



September 3, 2026

Via Electronic Submission

Sebastian R. Astrada
Deputy Comptroller for Chartering, Organization and Structure
Office of the Comptroller of the Currency
400 7th St., SW
Washington, DC 20219

Re: Texas Global Bank & Trust Company, National Association Charter Application (2026-Charter-347125)

Dear Mr. Astrada:

The Bank Policy Institute¹ respectfully submits this comment in opposition to the application for a national trust bank charter (the "Application") made by Texas Global Bank & Trust Company, National Association ("Trust Bank") on August 4, 2026, to the Office of the Comptroller of the Currency. Trust Bank will be a direct, wholly owned subsidiary of Texas Global, LLC, which is in turn a direct, wholly owned subsidiary of Dade Hollow Holdings, LLC. As we describe in detail below, we have concerns that approval of the Application would exceed the scope of the OCC's authority under 12 U.S.C. 27(a), which limits national trust bank charters to institutions predominantly engaged in trust and fiduciary activities.

We note at the outset that the publicly available portions of the Application provide only a high-level, generic description of Trust Bank's proposed activities and do not provide adequate information for the public to assess or provide meaningful comment on Trust Bank's proposed activities or business plan, or for the public to consider any relevant legal or policy issues that may be presented by such activities. While the Application refers to an appended confidential business plan, which would provide helpful information, that plan is hidden from the public as part of the application process. We submitted a Freedom of Information Act request for the Application and all exhibits. As of the date of

¹ The Bank Policy Institute is a nonpartisan public policy, research and advocacy group that represents universal banks, regional banks, and the major foreign banks doing business in the United States. The Institute produces academic research and analysis on regulatory and monetary policy topics, analyzes and comments on proposed regulations, and represents the financial services industry with respect to cybersecurity, fraud, and other information security issues.

this letter, we have not received a response to our request. This lack of transparency is wholly inconsistent with the present administration's explicit commitment to this principle.²

Nonetheless, based on the information made available, it appears that Trust Bank may intend to engage in activities beyond the scope of what is authorized for a national trust bank. Namely, Trust Bank may intend to engage in a general payments business. Therefore, we urge the OCC to carefully evaluate and ensure the following questions are appropriately answered and addressed before any action is taken on the Application. In particular, we recommend that the OCC:

- Confirm that Trust Bank will engage predominantly in trust and fiduciary activities within the meaning of the relevant provisions of the National Bank Act;
- Confirm that other than trust deposits,³ Trust Bank will not hold customer funds as liabilities on its balance sheet;
- Confirm that Trust Bank will not receive, hold, or use customer funds in a custodial capacity as a means to engage in deposit-taking, payments, or lending activities;
- Confirm that Trust Bank will not accept, hold in its name, or commingle with its own accounts (including in any master account it may maintain at a Federal Reserve Bank) any trust deposits it may accept;
- Confirm that Trust Bank will maintain sufficient capital (for example, by maintaining capital on at least a one-to-one basis with any funds it places with an insured depository institution);
- Consider whether Trust Bank's parent can adequately provide capital and liquidity support to Trust Bank; and
- Consider whether the OCC's procedures for resolving uninsured national trust banks provided in 12 CFR Part 51 would be adequate to protect customers, consumers, and the banking system in the event of Trust Bank's failure.

I. The OCC Should Confirm that Trust Bank's Proposed Activities are Consistent with a National Trust Bank Charter under the National Bank Act and OCC Regulations

Section 27(a) of title 12 of the U.S. Code, which is part of the National Bank Act ("NBA"), empowers the OCC to charter national banks whose activities are "limited to those of a trust company *and* activities related thereto."⁴ The ordinary meaning of this provision within the statutory context, to which the OCC must conform its chartering decisions,⁵ is that a national trust bank charter is predicated

² Approving the Application without affording the public visibility into Trust Bank's proposed activities would contravene President Trump's express mandates regarding transparency in government. As described in a White House announcement, "President Trump campaigned on a promise to return power back to the American people by 'cleaning out the Deep State.'" <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-requires-transparency-for-the-american-people-about-wasteful-spending/>. Without greater transparency and solicitation of public input regarding the Application and the OCC's interpretation of its chartering authority, President Trump's promise would remain unfulfilled. Accordingly, we ask the OCC to release additional information to the public on Trust Bank's business plans, with only strictly necessary redactions, to provide the public the ability to scrutinize such information.

³ Trust deposits must be received and maintained consistent with the limitations and requirements pursuant to 12 U.S.C. 92a and 12 CFR Part 9.

⁴ 12 U.S.C. 27(a) (emphasis added).

⁵ See *Loper Bright Enterprises v. Raimondo*, 603 U.S. 369 (2024).

on an applicant engaging in the activities of a “trust company” at least primarily; if non-trust company activities are permissible at all, they must be related to the trust company activities. In other words, the NBA does not provide an applicant the freedom to engage in such “related” activities primarily or exclusively. Unhelpfully, the NBA does not define the term “trust company,” and no provision of the NBA or other federal law outside of Section 27(a) specifically authorizes the chartering of a “trust company.”

Traditionally, national trust companies have differed from commercial banks in that they generally do not and may not perform traditional banking functions, such as accepting demand deposits or making commercial loans.⁶ Rather, the primary role of a trust company has been to “take and administer trusts.”⁷ A “trust” is a “fiduciary relationship with respect to property ... subjecting the person who holds title to the property to deal with it for the benefit” of others.⁸ The NBA recognizes that the *sine qua non* of a national trust bank is the conduct of fiduciary activities. So, even if Section 27(a) permits a national trust bank to provide non-fiduciary services *in addition to* its fiduciary activities, acting as a fiduciary would still be the essential predicate to an institution’s eligibility to apply for and receive a national trust bank charter.⁹

The Application provides that Trust Bank intends to provide three primary categories of services:

⁶ National banks were originally prohibited from acting in a fiduciary capacity and such activities were reserved solely for trusts and trust corporations. Over time, national banks were granted more latitude with respect to engaging in trust capacities, and the traditional fiduciary activities enumerated in 12 U.S.C. 92a are grounded in historic state laws which aimed to uphold the restrictions on national banks and ensure national banks were not provided with an “unqualified privilege to exercise trust powers.” See Albert Levitt, *The Trust Powers of National Banks*, 77 U. Penn. L. Rev. 835 (1929). With the amendment of the Federal Reserve Act in 1918, Congress authorized the Federal Reserve Board to grant national banks the power to act in the same fiduciary capacity as state banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the state where the national bank was located. This amendment also nullified prior state legislation which limited the exercise of trust activities by national banks.

⁷ *People v. Nat. Security Co.*, 189 App. Div. 38, 177 N.Y.S. 838 (1919), *aff’d*, 232 N.Y. 586, 134 N.E. 582 (1919); *Loudoun Nat. Bank v. Continental Trust Co.*, 164 Va. 536, 180 S.E. 548 (1935), *appeal dismissed*, 297 U.S. 698 (1936).

⁸ Restatement (Third) of Trusts, § 2.

⁹ The scope and extent of trust and fiduciary activities under the NBA are clearly articulated in both statute and the OCC’s regulations. Section 92a of Title 12 permits the OCC to grant “trust powers” to national banks and sets forth certain general requirements which are implemented in detail through 12 CFR Part 9. It is instructive that Section 92a is entitled “Trust Powers” yet refers to “fiduciary capacity,” expressly linking the concepts of “trust” and “fiduciary.” Under Part 9, national banks are authorized to act as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian under a uniform gifts to minors act; investment adviser, if the bank receives a fee for its investment advice; any capacity in which the bank possesses investment discretion on behalf of another; or any other similar capacity that the OCC authorizes pursuant to Section 92a. Bailee-bailor and debtor-creditor relationships, such as those created when a customer deposits funds with a bank, are not “trusts” because they are not fiduciary in nature. See Comments to Restatement (Third) of Trusts, § 5. Likewise, the OCC has previously recognized that escrow, safekeeping, and custody services are not fiduciary in nature and may be performed by a national bank without trust powers. OCC Conditional Approval 267, at 19 (January 1998), <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/1998/ca267.pdf>.

- Custody services — fiduciary and non-fiduciary custody of institutional funds and investments, including the safekeeping and administration of client assets held pursuant to fiduciary agreements;
- Investment advisory services — investment advisory services provided in connection with client assets held in custody, which the Trust Bank will conduct in a fiduciary capacity; and
- U.S. dollar payment services — domestic and international payment processing, including wire transfer and ACH processing. The Trust Bank will provide these payment services as custodian, directing the disposition of client funds held in its omnibus custody accounts and settling the resulting transfers through one or more regulated bank partners that provide access to U.S. payment systems. The custodied funds are client-owned, segregated custodial assets and are not deposit liabilities of the Trust Bank, consistent with its status as a nondepository national trust bank.

While Trust Bank proposes to engage in fiduciary activities, the Application does not make clear whether the fiduciary activities would be Trust Bank’s primary activities or whether any proposed non-fiduciary activities, such as U.S. dollar payment services, would be adequately related to those fiduciary activities. The National Bank Act does not provide entities with a route to engage in the broad range of activities that are permissible only under a full national bank charter, such as providing payments services, without being subject to the applicable requirements and limitations so important to the safety and soundness of the banking system. Therefore, it is possible that Trust Bank may be ineligible for the charter it is seeking under Section 27(a).¹⁰

¹⁰ We recognize that, in 2021, the OCC issued an interpretive letter, No. 1176, which effectively concluded that whether or not an activity is fiduciary in nature for purposes of 12 U.S.C. 92a is a question to be determined by state fiduciary law. We continue to believe that the language in this statute rules out this approach to defining acting in a “fiduciary capacity.” Nothing in Section 92a suggests that this term should be interpreted in accordance with state law, nor does it suggest that the OCC should construe federal law as though it did. Even if the statute were ambiguous in this relation, the question is a matter of federal law, over which the federal courts have ultimate say, *see Loper Bright*, 603 U.S. 369. A strong policy rationale also militates against the position the OCC takes in Interpretive Letter No. 1176 — if Section 92a authorizes any activity that a state law treats as fiduciary, no legal obstacle exists to prevent a state from expanding the scope of fiduciary activities to ones that have long been illegal for national banks. We also believe that such a consequential change in the interpretation of the statutory definition should have been subjected to notice-and-comment rulemaking. In a previous notice-and-comment rulemaking, the OCC refused to define “‘fiduciary capacity’ exclusively with reference to state law” in order to “‘foster[] consistent application ... throughout the national banking system.” 61 Fed. Reg. 68,543, 68,545 (Dec. 30, 1996) (adopting 12 CFR 9.2(e)). To change that interpretation, the OCC was required to proceed through notice-and-comment rulemaking, both because the Administrative Procedure Act (“APA”) “mandates that agencies use notice-and-comment procedures before issuing legislative rules,” *Kisor v. Wilkie*, 588 U.S. 558, 583 (2019), and because “the APA mandate[s] that agencies use the same procedures when they amend or repeal a rule as they used to issue the rule in the first instance,” *Perez v. Mortg. Bankers Ass’n*, 575 U.S. 92, 101 (2015). Therefore, the OCC must continue to base its assessment of whether Trust Bank’s activities are in a “fiduciary capacity” within the meaning of 12 U.S.C. 92a and 12 CFR 9.2 on an independent, federal-law determination of that term.

Furthermore, Trust Bank's Application asserts that Trust Bank will provide payment services by "directing the disposition of client funds held in its omnibus custody accounts" and that such "custodied funds are client-owned, segregated custodial assets and are not deposit liabilities of the Trust Bank."¹¹

While a national trust bank may accept customer funds, the National Bank Act imposes important restrictions on how it may do so. Under the National Bank Act, a national trust bank that accepts deposits in a trust or fiduciary capacity must segregate such deposits and cannot use them in its business unless the deposits are collateralized.¹² Therefore, the OCC should confirm that Trust Bank's customer funds would be held in deposit accounts at insured depository institutions for the benefit of its customers. Even if that is indeed the case, Trust Bank should be required to maintain appropriate capital. New York law, for instance, imposes an appropriately robust standard on its state-chartered trust companies and provides that a trust company may not deposit funds at a bank in an amount exceeding 100% of its capital, surplus, and undivided profits, without the superintendent's approval.¹³

Additionally, under the National Bank Act, a national trust bank may not provide deposit accounts as a trustee or fiduciary through which the underlying customer can transact. Specifically, the National Bank Act provides that "[n]o national bank shall receive in its trust department deposits of current funds subject to check or the deposit of checks, drafts, bills of exchange, or other items for collection or exchange purposes."¹⁴ Recent OCC guidance classifies the issuance of debit cards or engaging in other means of facilitating electronic payments as the "modern equivalent of paying checks."¹⁵ Accordingly, an account that may be accessed by a third party via debit card or other electronic means must be received and accepted as an ordinary deposit, not as a trust deposit. Thus,

¹¹ The FDI Act takes a broad view of what constitutes a deposit. For example, escrow funds are arguably more akin to funds held by a bank as a bailee, but the FDI Act nonetheless expressly defines them as "deposits." The FDI Act provides in part that a "deposit" is: "(1) the unpaid balance of money or its equivalent received or held by a bank ... and for which it has given or is obligated to give credit (2) trust funds ... received or held by such bank ..., whether held in the trust department or held or deposited in any other department of such bank (3) money received or held by a bank ..., or the credit given for money or its equivalent received or held by a bank ..., in the usual course of business for a special or specific purpose, regardless of the legal relationship thereby established, including without being limited to, escrow funds (4) an outstanding draft (including advice or authorization to charge a bank's ... balance in another bank ...), cashier's check, money order, or other officer's check issued in the usual course of business for any purpose, including without being limited to those issued in payment for services, dividends, or purchases" 12 U.S.C. 1813(l).

¹² 12 U.S.C. 92a(d)-(e); *see also* 12 CFR 9.10(b). "Funds deposited or held in trust by the bank awaiting investment shall be carried in a separate account and shall not be used by the bank in the conduct of its business *unless* it shall first set aside in the trust department United States bonds or other securities approved by the Comptroller of the Currency.... In the event of the failure of such bank the owners of the funds held in trust for investment shall have a lien on the bonds or other securities so set apart in addition to their claim against the estate of the bank." 12 U.S.C. 92a(d)-(e) (emphasis added). 12 U.S.C. 92a(d)-(e). Thus, unlike traditional demand deposits accepted by banks operating under full-service charters, bona fide trust deposits cannot be placed in accounts held by Trust Bank in its own name (and not for the benefit of customers) at a depository institution or Federal Reserve Bank. Nor can those deposits be used for Trust Bank's own business purposes, including making loans, paying expenses, or settling transactions of Trust Bank or its customers, unless Trust Bank sets aside bank-permissible securities as collateral.

¹³ N.Y. Banking Law § 106(1).

¹⁴ 12 U.S.C. 92a(d).

¹⁵ *See* OCC, Exploring Special Purpose National Bank Charters for Fintech Companies, p. 4 (Dec. 2016).

any bona fide trust deposits received by Trust Bank cannot include any such transaction features. Stated differently, a national trust bank should not be permitted to operate a money transmission service under the guise of a custodial or trust business.

However, Trust Bank intends to provide U.S. dollar payment services, which the Application states will “support its custody and fiduciary relationships with institutional clients and are part of, or incidental to, the business of banking.” As noted, the Application does not provide details about whether these U.S. dollar payment services would be adequately related to Trust Bank’s trust or fiduciary activities or whether Trust Bank intends to receive, hold, or use customer funds in a custodial capacity as a means to engage in a payments business and thereby circumvent the limitations on the trust charter while also evading the requirements that would apply to a full-service bank. The OCC should not permit Trust Bank to do so.

II. Supervision and Planning Issues

Trust Bank’s Application implicates numerous supervision and planning concerns.¹⁶ Trust Bank’s proposed activities present prudential considerations that necessitate the OCC’s close consideration of capital, liquidity, and resolution planning issues. As with all national banks, Trust Bank must develop a contingency funding plan forecasting funding needs and sources of funding under adverse scenarios.¹⁷ Part 3 of the OCC’s regulations imposes far more stringent capital adequacy standards on insured depository institutions with deposit liabilities than on trust banks that do not accept deposits. The Application does not provide sufficient details about Trust Bank’s liquidity and capital planning, but we urge the OCC to investigate whether Trust Bank’s capital plan will be sufficient for its activities.

While national trust banks are subject to the OCC’s minimum leverage and risk-based capital ratios set forth in 12 CFR Part 3, the OCC has previously stated that such ratios “are not optimal measures of capital adequacy for [national trust banks]” given the unique risks posed by trust activities.¹⁸ The OCC has stated that national trust banks “generally, are chartered with a condition specifying a minimum dollar amount of capital” but that the OCC “expects that capital in all [national trust banks] will increase beyond the initial minimum capital requirement as the size, complexity, and corresponding risks of the business offered by the [Trust Bank] evolve. When determining capital needs beyond the initial level, management should assess the quantity of risk associated with the [Trust Bank’s] fiduciary and related activities and the quality of the bank’s risk management systems in place.”¹⁹

In addition, in connection with certain trust charter approvals, “the OCC may impose “conditions enforceable under 12 USC 1818,” which could include “a capital and liquidity support agreement (CSA) between the OCC, the bank, and the parent company when the OCC has jurisdiction over the parent

¹⁶ These concerns would also be implicated in any application by (i) Trust Bank’s parent to become a bank holding company, or (ii) Trust Bank to obtain a Federal Reserve Bank master account.

¹⁷ See OCC Bulletin 2007-21, Supervision of National Trust Banks: Revised Guidance: Capital and Liquidity (rev. March 20, 2025), <https://www.occ.gov/news-issuances/bulletins/2007/bulletin-2007-21.html>.

¹⁸ *Id.*

¹⁹ *Id.*

company (i.e., the parent company is not a BHC or SLHC).”²⁰ Such an “agreement requires the parent company to inject funds for the trust bank to maintain minimum capital or liquidity. The agreement may also include provisions for ongoing monitoring of the financial condition of the bank, the parent company, and other affiliates.”²¹ The OCC also may impose a “capital assurance and liquidity maintenance agreement (CALMA) between the trust bank and its parent company,” which “also requires the parent company to inject funds for the trust bank to maintain minimum capital or liquidity.”²² However, the recent conditional approvals of trust charter applications by affiliates of entities engaged primarily in activities related to digital assets have not included such requirements.²³ The OCC should therefore consider whether Trust Bank’s safety and soundness needs to be further supported by additional capital requirements in light of its size, complexity and business risks, including whether Trust Bank should be required to enter a CALMA or a similar agreement and/or commitment. In the absence of adequate capital and liquidity requirements, the Federal Reserve or Treasury Department may need to provide support to Trust Bank and similar applicants, much as they did to support money market mutual funds, commercial paper, and short term repurchase agreements in the 2008 Global Financial Crisis and COVID disruptions.²⁴

Furthermore, consolidated supervision of Trust Bank and its parent by the Federal Reserve Board under the Bank Holding Company Act could effectively mitigate these prudential concerns. Consistent with the impetus of the Dodd-Frank Act’s post-financial crisis reforms, such supervision could better enhance the resiliency of Trust Bank to the specific risks arising out of its exposure to the digital assets sector and reduce the impact on the financial system and broader economy that could be posed by Trust Bank’s failure or material weakness. The OCC should thus consider requiring Trust Bank and similar applicants to agree with the Federal Reserve to be supervised and regulated as a bank holding company.

Should Trust Bank’s capital and liquidity support prove insufficient, resolution may be required under 12 CFR Part 51, pursuant to which the OCC would be required to close Trust Bank and appoint a receiver to administer the resolution. Pursuant to Part 51, Trust Bank’s resolution would not automatically be administered under the FDIC resolution process, which provides detailed procedures and an established resolution fund (the FDIC Deposit Insurance Fund, or “DIF”), that has proven to efficiently wind-up failed entities. If Trust Bank fails, the OCC may need to appoint the FDIC as receiver, and the FDIC may need to seek emergency funding from the Federal Reserve in order to resolve Trust Bank. This would effectively socialize the losses of Trust Bank’s failure. Without adequate resolution

²⁰ See OCC, Comptroller’s Licensing Manual, Charters, 59-60 (Dec. 2021), <https://www.occ.gov/publications-and-resources/publications/comptrollers-licensing-manual/files/licensing-booklet-charters.html>.

²¹ *Id.*

²² *Id.*

²³ See, e.g., conditional approvals of trust charter applications for Laser Digital National Trust Bank, Coinbase National Trust Company, and Connectia Trust. Bridge National Trust Bank also recently obtained a conditional approval for a national trust charter. Bridge’s conditional approval includes a requirement that the trust bank “must develop and implement an appropriate Capital Adequacy and Liquidity Management Policy (CALM) that will be adopted by the Bank prior to the effective date of commencing operations as detailed in the Application.” The conditional approvals provide no explanation as to what would constitute an “appropriate” CALM or why Bridge is required to establish such a policy and why the other recent entities obtaining trust charters are not.

²⁴ See Arthur E. Wilmarth, Jr., “We Must Protect Investors and Our Banking System from the Crypto Industry,” 101 Wash. Univ. L. Rev. 235 (2023), 252, 322.

planning and management, the failure of Trust Bank may produce a deadweight loss across the banking industry. In addition, the potential complexities arising out of resolving Trust Bank in the event it fails militate in favor of advance planning to prevent customer harm and possible contagion, and we urge the OCC to consider mandating such an exercise for Trust Bank.

* * *

We would welcome the opportunity to discuss this request with you further. Please contact Paige Paridon at (703) 887-5229 or paige.paridon@bpi.com to schedule time to discuss or with any questions.

Respectfully submitted,

/s/ Paige Pidano Paridon

Paige Pidano Paridon
EVP & Co-Head of Regulatory Affairs
Bank Policy Institute