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Proposal and Comment Information

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Submitter Information

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I Jace Waters, an active duty military officer and individual investor submitting this comment regarding the proposed treatment of Bitcoin and digital assets under U.S. bank capital rules.

I support stringent regulation, strong capital requirements, and the safety and soundness of the U.S. banking system. However, assigning Bitcoin an extremely punitive 1,250% risk weighting risks discouraging regulated financial institutions from participating in an emerging area of financial infrastructure that is becoming increasingly important globally is cruel and will limit economic prosperity nationwide.

I serve and fight for this country, so it should go without saying that I deeply about America's long-term strength, competitiveness, and economic leadership. This is an issue I strongly believe matters for the future of our nation. If the US adopts an overly restrictive framework while the rest of the world continues advancing digital asset infrastructure, we risk pushing innovation, capital, talent, and financial leadership outside our borders.

From my perspective, this approach could unintentionally force Bitcoin-related activity offshore or less regulated environments rather than keeping it within supervised U.S. institutions. America must lead in financial innovation while maintaining strong standards for transparency, oversight, and risk management.

As an investor and someone committed to the future prosperity of this country, I believe regulated banks should be able to responsibly participate in Bitcoin custody, settlement, and related services under balanced rules that reflect actual risk exposure rather than a blanket treatment that discourages involvement altogether.

Keeping Bitcoin activity within regulated U.S. institutions promotes better oversight, stronger consumer protections, improved market integrity, and greater visibility for regulators compared to forcing activity outside the banking system.

I respectfully encourage the agencies to adopt a more risk-sensitive framework that allows well-capitalized banks to engage in Bitcoin-related services in a safe and supervised manner. Doing so would support innovation, strengthen America's leadership in global finance, and preserve the resilience and competitiveness of the U.S. financial system for future generations.

Thank you for your consideration.