

OCC Gives Green Light to National Bank Fintech Business Model

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On March 17th, the Office of the Comptroller of the Currency (“OCC”) **conditionally approved** the application for the newly renamed SmartBiz Bank N.A. (“SmartBiz Bank”) to change its business model in support of its fintech parent and a substantial change in assets under 12 C.F.R. 5.53. The OCC application was part of a larger transaction in which Billfloat, Inc (d/b/a SmartBiz Loans) became a bank holding company through its acquisition of United Community Bancshares, Inc and thereby indirectly acquired Centrust Bank, N.A., which it then renamed as SmartBiz Bank. The Federal Reserve Bank of Chicago approved the Bank Holding Company Act application from Billfloat under delegated authority on **February 25, 2025**.

In conjunction with the approval, Acting Comptroller of the Currency Rodney Hood stated in the accompanying **press release** that “[a]safe, sound and fair fintech business model has a place in today’s federal banking system . . . this conditional approval demonstrates the OCC’s commitment to a regulatory framework that supports innovations in banking that expand access to financial services for consumers and communities across the country.”

This approval of a fintech business model for a national bank follows the OCC’s actions on March 7th, where it issued **Interpretive letter 1183**, rescinding **Interpretive Letter 1179**, which had been issued in 2021. The OCC also **announced** on March 7th that it withdrew from two interagency statements issued in 2023 on crypto assets. In rescinding IL 1179, the OCC is no longer requiring supervisory non-objection for a national bank to engage in the crypto and stablecoin related activities it found permissible in Interpretive Letters **1170**, **1172**, and **1174** that were issued in 2020 and January 2021.

Taken together, Acting Comptroller Hood’s actions this month show a less restrictive approach to fintech and crypto-related activities on the part of national banks by the OCC under the Trump administration in comparison to the Biden administration. However, as Acting Comptroller Hood noted, the less restrictive approach should not be read as the OCC deviating from its mission to promote a “safe, sound and fair” federal banking system.