

Acting Comptroller of the Currency Michael J. Hsu

Remarks at the Financial Literacy and Education Commission's Public Meeting

"Careful and Cautious with Crypto"

November 17, 2022

Thank you Under Secretary Liang and Deputy Assistant Secretary Morse for organizing today's meeting. I would also like to welcome FHFA Director Sandra Thompson and the team at the Federal Housing Finance Agency to the FLEC and acknowledge their efforts in supporting access and affordability for aspiring homeowners. The OCC team looks forward to our continued collaboration to help consumers on their journey to homeownership. It's also good to see FTC Chair Lina Khan joining us today.

Given recent events and with Thanksgiving around the corner, I want to take this opportunity to share some thoughts on crypto and help set the stage for conversations that might take place in kitchens and family rooms across the country next week.

You (or your loved ones) are not alone. Millions of people have lost money in crypto this past year due to scams, fraud, hacks, and bankruptcies. If you or your loved ones were one of those people, know that you are not alone. The CFPB's most recent Complaint Bulletin and the FTC's consumer advice site on crypto scams evidence this and are excellent resources for those looking for facts and for help.

Step back to get perspective. Crypto's rise has been driven by retail customers and facilitated by a robust online community. There are a host of forums where ideas, marketing, and community building around crypto have emerged. The doom scroll can be all-consuming. And the community pressure to "holdl," to "buy the dip," to "not give in to FUD" can make

rational decisions – like cutting one’s losses or exiting crypto – feel like betrayal. Stepping away from the online chatter can help provide perspective and clarity about one’s situation and the right course of action to strengthen one’s finances and improve one’s financial health.

You can trust the basics. A year ago, the idea of getting rich slowly-but-surely would have sounded ludicrous. Today, it sounds wise. That’s because it is. The MyMoney.gov website has a wealth of resources for individuals, educators, researchers, and even kids to help them learn about managing their money and making it grow in a steady, reliable way. This is especially important in a rising interest rate environment, which introduces new challenges and opportunities.

As a backdrop to all of this, I should highlight the quiet trustworthiness of banks throughout this year’s crypto drama. Last year, the OCC adopted a “careful and cautious” approach to crypto activities by national banks. This helped mitigate the risk of contagion from crypto to the banking system. Years of reform and rebuilding after the 2008 financial crisis have strengthened the banking system, making it more resilient, more fair, and more trustworthy. While continued improvements need to be made, this has proven valuable with the rapid rise and fall of crypto this past year.

Thank you for the chance to speak and I look forward to hearing from the other participants today.