safeguards that apply to traditional banks. The OCC should not permit a stablecoin issuer to use a trust charter as a regulatory shortcut to avoid state-level oversight while lacking the responsibilities and protections associated with insured banking institutions.

4. Granting a national trust bank charter to any stablecoin issuer creates systemic risk.

4.1. Risks to Safety and Soundness and History of Government Bailout

Despite the passage of the GENIUS Act, federal regulators have yet to implement regulations implementing the GENIUS Act, which will be critical to establish clear rules for stablecoins, leaving critical issues of backing, redemption, and oversight in regulatory limbo. While the GENIUS Act proposes basic reserve and disclosure standards for stablecoin issuers, which does not go into effect until January 2027 at the earliest. Even then, legal scholar Art Wilmarth warns that *"By placing the federal government's seal of approval on uninsured and weakly-regulated nonbank stablecoins, the GENIUS Act would greatly increase the likelihood that future runs on stablecoins would trigger systemic financial crises and require costly government bailouts."*[38]

Granting Circle a trust bank charter before a comprehensive regulatory framework is in place would expose both consumers and the broader financial system to poorly understood risks. Circle's proposed banking operations would create an unprecedented moral hazard by extending the federal safety net to a company whose core business involves highly volatile digital assets. Stablecoin issuers like Circle operate business models that make them uniquely susceptible to runs in the absence of appropriate risk management standards.[39] While these companies typically invest reserves in traditional financial instruments like short-term Treasuries or deposits with regional banks, these connections create dangerous vectors for contagion rather than sources of stability.

4.2. Circle's primary product, USDC, has repeatedly broken its purported dollar peg.

Circle's primary product, USDC, is marketed as a 'stablecoin,' yet the sector's track record demonstrates anything but stability. More than 20 stablecoins have collapsed since 2016, including high-profile failures that wiped out billions in investor funds. Even USDC—which

---

[38]Open Banker, "Congress Must Reject the GENIUS Act and Remove the Dangers Posed by Nonbank Stablecoins" by Art Wilmarth: https://ourfinancialsecurity.org/wp-content/uploads/2025/07/AFR-Factsheet.GENIUS-Acts-Flaws-and-Failures.pdf

[39] Financial Stability Oversight Council, 2024 Annual Report (Washington, DC: U.S. Department of the Treasury, 2024), 8, https://home.treasury.gov/system/files/261/FSOC2024AnnualReport.pdf.

alongside Tether's USDT controls over 80% of global stablecoin volume[40]—has repeatedly broken its purported dollar peg between 2019 and 2023, creating significant losses for holders during these de-pegging events[41]. Despite Circle's promises of full dollar backing, the company's reserve disclosures remain unaudited and inconsistent, raising fundamental questions about actual asset coverage.

The collapse of Silicon Valley Bank (SVB) in 2023 revealed Circle as SVB's largest uninsured depositor, holding $3.3 billion in reserves.[42] Following SVB's failure, USDC lost its dollar peg, plunging to $0.87 in value. Federal regulators then orchestrated an emergency backstop of uninsured deposits—effectively delivering the first government bailout of a private stablecoin issuer. This episode demonstrates that stablecoin operators, despite existing outside traditional banking regulation, already pose systemic risks that ultimately require taxpayer intervention.

4.3. Separation of banking and commerce

In the United States, bright lines have existed to separate banking from commerce. The separation of banking and commerce is critical to maintaining the safety and soundness of our financial system. The national trust bank charter is a problematic contradiction to that principle. If Circle receives a charter, regulators will have little insight into its corporate parent's operations even though they have many interdependent relationships.

5. The OCC must deny all stablecoin company charter applications until laws and regulations can effectively address safety and soundness concerns and protect consumers against fraud.

The current regulatory framework governing cryptocurrency and stablecoin is not sufficient to avoid massive fraud and financial losses, nor does it adequately address stablecoin liquidity standards, reserve requirements, or consumer protection.

The digital asset ecosystem that Circle operates in has been plagued by fraud, hacking, and cybercrime, with billions of dollars in losses annually. US consumers are already losing billions of dollars a year to fraud, with stablecoins overtaking Bitcoin as the illicit currency of choice for criminals.

According to the FBI's Internet Crime Complaint Center (IC3) 2024 Internet Crime Report, US consumer losses due to scams are increasing at a startling rate, rising from just under $4 billion in 2020, to over $16 billion in 2024.[43] Cryptocurrency has become the top way that complainants

---

[40] PatentPC, "Stablecoin Market Share: USDT vs. USDC and Alternatives Stats," *PatentPC Blog*, June 25, 2025, https://patentpc.com/blog/stablecoin-market-share-usdt-usdc-alternatives-stats.

[41] S&P Global, *Stablecoins: A Deep Dive into Valuation and Depegging*, September 2023, https://www.spglobal.com/content/dam/spglobal/corporate/en/images/general/special-editorial/stablecoinsadeepdiveintovaluationanddepegging.pdf.

[42] Circle Internet Financial, "$3.3 Billion of USDC Reserve Risk Removed, Dollar De-Peg Closes," *Circle*, March 13, 2023, https://www.circle.com/pressroom/3-3-billion-of-usdc-reserve-risk-removed-dollar-de-peg-closes.

[43] Federal Bureau of Investigation, *2024 Internet Crime Report* (Washington, DC: Internet Crime Complaint Center, 2025), 7, https://www.ic3.gov/AnnualReport/Reports/2024_IC3Report.pdf.

reported financial loss in fraud, accounting for $9.3 billion dollars in losses in 2024 alone.[44] As a group, those over the age of 60 suffered the most losses and submitted the most complaints referencing cryptocurrency.[45] While Bitcoin was the currency of choice for cybercriminals for years, this changed in 2022: a 2025 report shows a seismic shift to stablecoins that now account for 63% of all illicit crypto transactions.[46]

In June of this year, the Financial Action Task Force (FATF), a leading global financial crime watchdog, recently called on countries to take stronger action to combat illicit finance in crypto assets, warning that gaps in regulation could have global repercussions.[47]

Furthermore, the OCC should also deny all stablecoin company charter applications until the Secretary of the Treasury has finalized rules to implement Section 5(A) of the GENIUS Act. That section of the Act provides that a permitted payment stablecoin issuer shall be treated as a financial institution for purposes of the Bank Secrecy Act, and as such, shall be subject to all federal laws applicable to a financial institution located in the United States relating to economic sanctions, prevention of money laundering, customer identification, and due diligence.

Before the OCC considers granting a charter to any stablecoin issuer, the following rules and regulations implementing provisions of the GENIUS Act must be in place:

- The Federal Reserve Board is authorized to issue regulations related to reserve requirements and liquidity standards for federally regulated stablecoin issuers.[48]
- The Federal Deposit Insurance Corporation may issue rules to ensure that insured depository institutions issuing stablecoins comply with capital and risk management standards.[49]
- The Department of the Treasury is authorized to issue rules on consumer protection, including public disclosures of reserve composition, redemption procedures and prohibited marketing practices.[50]
- The Financial Crimes Enforcement Network is authorized to issue implementing regulations under the Bank Secrecy Act to ensure anti-money laundering and sanctions compliance by stablecoin issuers.[51]
- The Secretary of the Treasury is granted broad authority to issue rules and guidance necessary to carry out the act.[52]

---

[44] Ibid., 3.
[45] Ibid., 35.
[46] Chainalysis, "2025 Crypto Crime Report: Illicit Volumes Portend Record Year as On-Chain Crime Becomes Increasingly Diverse and Professionalized," January 15, 2025, https://www.chainalysis.com/blog/2025-crypto-crime-report-introduction/

[47] Reuters, "Global financial crime watchdog calls for action on crypto risks," June 25, 2025, https://www.reuters.com/sustainability/boards-policy-regulation/global-financial-crime-watchdog-calls-action-crypto-risks-2025-06-26/

[48] GENIUS Act, Sec. 4(e)(2), S.1582, 119th Cong.
[49] GENIUS Act, Sec. 4(e)(3), S.1582, 119th Cong.
[50] GENIUS Act, Sec. 6(a)–(c), S.1582, 119th Cong.
[51] GENIUS Act, Sec. 7(b), S.1582, 119th Cong.
[52] GENIUS Act, Sec. 13(a), S.1582, 119th Cong.

6. The comment period for charter applications must be extended to at least 90 days.

A key feature of the American democratic process is the opportunity for public engagement in the lawmaking process and in the American banking law this means the public's right to participate by submitting comments on charter applications.

Circle filed the FNDCB charter application on June 30, 2025. Around that time, the application appeared in the OCC's Weekly Bulletin, which also noted that the public comment period would be 30 days, expiring on July 30, 2025. However, the public portions of the application were not available until July 17, 2025, over halfway into the comment period. In addition, the public portions of Circle's FNDCB charter application contain no information addressing any of the above concerns. A 30-day comment period is simply not sufficient for meaningful public engagement.

We urge the OCC to publicize the nonpublic portions of all stablecoin issuer charter applications (redacting any nonpublic personal information about the proposed entities' officers or directors).

Finally, we request that the OCC extend the comment periods for all such applications to 90 days.

Conclusion

The OCC must reject Circle's application for a national trust bank charter.

Circle's history of enforcement actions and litigation shows a disregard for regulatory compliance, consumer protection, governance, and risk management. Circle has demonstrated that it would not run a responsible bank and should be denied a charter.

Granting a national trust bank charter to Circle would enable regulatory arbitrage, reduce community development, risk significant harm to consumers and communities, and would create systemic risk.

Finally, until the GENIUS Act is effective and its implementing regulations are finalized, granting a national trust bank charter to a stablecoin issuer will create systemic risk and will fuel illicit finance and fraud that are already wreaking havoc on U.S. consumers.

Thank you for considering this request. We also request that each sign on organization be considered as a separate commenter, and that they be sent copies of all future correspondence related to this comment. If you have any questions about this letter, please contact Jesse Van Tol, NCRC's Chief Executive Officer, at 202-464-2709 or jvantol@ncrc.org.

Sincerely,

Jesse Van Tol

Chief Executive Officer
NCRC

Sign On Organizations

African-American Trade Association

Acts Housing

Affordable Homeownership Foundation Inc.

African Community Housing & Development

Alabama House of Representatives - District 52 State Representative Kelvin Datcher

Americans for Financial Reform

Baltimore Community Lending

CASA of Oregon

Community Housing of Wyandotte County, Inc.

Clover Inc.

Delaware Community Reinvestment Action Council

East LA Community Corporation

Fair Finance Watch

Fair Housing Center of Central Indiana

Genesee Co-op FCU

Georgia Advancing Communities Together

Georgia WAND Education Fund, Inc.

Harlingen Community Development Corporation

Home Repair Resource Center

Homes on the Hill, CDC

Homestead Resources

Housing Authority of the City of High Point

Housing Oregon

National Consumer Law Center

NCRC Community Development Fund

New Jersey Citizen Action

Northwest Indiana Reinvestment Alliance

Northwest Counseling Service, Inc.

Public Citizen

Reinvestment Partners

Rise Economy

Rural Housing Coalition of New York
United South Broadway Corporation
Universal Housing Solutions CDC
Utah Housing Coalition
Welfare Reform Liaison Project, Inc.
Woodstock Institute