Division of Risk Management Supervision Division of Depositor and Consumer Protection

April 1, 2022

Subject: Bank Contact: b4,b8 Proposed New Product: b4,b8 Proposed New Product: b4,b8 Product: b4,b8 Proposed New Product: b8 Product: b8 Proposed New Product: b8 Proposed New Product: b8 Proposed New Product: b8 Product: b	To:	b4,b8	RADD Corresponde	ence File		
On March 18, 2022, FDIC Deputy Regional Director Serena Owens, FDIC Assistant Regional Director Eric Guyot, and Case Manager b8 participated in a Teams call with President and Chief Executive Officer b4,b8 and Chief Operations Officer b4,b8 (Bank Management). The purpose of the meeting was to discuss correspondence sent to the bank on March 1 2022, asking the bank to pause all crypto asset-related activity. The following are some brief bullets regarding the discussion. • The bank signed a contract in b4,b8 with b4,b8 and b4,b8 with original plans to deploy b4,b8 b4,b8 • The product will allow customers to buy, sell, and hold Bitcoin through b4,b8 • The Bitcoin will be held in a b4,b8 custodian account (risk assessment indicates custodial assets will be property of bank customers, even in bankruptcy). • A customer fee of 2% per transaction will be charged for each purchase and each sale. • The bank retains b4,b8 of the fee. • The bank will settle daily with b4,b8 and this will not be a sweep-type arrangement. • The Bitcoin reportedly will never touch the bank's balance sheet. • No "wallets" will be offered as part of the b4,b8 product. • The intent is to stay competitive with Fintech companies and other banks. • Bank management has performed due diligence. • The risk assessment covers credit, liquidity, market, compliance (e.g., BSA/AML), operational, strategic, and reputational. • The customer's online account will show Bitcoin separate from FDIC-insured bank accounts with appropriate consumer disclosures, including that Bitcoin is not FDIC insured.	From:	b 8	Case Manager			
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 Bank Management stated that as an early adopter they will not pay for any development costs, and that IT integration will only be between the bank's online banking vendor b4,b8 	Eric Guyot, and Case Manage Executive Officer Management). The purpose 2022, asking the bank to pauregarding the discussion. The bank signed a complant to deploy b4 The product will allow The Bitcoin will be hassets will be propert A customer fe The bank retain The bank will The Bitcoin re No "wallets" will The intent is to stay of the risk assess operational, so management is and reputation Management is and reputation The customer's onling with appropriate con Bank Management start.	of the meeting and a set of 2% per trans b4,b8 of the settle daily will be offered competitive was performed a sment covers a trategic, and redentified the lenal. The account will sumer discloss tated that as an area of the settle daily will be offered competitive was performed as performed as performed as performed as trategic, and redentified the lenal.	participated in and Chief Opera g was to discuss corasset-related activity b4,b8 with b4, b8 to buy, sell, and hold tomers, even in bank ansaction will be che fee. ith b4,b8 and this never touch the bank as part of the b4,b ith Fintech companidue diligence. credit, liquidity, many reputational risk. high and medium risk.	a Teams call tions Officer respondence. The follow the follow the following and the following the fo	b4,b8 sent to the backing are some b4,b8 ough b4,b8 sment indicate th purchase and a sweep-type a heet. banks. check (e.g., BSA) ance (e.g., BSA) ance, operation of IC-insured back to FDIC insured for any development of the purchase and the pur	it and Chief (Bank nk on March 1 brief bullets with original es custodial ad each sale. arrangement. A/AML), onal, strategic, nk accounts d. opment costs,