

# Banks May Engage in Some Crypto Activities Without Prior Notice Says FDIC

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## Key Takeaways

- The FDIC recently rescinded guidance requiring FDIC-supervised institutions to give notice to the FDIC before engaging in crypto-related activities.
- Banks regulated by the FDIC may now engage in permissible crypto-related activities without prior notice.
- Permissible crypto-related activities currently include crypto asset custody, holding stablecoin reserves, acting as nodes on a distributed ledger and engaging in stablecoin activities to facilitate payments on a distributed ledger.
- The OCC took similar action previously, but banks supervised by the Federal Reserve Board are still subject to the notice requirement.
- Future guidance is expected to expand the list of permissible crypto-related activities.

The U.S. Federal Deposit Insurance Corporation (“FDIC”) recently rescinded guidance requiring FDIC-supervised institutions (“banks”) to give notice to the FDIC before engaging in crypto-related activities.<sup>1</sup> This notice requirement, coupled with responses by FDIC supervisors, discouraged banks from engaging in crypto-related activities, as shown by “pause” letters and recently released documents.<sup>2</sup> The FDIC also provided new guidance that FDIC-supervised banks may engage in “permissible” crypto-related activities without prior notice. The Office of the Comptroller of the Currency (“OCC”) rescinded its notice requirement and issued similar guidance on “permissible” crypto-related activities earlier in March.<sup>3</sup> Banks supervised by the Federal Reserve Board are still subject to the notice requirement before engaging in crypto-related activities.<sup>4</sup>

In the rescinded guidance, issued on April 7, 2022, the FDIC stated that the crypto-related activities for which notification would be required included, but were not limited to:

- Acting as crypto asset custodians.
- Maintaining stablecoin reserves.
- Issuing crypto and other digital assets.
- Acting as market makers or exchange or redemption agents.
- Participating in blockchain- and distributed ledger-based settlement or payment systems, including performing node functions.
- Related activities such as finder activities and lending.<sup>5</sup>

This list of crypto-related activities was referenced in the new guidance, but the FDIC is only enabling banks to engage in “permissible” crypto-related activities without prior notice.

The FDIC incorporated by reference prior guidance issued by the OCC on what constitutes “permissible” crypto-related activities. These include:

- Crypto asset custody services.
- Holding dollar deposits serving as reserves backing stablecoins.
- Acting as nodes on an independent node verification network (i.e., a distributed ledger) to verify customer payments.
- Engaging in certain stablecoin activities to facilitate payment transactions on a distributed ledger.<sup>6</sup>

Additional guidance may expand the list of “permissible” crypto-related activities as the FDIC “expects to issue further guidance in the future to provide additional clarity regarding banks’ engagement in particular crypto-related activities.” In an April 8, 2025, speech, Acting Chairman Travis Hill specifically referred to the use of public, permissionless blockchains by banks; stablecoins; and tokenizing commercial bank deposits as areas where additional guidance is being contemplated.<sup>7</sup>

Despite this regulatory easing, the FDIC reiterated its expectation that banks “conduct all activities in a safe and sound manner and consistent with all applicable laws and regulations.” The FDIC further noted that banks should consider the risks of crypto-related activities such as “market and liquidity risk; operational and cybersecurity risks; consumer protection requirements; and anti-money laundering requirements.” These echo concerns iterated in the OCC’s recent guidance.

The federal banking regulators are signaling a willingness to enable crypto-related innovation in the banking sector. First the OCC issued guidance to this effect and now the FDIC has followed suit, both consistent with the new administration’s approach to crypto. When a bank supervised by the OCC or FDIC wants to engage in a “permissible” crypto-related activity, such as acting as a custodian of crypto assets, it may do so freely, without affirmatively notifying the bank’s federal supervisor, so long as it is done in a safe and sound manner. But when a bank wants to conduct a crypto-related activity that is not currently deemed “permissible,” it would be advantageous for that bank to “engage with their supervisory team [at the FDIC] as appropriate” prior to engaging in the crypto-related activity. Crypto-related activities not on the “permissible” list today may be added to that list in the future, and we will continue to monitor for further crypto-related developments in the banking sector.

## Footnotes

1. FDIC, [FDIC Clarifies Process for Banks to Engage in Crypto-Related Activities](#) (FIL-7-2025) (Mar. 28, 2025). The FDIC supervises state-chartered banks that are not members of the Federal Reserve System.
2. Statement of Acting Chairman Travis Hill, [FDIC Releases Documents Related to Supervision of Crypto-Related Activities](#) (Feb. 5, 2025).
3. OCC, [Letter Addressing Certain Crypto-Asset Activities](#) (Interpretive Letter #1183) (Mar. 7, 2025). The OCC supervises national banks, among other financial institutions.
4. Board of Governors of the Federal Reserve System, [SR 22-6 / CA 22-6: Engagement in Crypto-Asset-Related Activities by Federal Reserve-Supervised Banking Organizations](#) (Aug. 16, 2022). The Federal Reserve Board supervises state-chartered banks that are members of the Federal Reserve System, among other financial institutions.
5. FDIC, [Notification of Engaging in Crypto-Related Activities](#) (FIL-16-2022) (Apr. 7, 2022).

6. OCC, Authority of a National Bank to Provide Cryptocurrency Custody Services for Customers (Interpretive Letter #1170) (July 22, 2020); OCC, OCC Chief Counsel's Interpretation on National Bank and Federal Savings Association Authority to Hold Stablecoin Reserves (Interpretive Letter #1172) (Sept. 21, 2020); OCC, OCC Chief Counsel's Interpretation on National Bank and Federal Savings Association Authority to Use Independent Node Verification Networks and Stablecoins for Payment Activities (Interpretive Letter #1174) (Jan. 4, 2021).
7. Statement of Acting Chairman Travis Hill, View from the FDIC: Update on Key Policy Issues (Apr. 8, 2025).

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