

## Cabinet News and Views

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### Federal Reserve Board Re-proposes Guidelines for Access to Federal Reserve Bank Accounts and Services



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On March 8, the Federal Register published the Federal Reserve Board's [supplemental notice](#) and request for comment on updates to its proposed guidelines for Federal Reserve Banks to utilize in evaluating requests for access to Reserve Bank master accounts and services. The supplemental notice includes a new section of the proposed Guidelines that would establish a three-tiered review framework on the level of scrutiny to be applied to requests for Reserve Bank accounts and services.

The re-proposal keeps the same six principles from the original proposal, and adds a section 2 to the [original proposal](#), which would establish a three-tier framework for the review process for different types of institutions.

- Tier 1 review would generally be less intensive and more streamlined. It would only be available to consist of eligible institutions that are federally insured.
- Tier 2 review would generally be an intermediate level of review. It would apply to eligible institutions that are not federally insured but (i) are subject (by statute) to prudential supervision by a federal banking agency; and (ii) any holding company subject to Federal Reserve oversight (by statute or by commitments).
- Tier 3 review would generally be the strictest level of review. Tier 3 institutions consist of eligible institutions that are not federally insured and not subject to prudential supervision by a federal banking agency at the institution or holding company level.

Reserve Bank account access might often be viewed as not particularly noteworthy. However, it comes against the backdrop of more and more crypto-currency exchanges or custodians seeking access to Reserve Bank accounts and services to

better integrate with the payments system. It also comes as the nomination of Sarah Bloom Raskin to be a Fed Governor and the Vice-chair of Supervision has stalled in light of her service on the board of directors of a fintech firm that is one of the only such firms to have received a Reserve Bank master account. Thus, the proposal is likely to get more interest from a wider array of stakeholders.

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