U.S. Bank Coin (USBC)

What it is, why it's safe, and how it differs from cryptocurrency

THE PROBLEM

Banks Have Been Charging You — A Lot

Most people don't think about banking fees until they get hit by one. In 2024, Americans paid $12.1 billion in overdraft and insufficient funds fees alone — charges that typically run $27–$35 every time your balance runs short. Wire transfers cost $25–$35 for a domestic transfer, and $40–$50 or more to send money internationally. And that international wire often takes 1–5 business days to arrive, passing through multiple middlemen along the way, each potentially skimming their own cut.

$12.1B	$25-$35	$40-$50	1-5 days
overdraft & fees paid by Americans in 2024	typical domestic wire transfer fee	typical international wire transfer fee	how long an international wire can take

These fees aren't accidents. Chase and Wells Fargo each collected over $1 billion in overdraft fees in 2024 alone. The system is designed to monetize the moments when people are most financially vulnerable — and to extract value from every transfer of money between institutions.

> USBC is built on a different premise: your money should move instantly, to anyone, at any hour — without a fee going to a middleman every time it does.

THE SOLUTION

What Is USBC?

USBC is a digital dollar issued by a federally insured U.S. bank. It is not a cryptocurrency. It is not a startup's product. It is your real bank deposit — the same dollar that would sit in your checking account — made available in digital form so it can move instantly, peer-to-peer, 24 hours a day, 7 days a week, including weekends and holidays.

When you deposit $500, the bank records $500 in its ledger and issues 500 USBC to your digital wallet. When you send money to someone else on the network, it settles in seconds — no intermediary banks, no wire fees, no waiting for business hours. When you withdraw, the tokens are retired and your dollars move back through normal banking channels. One USBC equals one U.S. dollar, always.

SAFETY

This Is Not Bitcoin.

Bitcoin and most cryptocurrencies have no underlying asset — their value is entirely determined by what the next buyer will pay. Stablecoins, a step closer to dollars, are typically issued by private financial technology (fintech) companies that hold reserves in trusts or investment vehicles. If those companies fail or their reserves are mismanaged, holders may not get their money back.

USBC is fundamentally different:

Feature	Bitcoin / Crypto	Stablecoins	USBC
Backed by a real bank deposit	✗ No	✗ No	✓ Yes
FDIC insured (up to $250,000)	✗ No	✗ No	✓ Yes
Value can fluctuate	✗ Wildly	✗ Can 'depeg'	✓ Fixed 1:1 to $USD
Regulated by U.S. banking law	✗ No	✗ Partially	✓ Fully
Requires verified identity (KYC)	✗ Anonymous	✗ Often pseudonymous	✓ Always
Consumer error protections (Reg E)	✗ No	✗ No	✓ Yes

> USBC is subject to the same federal laws and oversight as your checking account. Your deposit stays on the issuing bank's balance sheet — not in a separate trust or offshore account. If the bank were to fail, your USBC balance is FDIC-insured up to $250,000, exactly like any other deposit.

ETHICS & IDENTITY

Know Who You're Dealing With — Always

One of the most serious problems with open cryptocurrency networks is that anyone can participate anonymously, which has enabled money laundering, sanctions evasion, corruption at the top of the current Federal government, and fraud at scale. USBC is built on the opposite principle: no anonymous accounts, ever.

Every user must verify their identity before holding or transferring USBC. All accounts are screened against sanctions lists and fraud databases. Every transaction is monitored in real time and can be blocked before it completes — not merely reported after the fact. At the same time, your personal information is never stored on any public ledger. It stays within the bank's secure, regulated systems, subject to the same privacy laws that govern all U.S. banks.

PURPOSE & USE CASES

Who Is This Actually For?

EVERYDAY PEOPLE Instant payments, 24/7, with no wire fees and no waiting for bank processing windows. Send money on a Sunday night the same as a Tuesday morning.	**THE UNBANKED** A path into the regulated financial system for people who lack traditional banking access — with real consumer protections from day one.
INTERNATIONAL TRANSFERS Send dollars abroad without paying $40–$50 in wire fees or waiting days for settlement. Cut out the chain of intermediary banks entirely.	**BUSINESSES** Pay suppliers instantly upon delivery. Automate payroll. Manage treasury across subsidiaries — all with full audit trails and no wire fees per transaction.

Eliminate the middleman. A traditional domestic wire costs $25–$35 and clears in hours. An international wire costs $40–$50, takes days, and may pass through multiple banks each extracting their own fee. USBC transfers are peer-to-peer and settle in seconds. The value that used to flow to intermediary banks simply disappears from the equation.

BUSINESS MODEL

How Does USBC Make Money?

The revenue model is straightforward and familiar:

- **The issuing bank earns net interest margin.** Deposits that become USBC go onto the bank's balance sheet. The bank lends a portion of them (as with any deposit), earning interest on loans. This is how banks have always made money.
- **Developers and fintechs building on the platform** may charge their own service fees for products built on top of USBC — remittance apps, payroll tools, enterprise treasury products, and so on.
- **Interest on deposits.** Unlike stablecoins (which generally pay no interest to holders), USBC deposits can bear interest at the bank's discretion, giving the bank flexibility to attract and retain customers.

IMPORTANT DISCLOSURES

What You Should Know

- **FDIC Coverage:** USBC balances are eligible for FDIC insurance up to $250,000 per depositor, per bank — the same as any traditional checking or savings account.
- **Not a Security:** USBC is a deposit liability, not an investment product or security. It is not registered with the SEC and cannot be traded as a speculative asset. Its value does not fluctuate.
- **Not Crypto:** USBC is not a cryptocurrency. It cannot be purchased on an exchange, has no market price, and does not appreciate or depreciate in value. It is a dollar.
- **Identity Required:** All users must complete identity verification. Anonymous or pseudonymous accounts are not permitted at any level.

- **Regulatory Oversight:** The issuing bank operates under a standard U.S. bank charter, subject to full federal banking regulation including BSA/AML requirements, Regulation E consumer protections, and Gramm-Leach-Bliley Act privacy rules.
- **Blockchain is Infrastructure, Not Investment:** The use of blockchain technology is an operational choice — like using a database — not a feature that creates speculative value. The blockchain is private and permissioned; it is not a public cryptocurrency network.

Summary prepared from U.S. Bank Coin Whitepaper v1.0, October 2025. Fee statistics sourced from CFPB, Financial Health Network, and Wealthvieu (2024–2026). Not legal or financial advice.