

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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<https://oversight.house.gov>

February 27, 2025

The Honorable Travis Hill
Acting Chairman
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Dear Acting Chairman Hill:

The Committee on Oversight and Government Reform is continuing to investigate the improper debanking of individuals and entities based on political viewpoints or involvement in certain industries such as cryptocurrency and blockchain. On January 24, 2025, the Committee wrote to several leaders of digital asset corporations and associations who have spoken publicly about debanking.¹ The Committee seeks to ascertain whether debanking stems from financial institutions or government actors.

On February 5, 2025, the Federal Deposit Insurance Corporation (FDIC), which oversees the banking industry, released a document containing voluminous redacted correspondence between the agency and financial institutions that sought to engage, or did engage, in “crypto-related activities.”² According to the FDIC, 64 of these documents include “correspondence with the 24 banks that received ‘pause letters’” and 111 documents consist of FDIC correspondence and records pertaining to crypto-related activities of other regulated institutions.³ The Committee requests unredacted versions of the aforementioned document and other previously released pause letters to better understand the relationship between relevant financial institutions and government regulators and their respective approaches to crypto-related activities.

According to the FDIC, the released documents show:

that requests from these banks were almost universally met with resistance, ranging from repeated requests for further information, to multi-month periods of silence as institutions waited for responses, to directives from supervisors to pause, suspend, or refrain from expanding all crypto- or blockchain-related activity. Both individually and collectively, these and

¹ Letter from James Comer, Chairman, H. Comm. on Oversight & Gov’t Reform, to Hayden Adams, Founder and CEO, Uniswap Labs, *et al.* (Jan. 24, 2025).

² Press Release, Fed. Deposit Ins. Corp., FDIC Releases Documents Related to Supervision of Crypto-Related Activities (Feb. 5, 2025) [hereinafter “FDIC Press Release”].

³ *FDIC Records—Correspondence Related to Crypto-Related Activities*, FED. DEPOSIT INS. CORP., available at <https://www.fdic.gov/foia/correspondence-related-crypto-related-activities> [hereinafter “FDIC Document”].

other actions sent the message to banks that it would be extraordinarily difficult—if not impossible to move forward. As a result, the vast majority of banks simply stopped trying.⁴

Indeed, one letter shows that within nine days of the FDIC requesting an in-person visitation “to continue the review of the crypto-related activities and provide supervisory feedback to the bank,” a senior vice president at a bank notified the FDIC that the board “decided to cancel the arrangement” and “cease pursuing crypto-related activities at this time.”⁵ The FDIC then cancelled the visitation.⁶ In addition to requesting a visitation, the FDIC had previously “requested the bank refrain from providing the service to its customers” until the agency completed a review, and requested additional information.⁷ The Committee therefore shares your concern that regulatory resistance, supervisory directives, and repeated information requests previously led banks to cease efforts to engage in crypto activities.

You have expressed concern that the FDIC’s approach during the Biden Administration to digital assets such as crypto and blockchain “contributed to a general perception that the agency was closed for business if institutions are interested in anything related to blockchain or distributed ledger technology.”⁸ The Committee is concerned that overreach by government regulators may have arbitrarily suppressed industries they deemed unfavorable, impacting business operations by preventing entities from accessing cash to fulfill payroll or driving technological and financial innovation overseas. The Committee commends your efforts “to ensure law-abiding customers have, and do not lose, access to bank accounts and banking services” and to “adopt a more open-minded approach to innovation and technology adoption,” specifically by increasing transparency towards “fintech partnerships and to digital assets and tokenization[.]”⁹

To assist the Committee’s investigation of this matter, we request the following as soon as possible but no later than March 13, 2025:

1. An unredacted version of the February 5, 2025, document released by the FDIC entitled *FDIC Records—Correspondence Related to Crypto-Related Activities*;
2. Unredacted versions of the 25 previously released pause letters referenced in the FDIC’s February 5, 2025, press release entitled *FDIC Releases Documents Related to Supervision of Crypto-Related Activities*; and
3. Unredacted versions of all pause letters and supervisory communications reviewed in the course of the “comprehensive review” referenced in the FDIC Press Release between the FDIC and financial institutions interested in pursuing crypto- or blockchain-related activities.

⁴ FDIC Press Release, *supra* n. 2.

⁵ FDIC Document, *supra* n. 3, at 11.

⁶ *Id.*

⁷ *Id.*

⁸ FDIC Press Release, *supra* n. 2.

⁹ Press Release, Fed. Deposit Ins. Corp., Statement from Acting Chairman Travis Hill (Jan. 21, 2025).

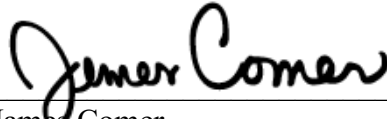
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The Committee on Oversight and Government Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. To arrange for delivery of documents or to ask any related follow up questions, please contact the Committee on Oversight and Government Reform Majority staff at (202) 225-5074. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink that reads "James Comer". The signature is written in a cursive style with a large, prominent "J" and "C".

James Comer
Chairman

cc: The Honorable Gerald Connolly, Ranking Member
Committee on Oversight and Government Reform