



## The OCC Continues to Embrace the Digital Age of Financial Services and Seeks Comments from the Community Banking Sector on Digitalization Strategies and Challenges

The Office of the Comptroller of the Currency (OCC) has continued its pursuit to clarify and reaffirm the authority of national banks and federal savings associations to provide cryptocurrency custody and execution services directly and through third-party partners.

“In today’s digital age, innovation is not optional – it is essential. More than 50 million Americans hold some form of cryptocurrency. This digitalization of financial services is not a trend; it is a transformation.”<sup>1</sup>

– Acting Comptroller of the Currency Rodney Hood

In its most recently issued Interpretive Letter, [Clarification of Bank Authority Regarding Crypto-Asset Custody Services](#),<sup>2</sup> the OCC again reaffirmed that banks are authorized to provide crypto-asset custody services, both in fiduciary and non-fiduciary capacities, as well as directly and through third-party sub-custodial arrangements.<sup>3</sup> In its most recent guidance, the OCC analogizes providing “crypto-asset custody services” to a “modern form of traditional bank custody activities.” Indeed, the OCC cites long-standing precedent recognizing that as the powers of national banks have been tested over time, their powers “must be construed so as to permit the use of new ways of conducting the very old business of banking.”<sup>4</sup> The types of custody-adjacent activities that the OCC has previously recognized as authorized include:

- Facilitating customer crypto-currency and fiat exchange and trade transactions

- Transaction settlement
- Trade execution
- Recordkeeping
- Valuation
- Tax services

The OCC's most recent clarification confirmed that consistent with the above enumerated activities, banks may "buy and sell" assets that are held in custody at the direction of a customer consistent with otherwise applicable terms of the customer agreement and law.<sup>5</sup> The OCC has previously and separately affirmed the legal authority of national banks to hold dollar deposits as reserves to back stablecoins, to participate in distributed ledger technology through independent node verification networks to verify customer payments, and to engage in stablecoin activities to facilitate payment transactions on distributed ledgers.<sup>6</sup>

On May 5, 2025, the OCC also issued a [Request for Information Regarding Community Bank Digitalization](#) (RFI).<sup>7</sup> In issuing the RFI, the OCC is seeking to understand key challenges and barriers that community banks face related to the adoption and implementation of digital banking solutions. The OCC recognizes that digital technology solutions as tools that could allow community banks to better serve their customers and meet customer demand, while increasing revenue, improving efficiencies and remaining competitive. The goal of the recent RFI is to "help the OCC better understand the specific obstacles that community banks encounter in their efforts to modernize operations, enhance customer experience, and remain competitive in an increasingly digital financial services environment."

The RFI follows the OCC's launch of a [digitalization](#) page on its website, which compiles resources specific to community banks on topics such as safety and soundness, risk management, and guidance related to emerging technologies.<sup>8</sup> The subtopics that the OCC is requesting comments include:

- Challenges in pursuit of digitalization strategies and initiatives
- Board of director engagement, oversight, and support
- Educational challenges related to digital assets and technology
- Ability to hire qualified personnel

- Obstacles encountered during the due diligence and pre-implementation phases
- Funding the costs of a digitalization strategy
- The role of third parties in digital strategies
- Competition and market trends
- AI and Machine Learning technologies as part of an overall digitalization strategy
- Impact to strategy of existing regulatory and compliance requirements
- The ability to manage risks associated with digital strategies
- Data-sharing impacts

The OCC will be accepting comments for 45 days upon the RFI publishing in the Federal Register. If you are a community bank that is interested in providing the OCC comments with respect to this topic, details on how to submit comments are contained within the RFI and the Spencer Fane team is also available to assist.

*This blog was drafted by [Kirstin D. Kanski](#), an attorney in the Minneapolis, Minnesota, office of Spencer Fane. For more information, visit [spencerfane.com](https://spencerfane.com).*

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<sup>1</sup> [Statements of Rodney Hood, Acting Comptroller of the Currency posted via LinkedIn, on May 7, 2025; May 8, 2025](#)

<sup>2</sup> [OCC Interpretive Letter 1184 \(May 7, 2025\)](#)

<sup>3</sup> See [OCC Interpretive Letter 1170 \(Jul. 22, 2020\)](#), [OCC Interpretive Letter 1183 \(Mar. 7, 2025\)](#).

<sup>4</sup> OCC Interpretive Letter 1184, n. 2 (quoting *M & M Leasing Corp. v. Seattle First Nat'l Bank*, 563 F.2d 1377, 1382 (9th Cir. 1977)).

<sup>5</sup> Id.

<sup>6</sup> [OCC Interpretive Letter 1172 \(Sept. 21, 2020\)](#), [OCC Interpretive Letter 1174 \(Jan. 4, 2021\)](#). The

Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act, a bi-partisan bill designed to establish a regulatory framework for payment stablecoins, advanced out of the Banking Committee in March, but has not yet been passed in the Senate.

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OCC News Release 2025-41, May 5, 2025; [Request for Information Regarding Community Bank Digitalization](#)

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[Digitalization: Resources for Community Banks | OCC](#)

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