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Proposal and Comment Information

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

Comment ID: FR-2026-0008-01-C79

Submitter Information

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Submitted Date: 05/08/2026

To Whom It May Concern,

I am an individual investor who has recently become fascinated with learning as much as possible about economics and our financial system and I was shocked when I learned about the current 1250% Basel risk weighting for bitcoin and excited to hear that there is an opportunity to update the risk weighting to more accurately represent the risks associate with BTC and the terrible effects that this risk rating is currently causing and would continue to cause if not adequately addressed/corrected. I appreciate the opportunity to comment on the Regulatory Capital Rules.

The current 1250% Basel risk weighting for Bitcoin exposures is excessive and no longer reflects the maturity, liquidity, and institutionalization of the Bitcoin market.

Bitcoin is now held through regulated ETFs, public companies, custodians, and increasingly sophisticated financial infrastructure. It trades in one of the deepest and most transparent global markets, with publicly auditable ownership and continuous liquidity. Treating Bitcoin as uniquely dangerous compared to nearly every other asset discourages regulated participation and pushes activity into less transparent and less supervised environments.

If policymakers care about safety and soundness, Bitcoin activity is far easier to supervise when it occurs inside regulated banks and financial institutions operating under established compliance, custody, reporting, and risk-management frameworks. Penalizing regulated institutions does not reduce demand for Bitcoin — it simply pushes that activity elsewhere.

The current framework also risks harming American competitiveness. Digital asset infrastructure will continue developing globally regardless of Basel treatment. Overly punitive capital rules may drive innovation, custody, lending, and financial infrastructure development outside the United States and outside the regulated banking system.

While Bitcoin should still be treated prudently, a 1250% risk weighting is far too extreme. As a practical first step, aligning Bitcoin treatment more closely with the 50% treatment applied to certain corporate exposures would be a much more balanced and rational approach.

In reality, a strong argument can already be made that Bitcoin increasingly shares characteristics with reserve assets such as gold or even cash equivalents. Unlike fiat currencies, Bitcoin has a fixed supply and cannot be inflated or diluted through monetary expansion. At a time when governments around the world continue rapidly expanding debt and money supply, I believe that Bitcoin's scarcity and transparency will ultimately make it a safer long-term store of value than many traditional monetary assets including gold and dollars. Hopefully future regulatory treatment will continue evolving to reflect these realities.

Thank you for your consideration.

Jeremiah Hansen