

OCC Publishes Interpretive Letter Confirming Licensing Preemption for National Banks Related to State Money Transmission Laws

June 11, 2026

The Office of the Comptroller of the Currency (OCC) recently published a letter supporting the position taken by counsel for Fidelity Digital Assets, National Association (Bank)[1] that state money transmitter licensing requirements did not apply to national banks (the Letter).

The issue arose in connection with the State of Iowa's position that the Bank was required to maintain its Iowa money transmission license (obtained before the issuance of its national bank charter) because the national bank exemption in its state law applied only to national banks with FDIC insurance (which the Bank does not have because its charter does not permit it to accept deposits). The OCC disagreed with Iowa. In reaching its overarching conclusion that Iowa's money transmission law did not apply to the Bank based upon longstanding federal law related to the preemption of state laws that prevent or significantly interfere with the exercise of a national bank's powers, the Letter states that the "Bank is not required to comply with state money transmitter licensing requirements. This conclusion is clear and unambiguous under applicable law and longstanding precedent. . . . Accordingly, ***the Bank may conduct federally authorized activities in any state without having a state money transmitter license***, regardless of whether the Bank satisfies a state law exemption from the licensing requirement."[2]

While such a conclusion is important to all national banks, the OCC's analysis breaks down its assessment of the two typical components of state money transmission laws: (i) licensing or registration, and (ii) visitorial or examination powers. With respect to licensing and examination, the OCC finds that a "state law that purports to require a national bank to hold a state money transmitter license as a condition precedent to engaging in such activities prevents or significantly interferes with the national bank's exercise of its federally authorized powers and, as such, is preempted." As it relates to visitorial powers, the Letter further states that a state money transmitter law that "purports

to vest a state with visitorial authority over a national bank is fundamentally inconsistent with [federal law] and, as such, is impermissible."

Why This Matters

The analysis in the Letter provides important protections to national banks that, while operating pursuant to a federal charter, do not possess characteristics that typically exempt national banks from state law licensing exemptions (such as exemptions predicated on the national bank's operation as an FDIC-insured institution, as was the case with the Iowa law). The Letter's reach includes many newly chartered national trust banks that have been able to take advantage of the current administration's posture toward openness and speed in granting such charter requests. Confirmation of this preemptive authority, while limited to state money transmission laws, permits all participants in this market (including national trust banks, their legal advisors, their customers and their investors) to now operate without uncertainty as to the OCC's interpretation of the issue.

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1 The Bank is an uninsured national bank with operations limited to those of a trust company or activities related thereto. According to the Letter, it provides cryptocurrency custody, trade execution services, and related services.

2 Emphasis added.

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