



October 5, 2020

SENT VIA E-MAIL

Stephanie Martin, Esq.
Senior Associate General Counsel
Federal Reserve Board
20th & C Streets NW
Washington, DC 20551

Re: Application of Kraken Financial for Access to Federal Reserve Account and Payments System Services

Dear Ms. Martin:

The Clearing House Payments Company (“The Clearing House”) and The Clearing House Association, American Bankers Association, Bank Policy Institute, Consumer Bankers Association, Credit Union National Association, Independent Community Bankers of America, NACHA, and National Association of Federally-Insured Credit Unions (collectively, the “Associations”) write to express concern over the potential application of Kraken Financial for access to a Federal Reserve account and payments system services. The Clearing House, as the private sector operator of the nation’s payments systems, and the Associations, as the trade associations representing users of the payments systems operated by both The Clearing House and the Federal Reserve Banks, are concerned that the nature of the business engaged in by Kraken Financial presents heightened risks that should be taken into consideration in determining whether the Federal Reserve should grant such access, and, if granted, on what conditions.

Kraken Financial was formed as the result of a new and unique special purpose depository institution (“SPDI”) charter recently established under Wyoming law that appears to be targeted to cryptocurrency businesses.¹ Kraken Financial presents a business model that is

¹San Francisco based Kraken appears to have obtained the SPDI charter from Wyoming after previously running afoul of New York’s Virtual Currency Business Activity licensing requirements. Forbes, “New York Attorney General Warns that Kraken Cryptocurrency Exchange Could be Violating Regulations” (Sept. 18, 2018), available at: <https://www.forbes.com/sites/michaeldelcastillo/2018/09/18/new-york-attorney-general-warns-kraken-cryptocurrency-exchange-could-be-breaking-the-law/#16536145380f>; CNBC, “Kraken Crypto Currency Exchange Says It Will Not Comply with New York Inquiry”, available at: <https://www.cnbc.com/2018/04/19/kraken->

highly unusual for state chartered institutions and for depository institutions generally in that (1) its principal business is to provide a banking gateway between digital assets and national currencies, a business that raises heightened anti-money laundering, Bank Secrecy Act and terrorist financing concerns and is subject to high volatility relating to its cryptocurrency deposits and business, and (2) it presents potential payments system and other risks without appropriate supervision across the breadth of its affiliated entities.

Kraken Financial's business model raises novel risks and the Federal Reserve Banks currently lack a clear, uniform policy to address how these factors should be considered when acting on an application for a Federal Reserve account and services. Accordingly, The Clearing House and the Associations urge the Federal Reserve Board to direct the Federal Reserve Bank of St. Louis to delay taking any action that would grant Kraken Financial access to a master account or the payments system until such time as the Federal Reserve Board has adopted, following notice and comment, a uniform policy that would apply to the Federal Reserve Banks that sets forth appropriate criteria for evaluating special purpose entities like Kraken Financial for access to such services.²

It is important to note that The Clearing House and the Associations recognize the need for the Federal Reserve Board to support continued innovation in financial services where it advances the national interest. The benefits of innovation, however, cannot come at the expense of the integrity of the payment system but rather must be accomplished in a manner that addresses the unique or heightened risks that otherwise innovative business models may present.

I. Kraken and Kraken Financial

Kraken Digital Asset Exchange ("Kraken Exchange") is a cryptocurrency exchange operated by Payward Ventures, Inc. ("Payward"), which appears to be doing business simply as Kraken.³ Recently, Kraken announced that it was approved by the State of Wyoming "to form the world's first Special Purpose Depository Institution ("SPDI"), tentatively called Kraken Financial."⁴ Kraken describes Kraken Financial as the "first ... U.S. bank to provide

[cryptocurrency-exchange-says-it-will-not-comply-with-new-york-inquiry.html](#). See also, Crowdfund Insider, "New York Department of Financial Services is Revisiting its Controversial Virtual Currency License BitLicense" (October 23, 2019) ("San Francisco-based crypto exchange Kraken decided to leave New York instead of obtaining the ... virtual currency license."), available at: <https://www.crowdfundinsider.com/2019/10/153199-new-york-department-of-financial-services-is-revisiting-its-controversial-virtual-currency-license-bitlicense/>.

² At least one other crypto-currency based businesses has filed an application with the Wyoming Division of Banking for an SPDI charter and, therefore, the Federal Reserve will likely see other applications seeking Federal Reserve accounts and services in the near future that present issues similar to those raised by Kraken Financial's application. See, Coindesk, "Wyoming-Based Avanti to Open in October with a New Bank-Issued Digital Asset (July 23, 2020), available at: <https://www.coindesk.com/wyoming-based-avanti-to-open-in-october-with-a-new-bank-issued-digital-asset>. The hearing on Avanti's application for a SPDI charter has been scheduled for October 6, 2020. See, Wyoming Division of Banking Website, available at: <http://wyomingbankingdivision.wyo.gov/>.

³ See, Kraken Terms of Service, available at: <https://www.kraken.com/en-us/legal>

⁴ See, Announcement by KrakenFX "Kraken Wins Bank Charter Approval (Sept. 16, 2020) ("Kraken Announcement"), available at: <https://blog.kraken.com/post/6241/kraken-wyoming-first-digital-asset-bank/>

comprehensive deposit taking, custody and fiduciary services for digital assets” and boasts that, “[f]rom paying bills and receiving salaries in cryptocurrency to incorporating digital assets into investment and trading portfolios, Kraken Financial will enable Kraken clients in the U.S. to bank seamlessly between digital assets and national currencies.”⁵ Kraken also describes Kraken Financial as “the first digital asset company in U.S. history to receive a bank charter recognized under federal and state law, and will be the first regulated, U.S. bank to provide comprehensive deposit-taking, custody and fiduciary services for digital assets.”⁶

Kraken has not publicly released details regarding the anticipated relationship between Kraken Financial, Payward and Kraken Exchange other than to indicate that they will be “seamlessly integrated.” Although Kraken Financial will be regulated and supervised by the Wyoming Division of Banking, it will not be regulated or supervised by any federal banking agency. Kraken Financial does not appear to plan to offer deposit insurance through the Federal Deposit Insurance Corporation, and therefore it will not be an insured bank subject to the Federal Deposit Insurance Act.⁷ It presumably would not be treated as a “bank” under the federal Bank Holding Company Act and therefore its parent company (or companies) would not be treated as bank holding companies under that Act. As a result, operations involving it and its affiliates will not be subject to consolidated supervision and regulation by the Federal Reserve Board or any other federal government agency.

Kraken has indicated that while its “offerings will evolve over time” it plans to “provide clients with everything they expect from a seamless banking gateway between digital assets and national currencies” and that its banking services will be “seamlessly integrated into the existing exchange services.”⁸ In the near term, Kraken Financial’s plans appear to include digital asset custody, the provision of demand deposit accounts, and wire transfer and funding services, followed closely by digital asset staking, trust account administration, a “complete” online and mobile banking suite of products, and a debit card tied to crypto assets.⁹

Notably, Kraken Exchange boasts that it is a “high liquidity” exchange capable of executing trade orders “quickly.”¹⁰ Users are told they can “[a]mplify trading profits up to 5x with margin trading ” or “maximize returns with up to 50x leverage” by trading cryptocurrency futures.¹¹ Kraken offers fiat currency funding in U.S. dollars, euros, and Canadian dollars and supports over 40 different digital currencies on its trading platform.¹²

⁵ *Id.* It is important to note that the Wyoming Statute does not authorize Kraken Financial to provide accounts or other services to natural persons. Wyo. Stat. 13-12-104.

⁶ *Id.*

⁷ Kraken Announcement (noting that the Wyoming SPDI law requires Kraken Financial to maintain “100% reserves of its deposits of fiat currency” and that deposits “will not be required to be insured by the FDIC.”)

⁸ Kraken Announcement.

⁹ *Id.*

¹⁰ Kraken Website, “The Essentials,” available at: <https://www.kraken.com/en-us/features>

¹¹ *Id.*

¹² See, Kraken Website, “Funding Options,” available at: <https://www.kraken.com/features/funding-options> and “Currency Pairs Available for Trading,” available at: <https://support.kraken.com/hc/en-us/articles/201893658-Available-currency-pairs-on-Kraken>.

Kraken has stated that it will have access to the Federal Reserve’s payment system as a result of its Wyoming SPDI charter. Kraken Financial CEO David Kinitzsky recently stated: “We are going to have direct access to the federal payment system and be able to more seamlessly integrate funding and withdrawal mechanisms and payment mechanisms into our products.”¹³ In addition, Kraken’s general counsel, Marco Santori, recently spoke at the American Bar Association’s Blockchain & Digital Assets Institute on Wednesday, September 16, the day that Kraken received its approval to form an SPDI from the Wyoming Division of Banking. As reported in the National Law Review, Santori specifically mentioned that “access to the federal payments system was a key reason the company pursued the new charter.”¹⁴

- II. The Federal Reserve Board should delay granting non-traditional entities like Kraken access to accounts or payments services until it has adopted, after notice and comment, a uniform policy that would apply across the Federal Reserve Banks for evaluating special purpose entities like Kraken Financial for access to such services

It is the view of TCH and the Associations that access to a Reserve Bank account and services is a privilege granted to, and not a right of, depository institutions. At present, there does not appear to be a uniform policy that would apply across the Federal Reserve Banks for evaluating whether this privilege should be granted to a special purpose entity like Kraken. Moreover, the request by Kraken Financial is likely to be followed by others and therefore we believe it is imperative that the Federal Reserve Board develop a policy that could be applied uniformly by the Federal Reserve Banks when evaluating such requests, regardless of whether they are submitted by SPDIs created under state law or through other means, and that takes into account the risks to the payment systems, its direct and indirect participants and its end-users associated with such requests.¹⁵

The Clearing House and the Associations are aware of only one Reserve Bank that has developed detailed criteria for evaluating applications that may be received from non-traditional entities like Kraken. The Federal Reserve Bank of New York (“FRBNY”) has set forth criteria for evaluating applications in its *Account and Financial Institutions Handbook*

¹³ The Daily Hodl, “Here’s What Kraken Plans to Do With Its New Crypto Banking License” (September 21, 2020), available at: <https://dailyhodl.com/2020/09/21/heres-what-kraken-plans-to-do-with-its-new-crypto-banking-license/>.

¹⁴ The National Law Review, “The First Cryptocurrency Bank” (September 22, 2020), available at: <https://www.natlawreview.com/article/first-cryptocurrency-bank>

¹⁵ TCH and the Associations believe there are many ways in which the Board could approach such a policy including but not limited to interpreting Section 19’s definition of depository institution in the context of accounts and services, developing criteria for a Reserve Bank’s exercise of Section 13 authority related to opening an account, and establishing the terms referenced in Section 11A applicable to member banks that apply to non-member depository institutions. We also note that in recent litigation the Board has taken the position that access to Reserve Bank accounts and services is at the discretion of the Reserve Banks. *See, e.g.,* Amicus Brief of the Board of Governors of the Federal Reserve System in *TNB USA, Inc. v. Federal Reserve Bank of New York* (S.D.N.Y., March 25, 2019) at p. 2, available at: <https://www.law360.com/articles/1143461/fed-s-input-spurned-by-narrow-bank-in-master-account-suit>; Brief of Amicus Curiae The Board of Governors of The Federal Reserve System in *The Fourth Corner Credit Union v. Federal Reserve Bank of Kansas City* (10th Cir. July 12, 2016) at pp. 5-6. Assuming this position is correct, then It is the responsibility of the Federal Reserve Board to ensure that the application of this discretion by the Reserve Banks is done in an appropriate manner. FRA, Section 11 (general supervision of the Reserve Banks).

(“Handbook”).¹⁶ The Handbook identifies certain types of depository institutions that are subject to enhanced due diligence prior to opening an account or providing services. Specifically the Handbook applies to depository institutions, like Kraken, that do not have a primary federal banking supervisor or that engage in activity that the FRBNY determines is unusual when compared to financial institutions with a similar type of charter or license or is otherwise unusual or suspicious.¹⁷ Importantly, the framework embodied in the Handbook allows the FRBNY to “assess: (i) any risk posed to FRBNY or the Federal Reserve System by the provision of accounts or Federal Reserve financial services to a Financial Institution; (ii) the effectiveness of any control or any other mitigant designed to allay such risks; and (iii) whether the provision of accounts or Federal Reserve financial services to a Financial Institution would cause FRBNY or the Federal Reserve System to violate any applicable law or would frustrate any purpose, function, or policy mandate of FRBNY or the Federal Reserve System.”¹⁸ The Handbook contains detailed criteria against which applications are to be judged, including eligibility under applicable law, and criteria relating to the applicant’s compliance risk management and operational risk management frameworks, and the applicant’s ability to manage credit risk.

Kraken Financial is not subject to the supervision of a federal banking agency and presents a business model that is unusual for state chartered institutions and for banks generally.¹⁹ If the policy adopted by the Federal Reserve Bank of New York applied across Reserve Banks there would be ample reason to question the appropriateness of granting access to an account and services to Kraken Financial, especially in the absence of additional risk controls.

Applications like those submitted by Kraken present novel and heightened risks that merit thoughtful consideration. The Federal Reserve Board should direct the Reserve Banks to delay granting non-traditional entities like Kraken access to accounts or payments services until it has adopted, in a transparent manner after notice and comment, uniform policy that would apply to the Federal Reserve Banks’ exercise of discretion when evaluating requests by special purpose entities like Kraken Financial for access to such services.

- III. Kraken’s business and operating model present meaningful risks that the Federal Reserve must consider and properly address before granting access to a Federal Reserve account and payments system services

Kraken’s provision of a “seamless” banking gateway between digital assets and national currencies, coupled with access to the Federal Reserve’s payments system, has the potential to present serious and credible challenges to the U.S. legal framework designed to combat money

¹⁶ See, Federal Reserve Bank of New York, Account and Financial Services Handbook (Feb. 25, 2020), available at: <https://www.frbny.org/assets/forms/district-information/0220-frbny-financial-services-handbook.pdf>

¹⁷ *Id.* at p. 2.

¹⁸ *Id.* at p. 1.

¹⁹ While the SPDI charter that Wyoming has developed may have been intended, at least in part, for virtual currency businesses like Kraken, TCH and the Associations believe that its business model should be considered “otherwise unusual” within the context of the Handbook criteria or that the criteria should be amended to take into consideration that States and others may be developing special purpose charters that significantly depart from traditional banking models.

laundering and terrorist financing, as well as to the U.S. sanctions regime and, consequently, those illicit finance risks will be funneled directly into the U.S. payments system. While BSA/AML and sanctions obligations generally apply to banks and money transmitters, including convertible virtual currencies²⁰, given that the precise relationship between Kraken Financial, Payward, and the Kraken Exchange is not known there could be unintended consequences. For example, regulatory discrepancies between the customer due diligence²¹ standards applicable to these types of financial institutions could have a material impact on the way in which BSA/AML and sanctions risks are monitored and mitigated. Furthermore, the absence of consolidated supervision raises the concern that risks in one area of Kraken’s business model may affect the safety and soundness of Kraken Financial.

a. AML/BSA, and Sanctions Concerns

Cryptocurrency related businesses are well-recognized as creating heightened AML/BSA and sanctions related risks, which are generally related to customer due diligence and transaction monitoring and reporting obligations.²² These heightened risks stem from some of the characteristics of cryptocurrencies that distinguish them from traditional fiat currencies.

First, cryptocurrencies may enhance the anonymity of the senders and receivers of value because there often is no centralized counterparty capable of linking digital identifiers to real-world identities.

Second, cryptocurrencies are often disintermediated. That is, participants on a decentralized network can transact in cryptocurrencies in a peer-to-peer fashion via a blockchain (a distributed ledger that maintains a record of balances in the cryptocurrency ecosystem), without the involvement of a regulated financial institution. Counterparties in cryptocurrency ecosystems therefore may be able to transact without having undergone the AML reviews required by regulated financial institutions.

²⁰ For more information on the applicability of BSA/AML requirements to convertible virtual currencies see FIN-2019-G001 “Application of FinCEN’s Regulations to Certain Business Models Involving Convertible Virtual Currencies,” (May 9, 2019); available at <https://www.fincen.gov/sites/default/files/2019-05/FinCEN%20Guidance%20CVC%20FINAL%20508.pdf>.

²¹ Here customer due diligence refers to the four programmatic elements set forth in FinCEN’s 2018 rule “(i) customer identification and verification; (ii) beneficial ownership identification and verification; (iii) understanding the nature and purpose of customer relationships to develop a customer risk profile; and (iv) ongoing monitoring for reporting suspicious transactions and, on a risk-basis, maintaining and updating customer information.” See 81 Fed. Reg. at 29,398.

²² King, Douglas, “Banking Bitcoin-Related Businesses,” Retail Payments risk Forum Working Paper, Federal Reserve Bank of Atlanta (Rev. Feb. 2016) at pp. 12-13 (“An FI’s due diligence efforts should be heightened for Bitcoin-related businesses, just as they are for other high-risk industries and businesses. This type of due diligence, referred to as enhanced due diligence, requires that FIs go above and beyond traditional due diligence requirements as outlined by the FFIEC in its BSA/AML Examination Manual”). See, also, Allen & Overy, “Cryptocurrency AML risk Considerations,” available at: <https://www.allenoverly.com/en-gb/global/news-and-insights/legal-and-regulatory-risks-for-the-finance-sector/global/cryptocurrency-aml-risk-considerations> (noting that “the anonymity, liquidity, and borderless nature of cryptocurrencies makes them attractive to potential money launderers” and that risks include placement, layering, integration, and terrorism financing and sanctions evasion).

Third, cryptocurrencies enable near-real-time irrevocable settlement. The absence of a central counterparty or coordinating mechanism to conduct book transfers to reverse fraudulent or other problematic transactions further enhances the risks involved in cryptocurrency transactions.

Finally, cryptocurrencies have global reach. Cryptocurrency networks allow individuals to conduct transactions with individuals and entities from around the world.²³

The unique characteristics of cryptocurrencies are therefore widely recognized as presenting higher AML/BSA and sanctions risks to financial institutions considering banking cryptocurrency businesses. In the case of Kraken Financial, banking cryptocurrency businesses and their customers will form the very essence of its business plan and, therefore, the heightened risks related to banking cryptocurrency businesses are highly concentrated in a single entity, namely Kraken Financial.²⁴ Moreover, direct access by Kraken Financial into the payment system threatens the integrity of those systems in the absence of robust AML/BSA and sanctions compliance programs that protect both the systems and other users from these risks.

b. Risks Related to the Lack of Consolidated Supervision

The Wyoming statute relating to SPDIs does not specifically impose a requirement that deposits be FDIC insured.²⁵ Kraken Financial, therefore, will not be required to apply for FDIC insurance and has provided some indication that it does not see a reason to do so.²⁶ Further, although Kraken Financial plans to engage in the business of taking deposits, it will not, consistent with the requirements of Wyoming law applicable to SPDIs, make commercial loans.²⁷ As such, it appears that it would not fall within the definition of “bank” under the Bank Holding Company Act.²⁸

²³ Wilmer Hale, “Recent OCC Actions Focus Attention on Financial Crime Controls for Cryptocurrency Custody Business (August 6, 2020) (discussing implications of consent order between OCC and M.Y. Safra Bank, FSB over Safra’s failure to implement sufficient AML controls in relation to Safra Bank’s cryptocurrency customers).

²⁴ See, e.g., He, et al., “IMF Staff Discussion Note: Virtual Currencies and Beyond – Initial Considerations” (Jan. 2016) (“The FATF has determined that the most significant ML/TF [money laundering and terrorist financing] risks are concentrated in points of intersection between VCs [virtual currencies] and the regulated fiat currency financial system These would include currency exchanges in all types of VC schemes....”); Fraud Magazine, *The Virtual Future of Money Laundering* (June 2016) (mentioning Kraken and noting that the “fleeting nature of conventional client relationships with currency exchange houses” coupled with “the anonymity of multiple virtual currencies presents a dangerous money laundering prospect”), available at: <https://www.fraud-magazine.com/article.aspx?id=4294993747>,

²⁵ See Wyo. Stat. Sec. 13-2-103 (“[n]othing in this section shall be construed as prohibiting a special purpose depository institution from obtaining FDIC insurance, *if available*.”) (emphasis added). See also, Wyo. Stat. 13-12-108(b) (requiring a statement acknowledging that deposits are not insured by the FDIC).

²⁶ Kraken Announcement (noting that the Wyoming SPDI law requires Kraken Financial to maintain “100% reserves of its deposits of fiat currency” and that deposits “will not be required to be insured by the FDIC.”)

²⁷ Wyo. Stat. § 13-12-103(b)(iv) and (vii) (a Wyoming-chartered special purpose depository institution may “carry on a nonlending banking business for depositors...” and engage in “any other activity that is usual or incidental to the business of banking, subject to the prior written approval of the commissioner”).

²⁸ 18 U.S.C. § 1841(c) (defining a bank as “an insured bank” as defined in the Federal Deposit Insurance Act or an institution organized under state law that both accepts demand deposits and is engaged in the business of making commercial loans).

While the exact relationships between Kraken Financial and Payward have not been publicly disclosed, avoiding application of the Bank Holding Company Act may allow Kraken Financial and Payward to avoid the Act's prohibition on the separation of banking and commerce and the consolidated supervision that would otherwise apply at the holding company level. Such a prohibition may be particularly relevant here where Kraken has promised the "seamless integration" of Kraken Financial with its Kraken Exchange and where the business activities of Kraken Exchange promote such risky activities as highly leveraged and speculative cryptocurrency trading on margin and the trading of cryptocurrency futures. These activities, moreover, are *on top of* the risks inherent in the operation of a cryptocurrency exchange itself.²⁹

These features of Kraken's business model potentially pose significant risks to the payments system and its users. Cryptocurrencies and related assets have at times displayed substantial and unexpected volatility, which may present significant risks to counterparties exchanging them for fiat currencies, if only because of the settlement process those exchanges entail. Moreover, if one of the Kraken entities provides margin credit, the associated leverage would (by Kraken's own admission) magnify that volatility. One need look only so far as the recent Wirecard debacle in Germany to see the risks that can be presented from a failure to separate banking from commercial activities and the consequences that can arise from an absence of consolidated supervision that would apply to all levels of an organization.³⁰ As the policy embodied in the FRBNY Handbook rightly articulates, the absence of Federal supervision should trigger enhanced due diligence as to whether the applicant should be provided with access to a Federal Reserve account and access to the payments system.

IV. Conclusion

The expanding scope of institutions that have expressed interest in accessing Federal Reserve accounts and services raises important and complex policy questions. In light of this reality, it is imperative that the Federal Reserve Banks delay granting non-traditional entities like Kraken access to accounts or services until the Federal Reserve Board has adopted, after notice and comment, a uniform policy that would apply to the Federal Reserve Banks' exercise of discretion when evaluating requests by special purpose entities like Kraken Financial for access to such accounts and services. The FRBNY Handbook provides a sound start to the development of such criteria. The system-wide adoption of such a policy, however, should be enhanced through a robust notice and comment process in order to surface other issues that may be relevant to the consideration of applications like those presented by Kraken Financial and other non-traditional financial services companies that may present unique risks. If, however, the Board considers Kraken's request without such a policy in place, TCH and the Associations respectfully suggest that the policy embodied in the FRBNY Handbook should be used as a minimum basis to assess this request and appropriate, enhanced due diligence should

²⁹ See, e.g., U.S. Securities and Exchange Commission, "Investor Alert: Bitcoin and Other Virtual Currency Investments" (May 7, 2014) (noting the risk that crypto currency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware), available at: https://www.sec.gov/oiea/investor-alerts-bulletins/investoralertsia_bitcoin.html

³⁰ Financial Times, "Lessons From a Financial Technology Scandal" (June 22, 2020), available at: <https://www.ft.com/content/27872df6-b496-11ea-8ecb-0994e384dffe>.

be conducted to determine whether sufficient controls are in place to manage the risks associated with Kraken Financial's business model.

Respectfully submitted,

The Clearing House Payments Company
and The Clearing House Association

/S/
Robert C. Hunter
Director of Regulatory & Legislative Affairs
& Deputy General Counsel

American Bankers Association

/S/
Stephen K. Kenneally
Senior Vice President Payments

Bank Policy Institute

/S/
Naeha Prakash
Senior Vice President &
Associate General Counsel

Consumer Bankers Association

/S/
Dan Smith
Executive Vice President
Head of Regulatory Affairs

Credit Union National Association

/S/
Ryan Donovan
Chief Advocacy Officer

Independent Community Bankers of America

/S/
Karen Thomas
Senior Executive Vice President
Government Relations & Public Policy

NACHA

/S/
Jeanette Blanco
General Counsel

National Association of Federally-Insured
Credit Unions

/S/
Carrie R. Hunt
EVP Government Affairs & General Counsel

cc: Francois G. Henriquez, II,
General Counsel, Federal Reserve Bank of Saint Louis

Description of Signatories

The Clearing House

The Clearing House Association L.L.C. is a nonpartisan organization that engages in research, analysis, advocacy and litigation focused on financial regulation that supports a safe, sound, and competitive banking system. Its affiliate, The Clearing House Payments Company L.L.C., owns and operates core payments system infrastructure in the United States.

American Bankers Association

The American Bankers Association is the voice of the nation's \$21.1 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2 million people, safeguard \$17 trillion in deposits and extend nearly \$11 trillion in loans.

Bank Policy Institute

The Bank Policy Institute is a nonpartisan public policy, research and advocacy group, representing the nation's leading banks and their customers. Our members include universal banks, regional banks and the major foreign banks doing business in the United States. Collectively, they employ almost 2 million Americans, make nearly half of the nation's small business loans, and are an engine for financial innovation and economic growth.

Consumer Bankers Association

The Consumer Bankers Association partners with the nation's leading retail banks to promote sound policy, prepare the next generation of bankers, and finance the dreams of consumers and small businesses. The nation's largest financial institutions, as well as many regional banks, are CBA corporate members, collectively holding two thirds of the industry's total assets.

Credit Union National Association

The Credit Union National Association (CUNA) represents America's credit unions and their 115 million members.

Independent Community Bankers of America

The Independent Community Bankers of America® creates and promotes an environment where community banks flourish. With more than 50,000 locations nationwide, community banks constitute 99 percent of all banks, employ nearly 750,000 Americans and are the only physical banking presence in one in three U.S. counties. Holding more than \$5 trillion in assets, nearly \$4 trillion in deposits, and more than \$3.4 trillion in loans to consumers, small businesses and the agricultural community, community banks channel local deposits into the Main Streets and neighborhoods they serve, spurring job creation, fostering innovation and fueling their customers' dreams in communities throughout America. ICBA is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education, and high-quality products and services.

NACHA

Nacha is a nonprofit organization that convenes hundreds of diverse organizations to enhance and enable ACH payments and financial data exchange within the U.S. and across geographies. Through the development of rules, standards, governance, education, advocacy, and in support of innovation, Nacha's efforts benefit all stakeholders. Nacha is the steward of the ACH Network, a payment system that universally connects all U.S. bank accounts and facilitates the movement of money and information. In 2019, 24.7 billion payments and nearly \$56 trillion in value moved across the ACH Network. Nacha also leads groups focused on API standardization and B2B payment enablement. Visit nacha.org for more information, and connect with us on [LinkedIn](#), [Twitter](#), [Facebook](#) and [YouTube](#).

NAFCU

The National Association of Federally-Insured Credit Unions advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 121 million consumers with personal and small business financial service products. NAFCU membership is direct and provides credit unions with the best in federal advocacy, education and compliance assistance.