



July 9th, 2021

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. OP-1747

Re: Proposed Guidelines for Evaluating Account and Services Requests

Dear Ms. Misback,

The Conference of State Bank Supervisors (“CSBS”) appreciates the opportunity to comment on the Proposed Guidelines for Evaluating Account and Services Requests (the “proposed guidelines” or “proposal”) issued by the Federal Reserve Board (the “Board”). The proposed guidelines are intended to be used by Federal Reserve Banks (the “Reserve Banks”) in evaluating requests for master accounts and/or access to Federal Reserve Bank financial services. State bank regulators support the Board taking steps to increase transparency and ensure consistent and equitable treatment with respect to access to Federal Reserve accounts and services. While the proposed guidelines are an important step towards this end, state bank regulators believe providing additional clarity and transparency regarding the evaluation and granting of access requests would be desirable.

The principles contained in the proposed guidelines identify factors that the Reserve Banks and/or the Board would consider when evaluating an institution’s request to access a Federal Reserve account and services. State bank regulators want to emphasize our belief that access to Federal Reserve services should be available to all eligible institutions on an equitable and impartial basis consistent with applicable law. Accordingly, we encourage the Board and Reserve Banks to provide consistent and equitable treatment in evaluating access requests. For instance, the evaluation of the effectiveness of the risk management framework, governance arrangements, and rules pertaining to a particular institution should involve an objective assessment of the actual substance of those risk mitigants; those frameworks should not merely be assumed to be effective based on subjective opinions regarding the perception of oversight from institution’s chartering or supervisory authority.

To help ensure equitability, consistency, and transparency in granting access requests, CSBS also encourages the Board and/or the Reserve Banks to publish decisions on access requests, including any supporting analysis, as well as maintain an up-to-date list of all institutions that have been granted access. State regulators feel that taking these and other steps to enhance transparency would help assuage any concerns regarding equitable and consistent treatment of access requests which may arise as the proposed guidelines are put into practice. Finally, given that state regulators charter and supervise eligible institutions, we suggest the Board and/or the Reserve Banks consult with state regulators moving forward in assessing eligibility, transparency and fairness issues. We look forward to continuing to collaborate with the Board and the Federal Reserve Banks to achieve our shared supervisory mandates to maintain a strong and resilient banking system that facilitates responsible financial innovation.

Sincerely,

John Ryan
President & CEO