



From the Desk of Jonathan Solomon
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Office of the Comptroller of the Currency
400 7th Street, SW
Washington, D.C. 20219

Dear Office of the Comptroller of the Currency,

DigitalMint (Red Leaf Chicago, LLC., d.b/a DigitalMint) would like to thank the Office of Comptroller of Currency for soliciting comments regarding the possibility for Financial Technology (“fintech”) companies to apply for special purpose national bank charters. DigitalMint is a FinCEN-registered Money Services Business, and one of the nation’s largest exchangers of virtual currencies, namely Bitcoin, through its network of point-of-sale and kiosk-based locations. As of today, DigitalMint provides access to Bitcoin at over 50 locations nationwide, processing millions of dollars annually.

DigitalMint supports the opportunity for fintech companies to apply for a special purpose national bank charter. The granting of such charters will bring underserved consumers greater access to financial services through technology, as well as providing clear guidance for companies to fit into existing regulatory frameworks established by the Office of the Comptroller of Currency, the Federal Reserve Board of Governors, Federal Deposit Insurance Corporation, and Consumer Protection Financial Bureau and relevant aspects of Dodd Frank, The Bank Secrecy Act, OFAC, and other Anti-Money Laundering Rules. We believe the following considerations and benefits are worth noting as the OCC develops guidelines for fintech companies, and specifically virtual currency exchanges seeking to apply for a special purpose national bank charter:

- According to the FDIC (<https://www.fdic.gov/householdsurvey/>), nearly 28% or 90 million US residents live in a household that is considered either unbanked or underbanked. Many of these individuals have internet-connected phones. By granting special purpose national bank charters to financial technology companies, the OCC will encourage wider access to basic financial services on the rails of innovative mobile technologies. By offering financial services to unbanked and underbanked households, using technologies like Bitcoin, special purpose national banks can decrease operating costs and pass these savings in service offerings to such customers in the form of reduced or zero fees, thereby increasing financial inclusion.

- Services offered by fintech companies and virtual currency exchanges are often more attractive to unbanked individuals than banks because such services are offered on familiar technology like mobile phones. By demonstrating similar regulatory oversight to fintech companies as that which is given to chartered banks, unbanked customers of such companies will receive the same consumer protections and benefits that traditional banks are expected to provide.
- Many underbanked or unbanked individuals utilize banking services to remit funds to family members living abroad. Permitting virtual currency and other financial technology companies to obtain special purpose national bank charters would allow such companies to offer these services nationwide, allowing underbanked individuals to use such remittance features of virtual currencies at lower costs and increased accessibility.
- Virtual Currency firms bring about financial inclusion because transaction costs related to virtual currencies are inherently less than the legacy payments infrastructure.
- The OCC should make a distinction among virtual currency companies who become recipients of a special banking charter, between companies that merely buy and sell virtual currencies versus companies that are custodians of clients' virtual assets. Companies who are custodians of clients' virtual assets should be required to obtain an adequate level of safeguards and insurance against loss.
- Fintech firms generally would not have a competitive advantage over traditional brick and mortar banks in any way that would put traditional banks at risk. Traditional banks have access to more capital, and often have more physical locations. However, fintech firms use technology to improve efficiencies in processes and procedures that are routine for all financial institutions. Banks may want to license some of these emerging technologies from fintech firms, and such innovation will benefit smaller firms and larger banks alike.
- The virtual currency industry is a new and emerging field. Offering special purpose national bank charters to virtual currency companies would help foster thousands of jobs by providing a unified framework for fintech companies to operate in all fifty states.

Finally, the company encourages the OCC to provide clear guidance on how existing chartered banks should operate depository accounts for companies that exchange virtual currencies. Presently, many chartered banks decline to offer banking services to virtual currency companies. Fintech firms provide valuable access to financial services to the unbanked and underbanked, and the OCC should encourage chartered institutions to provide banking services to fintech firms as a means of increasing financial inclusion.

Sincerely,

Jonathan Solomon
Chief Executive Officer
Red Leaf Chicago, LLC., d/b/a Digital Mint