# FRANK GARCIA

## Proposal and Comment Information

**Title:** Regulatory Capital Rules: Regulatory Capital and Standardized Approach for Risk-weighted Assets, R-1888

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## Submitter Information

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To the Federal Reserve, the OCC, and the FDIC:

I'm an everyday American who owns Bitcoin, and I'm writing because I think the rules being considered for how banks handle Bitcoin are getting it wrong — and I want you to hear from someone outside of Wall Street.

I get it — Bitcoin is volatile. It carries real risks: the price swings, custody isn't simple, and cybersecurity matters. I'm not asking regulators to look the other way on any of that. Banks that work with Bitcoin should absolutely be held to high standards. Strong controls, proper audits, sensible limits — all of that makes sense to me.

But treating Bitcoin like it's the same as some shady lending platform or a stablecoin backed by who-knows-what? That doesn't make sense. Bitcoin doesn't have a CEO who can cook the books. There's no company behind it that can go bankrupt and take your money with it. No hidden reserve portfolio. No promises that can be broken. The supply is fixed and public. Anyone can verify the transaction history. The price is set in real time on open markets. Bitcoin's risks are real, but at least you can see them.

So why is the proposed capital rule — 1,250% risk weight — treating it like it's some kind of mystery box? That number is so high it basically tells banks: don't touch Bitcoin. At the standard 8% capital ratio, banks would have to hold capital equal to the full value of their Bitcoin exposure. That's not making anyone safer. That's just locking Bitcoin users out of the regulated banking system.

Here's what that actually means for regular people: if my bank can't offer Bitcoin custody, or help businesses settle Bitcoin payments, or provide basic financial services around Bitcoin, where do those services go? Overseas. Or to unregulated platforms. That's worse for consumers, and it's worse for the country.

I'm asking you to come up with capital rules that match Bitcoin's actual risks — market risk, custody risk, cybersecurity risk — not a blanket penalty designed to make Bitcoin untouchable. Treat Bitcoin differently from stablecoins, DeFi tokens, and crypto products backed by some company's promises. Those are different animals with different risks.

I want to be able to use a real, FDIC-supervised American bank for Bitcoin services. Right now, rules like this make that nearly impossible. That's not protecting me — it's pushing me toward options with less oversight and less protection.

America is supposed to be leading in financial innovation. That's hard to do when our own banks are blocked from participating.

Thank you for taking the time to read this.