ANCHORAGE DIGITAL BANK NATIONAL ASSOCIATION, NATHAN MCCAULEY, ET. AL.

Proposal and Comment Information

Title: Regulation D: Reserve Requirements of Depository Institutions, R-1893

Comment ID: FR-2026-0015-01-C18

Submitter Information

Organization Name: Anchorage Digital Bank National Association

Organization Type: Company

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Submitted Date: 07/27/2026

On behalf of Anchorage Digital Bank National Association, please see the attached.

anchorage digital bank

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July 27, 2026
VIA ELECTRONIC TRANSMISSION

Benjamin W. McDonough
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

RE: Proposed Amendments to Regulation D: Reserve Requirements of Depository Institutions (Docket No. R-1893 and RIN 7100-AH25)

Dear Mr. McDonough:

Anchorage Digital Bank National Association (the "Bank") appreciates the opportunity to comment on the notice and request for comment (the "Proposal") on proposed amendments to Regulation D to specify that Reserve Banks would not pay interest on balances maintained in Payment Accounts.[1] The Bank has operated as a federally chartered bank supervised and regulated by the United States Office of the Comptroller of the Currency (the "OCC") for over five years. During this time, the Bank has become the industry leader in digital asset custody—designed for security and asset accessibility—with tens of billions of digital assets under custody for institutional clients. In 2025, the Bank became the first federally chartered stablecoin issuer, and it expects to become a permitted payment stablecoin issuer pursuant to the GENIUS Act once the Act is effective. In addition to custody and stablecoin issuance services, the Bank provides staking and settlement services. These services are provided to institutional clients such as banks, venture capital and private equity firms, family offices, asset managers, sovereign wealth funds, registered investment advisers, digital asset protocols and governments.

We support initiatives by the Board of Governors of the Federal Reserve System (the "Board") to partner with industry participants to modernize the payments system while mitigating potential risks. However, for the proposed Payment Account to serve as a viable alternative to a full Master Account for legally eligible institutions, the Board should remove the proposed Closing Balance Limits and provide interest on reserve balances, along with other revisions recommended in the Bank's comment letter regarding the Board's proposed revisions to the Federal Reserve Policy on Payment System Risk and Account Access Guidelines to accommodate Payment Accounts (the "Payment Account Proposal").

Response to Question 2(a), (b), and (c): The proposed revisions would provide that balances maintained in Payment Accounts would not earn interest.

[1] Board of Governors of the Federal Reserve System, Regulation D: Reserve Requirements of Depository Institutions, 91 Fed. Reg. 30503 (May 26, 2026).

a. Would the payment of zero interest effectively mitigate the impact of Payment Account balances on the Federal Reserve's balance sheet?

b. Are there effects of paying zero interest that the Board has not identified?

c. Should the Board instead provide for the payment of interest on Payment Account balances? If so, why and at what rate (the IORB rate, ON RRP rate, or another rate)? What effects would a different rate have on the Reserve Banks' combined balance sheet and the implementation of monetary policy?

The Bank applied for a Federal Reserve Master Account in August 2025 to minimize counterparty risk, enhance transparency, and improve operational efficiency. The Bank currently relies on third-party sub-custodians to hold clients' cash for which it serves as a custodian or fiduciary. Using third-party sub-custodians introduces cost, complexity, third-party risk, and the potential for settlement failure into the Bank's management of cash held by customers. Direct access to Federal Reserve accounts and services would support the Bank's liquidity profile and reduce its reliance on third parties for payments system access, mitigating the credit and duration risks inherent in relying on third-party sub-custodians. The Bank therefore appreciates the Board's recognition that direct access to Federal Reserve accounts and services could support private-sector innovation by reducing legally eligible institutions' dependence on intermediaries.[2] The Proposal reflects an important acknowledgment that direct access to Federal Reserve accounts and services can promote competition, improve efficiency, and enable institutions to develop innovative payment solutions.

However, the proposed restrictions on the Payment Account—particularly the absence of interest on reserve balances ("IORB") would significantly limit its ability to achieve those objectives in practice. In particular, the absence of IORB for Payment Accounts would place account holders at a significant competitive disadvantage relative to Master Account holders. Legally eligible institutions maintaining balances in Payment Accounts would be unable to earn a return on their balances, effectively penalizing them for utilizing a more limited account structure. This disparity is particularly pronounced for the Bank, a national trust bank, which has operated as an OCC-supervised institution since January 2021 and submitted its Master Account application prior to the introduction of the Payment Account concept. Denying IORB would further diminish the attractiveness of the Payment Account and discourage its adoption.

The proposed payment of zero interest on Payment Account balances, particularly when combined with proposed Closing Balance Limits, also appears difficult to reconcile with the framework established by the GENIUS Act. Under the GENIUS Act, both uninsured

[2] Board of Governors of the Federal Reserve System, Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests, 91 Fed. Reg. 30627, 30631 (May 26, 2026) ("The Board believes that the Payment Account could support private-sector innovation by reducing (1) the uncertainty, time, and related costs of obtaining access; and (2) the reliance on intermediaries. This, in turn, could increase competition in the payments marketplace and allow institutions to design innovative and efficient services that better leverage all the capabilities of the services to which the Payment Account will have access.").

national banks and subsidiaries of insured national banks may serve as permitted payment stablecoin issuers and are subject to comprehensive supervision by the OCC. Such entities may qualify as “depository institutions” under Section 19 of the Federal Reserve Act or otherwise be legally eligible for access to Federal Reserve accounts and services as Federal Reserve member banks. For these entities, the ability to hold and manage reserve assets efficiently is central to their business model and regulatory obligations as permitted payment stablecoin issuers under the GENIUS Act. Yet a Payment Account subject to Closing Balance Limits and zero IORB would be ill-suited to support those activities. The result is that institutions operating pursuant to a federal statutory framework designed to support responsible innovation in payment stablecoins may be discouraged from utilizing direct access to Federal Reserve accounts and services, even where such access could otherwise reduce intermediary dependence, improve transparency, and enhance risk management. We encourage the Board to consider whether the combined effect of the proposed Closing Balance Limits and IORB prohibition is consistent with the broader policy objective of fostering safe, well-regulated innovation in the payments ecosystem.

More broadly, the Board’s rationale for paying zero interest appears to be, in part, to discourage the maintenance of balances in Payment Accounts and thereby limit the effect of such accounts on the Federal Reserve's balance sheet. The Bank respectfully urges the Board to balance that objective against the Board’s stated goal of reducing reliance on intermediaries and supporting private-sector innovation. The combined effect of paying no IORB and the proposed Closing Balance Limits is to make the Payment Account both less functional and less economically attractive than a Master Account or an account with an intermediary, even for federally supervised institutions. As a result, these restrictions may discourage adoption of the Payment Account and undermine the very objectives the Proposal is intended to advance. To the extent the Board has concerns regarding balance sheet management or the scale of balances maintained in Payment Accounts, more targeted tools are available, as described further in the Bank’s response to the Payment Account Proposal. Providing IORB at the IORB rate would better align the Payment Account framework with the Board’s stated objective of reducing reliance on intermediaries and would help ensure that the Payment Account functions as a practical and attractive option for legally eligible institutions.

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We look forward to further engagement with the Board as it refines the Payment Account structure.

Respectfully submitted,

/s/ Nathan McCauley__
Nathan McCauley
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/s/ Rachel Anderika_
Rachel Anderika
Head of Global Operations & Bank COO
Anchorage Digital