



United States House of Representatives  
One Hundred Eighteenth Congress  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

September 23, 2024

The Honorable Martin J. Gruenberg  
Chairman  
Federal Deposit Insurance Corporation  
550 17th Street, N.W.  
Washington, D.C. 20429

Dear Chairman Gruenberg:

We write to you as part of our ongoing efforts to examine and understand the Federal Deposit Insurance Corporation's (FDIC) posture towards digital asset custody. The House Committee on Financial Services (the Committee) is seeking additional information surrounding the FDIC's engagement with the Board of Governors of the Federal Reserve (Federal Reserve) and the Office of the Comptroller of the Currency (OCC) as well as the Securities and Exchange Commission (SEC) as it relates to the obligations of financial institutions when engaging in digital asset related activities.

At the time you assumed the role of Acting Chairman on February 4, 2022, the FDIC issued guidance surrounding FDIC-supervised financial institutions engaging in digital asset related activities.<sup>1</sup> On February 7, 2022, the FDIC announced that digital assets were a priority and explained that "the agencies will need to provide robust guidance to the banking industry on the management of prudential and consumer protection risks raised by crypto-asset activities."<sup>2</sup> Based on previous document productions to the Committee, it is apparent that the FDIC began spending significant time and resources to provide guidance and clarity regarding certain digital asset related activities by FDIC-supervised institutions.

Leading up to the summer of 2022, however, the FDIC's posture towards digital assets significantly changed. According to the documents, the FDIC began a mass exodus from all digital asset related interagency workstreams beginning in May 2022.<sup>3</sup> In particular, insight as to why the FDIC went from deeming digital assets a priority in February 2022 to ceasing staff participation in interagency workstreams within a three-month span is lacking.

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<sup>1</sup> FDIC Press Release, "Notification of Engaging in Crypto-Related Activities" (Apr. 7, 2022) <https://www.fdic.gov/news/financial-institution-letters/2022/fil22016.html>; FDIC Press Release, "Joint Statement on Crypto-Asset Policy Sprint Initiative and Next Steps" (Nov. 23, 2021) <https://www.fdic.gov/news/financial-institution-letters/2021/fil21075.html>.

<sup>2</sup> FDIC Press Release, "Acting Chairman Martin J. Gruenberg Announces FDIC Priorities for 2022" (Feb. 7, 2022) <https://www.fdic.gov/news/press-releases/2022/pr22015.html>.

<sup>3</sup> Documents on file with the Committee.

Later on January 3, 2023, the FDIC in partnership with the Federal Reserve and the OCC, published a “Joint Statement on Crypto-Asset Risks to Banking Organizations.”<sup>4</sup> Unfortunately, there are few, if any, documents within the FDIC’s productions from the period between May 2022, when the Corporation stepped away from its efforts, and January 2023, when the Joint Statement was published, to help the Committee better understand this significant shift in posture.

To that end, please provide the following records and communications:

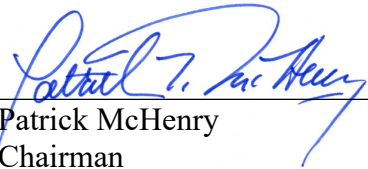
1. All non-public records and communications between FDIC, the SEC, Federal Reserve, and OCC related to the Interagency Statement on Crypto-Asset Custody Services and the related request for information (RFI) regarding crypto-asset custody ancillary activities;
2. All non-public records and communications between the FDIC, SEC, Federal Reserve, and OCC related to the need for additional guidance or regulation related to digital asset custody;
3. All FDIC internal communications referring or related to the Interagency Statement on Crypto-Asset Custody Services and the related RFI;
4. All FDIC internal communications referring or related to the SEC, Federal Reserve, or OCC’s regulatory treatment of digital asset custody prior to March 31, 2022; and
5. All FDIC internal communications referring or related to the interagency "policy sprints" and the decision to cease involvement in the interagency workstreams focused on crypto-assets, between February 4, 2022, and the release of the *Joint Statement on Crypto-Asset Risks to Banking Organizations* on January 3, 2023.

Please provide this material as soon as possible, but no later than October 7, 2024. The Committee on Financial Services has jurisdiction to oversee the activities of the FDIC pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter

Sincerely,

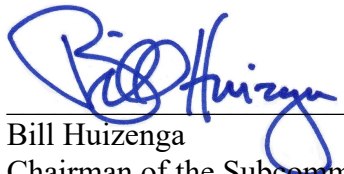
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<sup>4</sup> FDIC, OCC, and the Federal Reserve, “Joint Statement on Crypto-Asset Risks to Banking Organizations” (Jan. 3, 2023) <https://www.fdic.gov/sites/default/files/2024-03/pr23002a.pdf>.




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Patrick McHenry  
Chairman



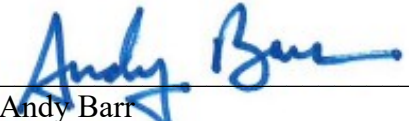
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Bill Huizenga  
Chairman of the Subcommittee on  
Oversight and Investigations



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French Hill  
Chairman of the Subcommittee on  
Digital Assets, Financial Technology  
and Inclusion



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Andy Barr  
Chairman of the Subcommittee on  
Financial Institutions and Monetary  
Policy

CC: Federal Deposit and Insurance Corporation Inspector General Jennifer Fain