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Proposal and Comment Information

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Submitter Information

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I strongly oppose assigning Bitcoin a 1,250% risk weight under the Basel cryptoasset framework. This punitive treatment is a clear category error that treats the world's most transparent, verifiable digital commodity like the riskiest securitization tranches.

Bitcoin is not a complex financial instrument with hidden counterparty risk. Every transaction is permanently recorded on a public blockchain that anyone can audit in real time. It has a fixed, programmatically enforced supply of 21 million coins, no central issuer, and more than 15 years of proven resilience as a scarce store of value. Its volatility, while real, has declined over time as adoption has grown, and its correlation profile is distinct from traditional banking assets.

A 1,250% risk weight effectively bans banks from holding even modest amounts of Bitcoin, depriving the U.S. financial system of a legitimate diversification tool and ceding leadership in digital assets to other jurisdictions. This is not prudent regulation — it is an overreaction that ignores Bitcoin's actual risk characteristics and the public, permissionless nature of the network.

I urge the regulators to re-rate Bitcoin appropriately, consistent with its status as a digital commodity rather than a high-risk structured product. Fair capital treatment will allow responsible bank participation while preserving the safety and soundness of the banking system.

Thank you for the opportunity to comment.