

VELOXVFX LLC, EYAD HADDADIN

Proposal and Comment Information

Title: Application Procedures for Board-Supervised Insured Depository Institutions Seeking Approval for a Subsidiary to Issue Payment Stablecoins, R-1900

Comment ID: FR-2026-0034-01-C03

Submitter Information

Organization Name: VeloxVFX LLC

Organization Type: Company

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VeloxVFX LLC respectfully submits the attached public comment regarding Docket No. R-1900, RIN 7100-AH30, “Application Procedures for Board-Supervised Insured Depository Institutions Seeking Approval for a Subsidiary to Issue Payment Stablecoins.”

The attached comment provides bounded observations concerning clear, attributable application records, timing, material changes, and review status. It does not offer confidential information, recommendations concerning a particular applicant, or legal conclusions regarding any application outcome.

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COMMENT OF VELOXVFX LLC

**Application Procedures for Board-Supervised Insured Depository Institutions Seeking Approval for a
Subsidiary to Issue Payment Stablecoins**

Proceeding	Notice of proposed rulemaking
Docket / RIN	Docket No. R-1900 RIN 7100-AH30
Submission	Public comment of VeloxVFX LLC September 27, 2026
Submitter	Eyad G. Haddadin, Managing Member
Scope	Public application-process and information-state observations only; no confidential implementation information included.

Executive Summary

VeloxVFX LLC respectfully submits this bounded public comment on Docket No. R-1900. The proposed rule establishes application procedures for an insured State member bank seeking Board approval for a subsidiary to issue payment stablecoins. VeloxVFX offers no recommendation on any particular application, bank, legal conclusion, capital amount, reserve composition, valuation method, or compliance cost. The contribution is limited to making application status, evidence, timing, authority, exception, change, and decision states readable without transferring the Board's statutory judgment to applicants, service providers, automated tools, or information architecture.

VeloxVFX does not prepare or file applications for banks; issue payment stablecoins; hold reserves; provide custody, money transmission, payment processing, settlement, customer identification, AML monitoring, sanctions screening, licensing, supervision, or governmental decision-making services.

I. Control, Subsidiary Status, and Consortium Applications - Questions 1-5

Questions 1-3 - Control and consortium status

The application record should preserve legal control, voting control, management-control indicators, contractual influence, operational dependency, service-provider function, and consortium participation as distinct factual states. For consortium models, the record should identify each insured depository institution, the proposed PPSI, ownership or governance rights, shared services, reserve or brand responsibility, customer-facing responsibility, and the institution responsible for each regulatory obligation. The Board retains the legal control determination.

Questions 4-5 - Coordination among agencies and application structure

Where multiple institutions or primary Federal regulators are involved, records should identify the lead contact, participating institution, regulator of record, information-sharing limitation, status of each required submission, and unresolved condition. A consortium structure should not erase which institution remains responsible for which duty.

II. Completeness, Material Change, and Form of Submission - Questions 6-8

Questions 6-7 - Substantial completeness, material change, and timing

The rule should make the timing sequence explicit: receipt date; 30-day completeness-review period; substantially-complete determination; submission date; 120-day decision clock; material-change date; receipt of supplementary information; and, where applicable, a new submission date and restarted decision clock. The record should distinguish received, under completeness review, incomplete, deficiency identified, cure pending, substantially complete, substantive review, additional information requested, material change identified,

no-longer-substantially-complete, withdrawn, approved, conditionally approved, denied, appeal pending, final determination, subsequent application, and superseded record. A material-change record should identify the changed fact, affected statutory factor, effective time, responsible actor, prior version, new version, and resulting timing treatment. A material-change determination should be communicated in writing, identify the changed information and its effect on completeness or timing, and distinguish a genuine change in the application record from ordinary clarification or supplemental explanation.

Question 8 - Letter versus structured form

A hybrid approach can preserve Board judgment: a narrative application letter for context, supported by structured schedules for repeatable fields. Reusable structured schedules should be optional and proportionate to the application, supplementing rather than replacing narrative explanation or the Board's supervisory judgment. They can be reused across amendments, requests for additional information, material-change notices, and later review without converting the process into a rigid checklist.

III. Application Information, Factors, and Burden - Questions 9-15

Questions 9-10 - Additional factors and documents

If additional information is required, the rule should identify the statutory factor it supports, the responsible source, whether the information is new or already available to the Board, and whether it is mandatory, conditional, or request-specific. Policies, procedures, customer agreements, governance documents, risk assessments, reserve documentation, custody arrangements, service-provider dependencies, and exception histories should remain distinguishable.

Question 11 - Capital, liquidity, reserve composition, custody, and valuation evidence

Applicants should provide sufficient information for review while the final prudential framework remains separately governed. The application record should distinguish reserve asset, reserve pool, custodian or safekeeping relationship, valuation source, as-of date, liquidity assumption, encumbrance state, concentration, stress-condition assumption, and unresolved exception. VeloxVFX does not recommend a capital amount, liquidity metric, reserve composition, accounting method, or valuation rule.

Questions 12-15 - Ownership, biographical information, and burden reduction

Where ownership or control is complex, the record should preserve relationship-state evidence without duplicating information already available to the Board. Burden is reduced when each requested field has a clear purpose, source, responsible owner, update trigger, and version history. The Board retains all legal and supervisory judgments.

IV. Safe Harbor, Multi-Stablecoin Issuance, and Governance Definitions - Questions 16-19

Question 16 - Safe-harbor waiver

A waiver request record should identify the requirement to be waived, statutory basis, requested period, compliance plan, milestones, conditions, responsible actor, unresolved risks, and expiration or supersession state. A waiver state is not substantive approval of all future activities.

Question 17 - Multiple stablecoins and white-label services

An application should not treat brand, token, reserve pool, issuer, customer relationship, technology environment, and service-provider role as interchangeable. A material-difference record should make visible any changed reserve structure, redemption rights, customer population, custody, technology, issuer responsibility, interoperability, or risk profile.

Questions 18-19 - Director, principal shareholder, and governance instruments

Records should distinguish formal director status, delegated decision authority, governance-instrument rights, voting rights, management influence, operational control, and economic exposure. The Board retains the legal determination.

V. Hearings, Appeals, Final Determinations, and Subsequent Applications - Questions 20-22

Question 20 - Applications following a denial

A later application should be evaluated on the then-current record. Any remediation, corrected deficiency, changed governance, changed financial condition, or other material factual change should be separately identified from the prior denial. A prior denial may remain part of the record without automatically controlling the later application.

Question 21 - Hearing, appeal, and final-determination clarity

The appeal record should identify the basis for denial, the record relied upon, applicable deadlines, materials permitted on appeal, the responsible decision-maker, any hearing request and disposition, and the final determination. The record should preserve version history without requiring unnecessary resubmission of information already before the Board.

Question 22 - Due process, burden, and statutory requirements

A clear, attributable record can support due process and reduce avoidable burden where it identifies the stated basis for denial, material shortcomings, curability, available review path, deadlines, submitted materials, and final disposition. VeloxVFX does not opine on the legal sufficiency of the proposed appeal process; that judgment remains with the Board and applicable law.

VI. Institutional and Operational Boundary

Nothing in this comment suggests that VeloxVFX LLC determines control, subsidiary status, safety and soundness, completeness, material change, approval, denial, or appeal outcomes. Those determinations remain with the Board, the relevant Federal Reserve Bank, regulated institutions, other regulators, and courts as applicable.

VII. Conclusion

R-1900 can improve certainty and reduce avoidable burden when it preserves the meaning, source, timing, responsibility, and status of each application record rather than treating the application as an undifferentiated package. A structured state-based record can support Board review without constraining the Board's statutory judgment or replacing institution-specific evidence.

Respectfully submitted,
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