



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

September 23, 2024

Michael Hsu
Acting Comptroller
Office of the Comptroller of the Currency
400 7th St., SW
Washington, DC 20219

Dear Acting Comptroller Hsu:

We write to you as part of our ongoing efforts to examine and understand the Office of the Comptroller of the Currency's (OCC) ability to ensure financial institutions are able to safeguard digital assets. We are concerned that the Securities and Exchange Commission's (SEC) Staff Accounting Bulletin (SAB) 121 imposes burdensome and impractical requirements on OCC-chartered banks seeking to offer digital asset custody services to their customers.¹ While Congress's concerns about SAB 121 have been well-documented,² our concerns surrounding the lack of interagency communication leading up to SAB 121's publication continues to grow after examining communications provided to the House Committee on Financial Services (the Committee) by the prudential regulators.³

Based on documents produced to the Committee, it is apparent that all three federal prudential regulators dedicated considerable time and resources to creating both an Interagency Statement on Crypto-Asset Custody Services and a related request for information (RFI) regarding crypto-asset custody ancillary activities. However, there are concerns that SAB 121's publication may have disrupted this interagency initiative. While it remains unclear the extent to which SAB 121's publication impacted the interagency workstream, neither the Interagency Statement nor the RFI were ultimately published.

The Committee is seeking to understand the OCC, the SEC, Board of Governors of the Federal Reserve System (Federal Reserve), and the Federal Deposit Insurance Corporation (FDIC) discussions regarding SAB 121 and the impact on the interagency initiative. It is

¹ Securities and Exchange Commission, Staff Accounting Bull. No. 121 (Mar. 31, 2022), *available at* <https://www.sec.gov/oca/staff-accounting-bulletin-121>.

² Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Securities and Exchange Commission relating to "Staff Accounting Bulletin No. 121, H. J. Res. 109, 118th Cong. (2024) (Passed out of both chambers on bipartisan basis. Vetoed by President Biden on May 31, 2024).

³ See Letter from Representatives McHenry, Hill, Huizenga to Board of Governors of the Federal Reserve System Chair Jerome Powell (Apr. 25, 2023); Letter from Representatives McHenry, Hill, Huizenga to Federal Deposit Insurance Corporation (FDIC) Chairman Martin Gruenberg (Apr. 25, 2023); Letter from Representatives McHenry, Hill, Huizenga to Acting Comptroller of the Currency Michael Hsu (Apr. 25, 2023).

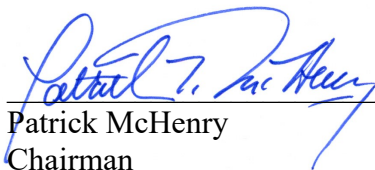
imperative to ensure that no agency undermines another agency through siloed regulatory actions, which risks introducing uncertainty and instability into our financial system.

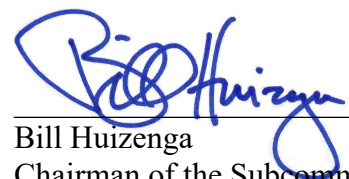
To that end, please provide the following records and communications:

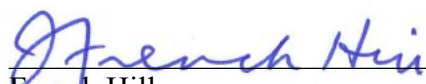
1. All non-public records and communications between the OCC, SEC, Federal Reserve, and FDIC related to Interagency Custody Statement and the related RFI;
2. All non-public records and communications between the OCC, SEC, Federal Reserve, and FDIC related to the need for additional guidance or regulation related to digital asset custody;
3. All OCC internal communications referring or related to the Interagency Custody Statement and the related RFI; and
4. All OCC internal communications referring or related to the SEC, Federal Reserve, or FDIC's regulatory treatment of digital asset custody prior to March 31, 2022.


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 OCC pursuant to Rule X of the Rules of the House of Representatives. Thank you for your attention to this important matter.

Sincerely,


Patrick McHenry
Chairman


Bill Huizenga
Chairman of the Subcommittee on
Oversight and Investigations


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


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

CC: U.S. Department of Treasury Acting Inspector General Richard Delmar