TIM SCOTT, SOUTH CAROLINA, CHAIRMAN
ELIZABETH WARREN, MASSACHUSETTS, RANKING MEMBER

MIKE CRAPO, IDAHO
MIKE ROUNDS, SOUTH DAKOTA
THOM TILLIS, NORTH CAROLINA
JOHN KENNEDY, LOUISIANA
BILL HAGERTY, TENNESSEE
CYNTHIA LUMMIS, WYOMING
KATIE BOYD BRITT, ALABAMA
PETE RICKETTS, NEBRASKA
JIM BANKS, INDIANA
KEVIN CRAMER, NORTH DAKOTA
BERNIE MORENO, OHIO
DAVID McCORMICK, PENNSYLVANIA

JACK REED, RHODE ISLAND
MARK R. WARNER, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
CATHERINE CORTEZ MASTO, NEVADA
TINA SMITH, MINNESOTA
RAPHAEL G. WARNOCK, GEORGIA
ANDY KIM, NEW JERSEY
RUBEN GALLEGO, ARIZONA
LISA BLUNT ROCHESTER, DELAWARE
ANGELA D. ALSOBROOKS, MARYLAND

JANIE FAULKNER, STAFF DIRECTOR
JON DONENBERG, DEMOCRATIC STAFF DIRECTOR

United States Senate

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
WASHINGTON, DC 20510–6075

April 22, 2026

Palmer Luckey
Founder
Erebor Bank, National Association
500 Neil Avenue, Suite 140
Columbus, Ohio 43215

Dear Mr. Luckey:

I am writing to request information regarding the attached document (*Attachment A*), which appears to be the Erebor Bank fundraising memo that you refused to provide in response to my February 26, 2026, letter requesting the document. If this fundraising memo was, in fact, prepared by Erebor, the company appears to have communicated to potential investors that it would obtain a national bank charter due to your "political network" and a co-founder's "unique" connections to President Donald Trump's Comptroller of the Currency, Jonathan Gould.[1] The document raises serious concerns: It suggests that Erebor either was confident that the Office of the Comptroller of the Currency (OCC) would provide it a charter as a political favor or that it may have misled investors in violation of federal securities laws. Therefore, I once again request information to help me better understand the role of Erebor's political connections in securing a national bank charter.

The fundraising memo asserts that Erebor would "receive bank charter in less than 6 months from submission."[2] The memo then describes the reason for the company's confidence in obtaining the charter: "Co-Founder's unique connectivity to banking regulators (especially Jonathan Gould, next Comptroller) + Palmer's political network will get this done."[3] On October 15, 2025, Erebor's charter was granted by the OCC only four months after submission.[4] The FDIC approved Erebor's federal deposit insurance application two months later.[5] The bank opened its doors on February 8, 2026.[6] The memo also suggests that Erebor plans to leverage its political connections to secure policy changes that preference its planned business model:

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[1] Erebor Bank National Association, "Banking Memo," memorandum, March 30, 2026, https://www.banking.senate.gov/imo/media/doc/attachment_a.pdf.
[2] *Id.*
[3] *Id.*
[4] See Erebor, Inc., Federal Register Notice, "Erebor Bank, N.A.: Charter Application," June 11, 2025, https://www.occ.gov/topics/charters-and-licensing/digital-assets-licensing-applications/erebor-bank.pdf; Office of the Comptroller of the Currency, "OCC Announces Conditional Approval for Chartering Erebor Bank," press release, October 15, 2025, https://www.occ.gov/news-issuances/news-releases/2025/nr-occ-2025-101.html.
[5] Federal Deposit Insurance Corporation, "FDIC Approves the Deposit Insurance Application for Erebor Bank, N.A., Columbus, Ohio," press release, December 16, 2025, https://www.fdic.gov/news/press-releases/2025/fdic-approves-deposit-insurance-application-erebor-bank-na-columbus-ohio.

"Leveraging its connectivity with the admin and its position as an OCC-regulated institution, the Bank will surface novel issues related to increasing access from within the regulated financial system and work to create guidance that will drive additional liquidity to DeFi."[7]

In addition, the memo paints a highly risky picture of Erebor's business plan. According to the memo, the bank plans to lend against crypto assets, private securities, and GPUs for data center buildouts and AI related projects.[8] It also plans to provide venture debt and capital call lines of credit. Over the "longer term," Erebor plans to "deploy its own assets into DeFi," an activity not referenced in the public section of its charter application.[9] These significant and novel risks make the approval of its charter even more surprising, and political manipulation as an explanation more compelling.

To help me better understand the origin of the attached document and the claims therein, please answer the following questions by May 6, 2026:

1. Was the document provided as *Attachment A* used or distributed by any individual associated with Erebor Bank to solicit funds for the bank?

2. Who authorized the memo?

3. Who authored the memo?

4. When was the memo drafted? Distributed?

5. Please list all of the potential investors to whom this memo was circulated.

6. Please list the investors who invested in Erebor after receiving this memo.

7. Which Erebor co-founder had "unique connectivity" to Comptroller Jonathan Gould? Is it Jacob Hirshman, a former executive at Circle Financial, one of Comptroller Gould's former clients?[10]

8. What does it mean that this co-founder had "unique connectivity" to Comptroller Jonathan Gould? Provide specific examples.

9. What does it mean that "Palmer's political network will get this done"? Provide specific examples.

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[6] The Wall Street Journal, "Hobbit-Inspired Startup Becomes First New Bank Greenlighted by Trump 2.0," Dylan Tokar, Keach Hagey, and Peter Rudegeair, February 6, 2026, https://www.wsj.com/finance/banking/hobbit-inspired-startup-becomes-first-new-bank-greenlighted-by-trump-2-0-0d6075ef.
[7] Erebor Bank National Association, "Banking Memo," memorandum, March 30, 2026, https://www.banking.senate.gov/imo/media/doc/attachment_a.pdf.
[8] *Id.*
[9] *Id.*; Erebor, Inc., Federal Register Notice, "Erebor Bank, N.A.: Charter Application," June 11, 2025, https://www.occ.gov/topics/charters-and-licensing/digital-assets-licensing-applications/erebor-bank.pdf.
[10] Bloomberg, "Senate Confirms Jonathan Gould as Comptroller of the Currency," Yash Roy, July 10, 2025, https://www.bloomberg.com/news/articles/2025-07-10/senate-confirms-jonathan-gould-as-comptroller-of-the-currency.

10. Who is in your "political network" and how did they help you acquire the national bank charter and federal deposit insurance? Provide specific examples.

11. Provide all texts, emails, phone records, and any other written communication between representatives of Erebor and the White House, OCC, or FDIC regarding the company's applications.

12. Did you discuss Erebor's applications with President Trump or any member of President Trump's family? If so, please provide their names and the nature of the discussions.

13. Please list the date, location, and attendees for all meetings between representatives of Erebor and the White House, OCC, or FDIC regarding its applications. Provide the agenda, topics discussed, and copies of any notes taken during these meetings.

Sincerely,

Elizabeth Warren

Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs

Banking Memo

Objective: The Bank is obtaining a de novo national bank charter for the innovation economy, serving companies in virtual currency, defense, artificial intelligence, and manufacturing among other tech sectors.

The Core Offering:

1. **Deposits**: supported both in fiat and in stablecoins, enabling 24/7/365 money movement. Explicit loan covenants with companies and individuals securing deposits create a sticky deposit base.

2. **Lending**:
    a. Lines of credit collateralized by private securities, crypto, public securities
    b. Industrial loans collateralized by GPUs, turbines, factories, etc…
    c. Venture debt
    d. Capital call lines of credit

3. **Services**:
    a. Payments APIs (SaaS fees)
    b. Stablecoin clearing, enabling other banks to accept stablecoin deposits
    c. "The Vault": Treasuries and money market funds offering yield combined with intraday liquidity for wires / ACH (to be built out as bank scales)

4. **Timeline**: Receive bank charter in less than 6 months from submission around 5/25.
    a. Preliminary conditional approval in <4 months.
    b. Final approval in ~3 months.
    c. Co-Founder's unique connectivity to banking regulators (especially Jonathan Gould, next Comptroller) + Palmer's political network will get this done.

5. **Financials**: all capital raised will be used for regulatory capital, not for operations. The Bank will be profitable by month 6 of operating.
    a. Conservative loan to deposit ratio: 50% max; most banks are at 80-90%. Over time, the Bank will become the lowest loan/deposit ratio bank in the country (current lowest is 16%) given the Vault product.
    b. Conservative investment portfolio: only Treasuries and agency-backed securities. Bank always holds 60%+ high-quality liquid assets as a percentage of liabilities.
    c. Origination focus: The Bank intends to originate and syndicate / sell loans, receiving fee income through servicing, rather than storing loans on its books.

The Bank will be the first commercial, non-Wall Street bank doing this at scale, creating income more akin to SaaS.

   d. Revenue through: (i) lending net interest income, (ii) Treasuries management (~30bps annually; off balance sheet so without capital held against it), and (iii) payments and stablecoin clearing SaaS fees.

6. Lending to currently underserved segments will be supported by general credit expertise (e.g. for GPUs, Chief Credit Officer has deep background in equipment financing) and sector-specific focus (e.g. for GPUs, a specialist GPU lender who comes from a datacenter builder).
   a. Asset-backed lines of credit for crypto (90-365 days): Up to 80% loan-to-value ratio with collateral held by a third-party custodian (e.g. Anchorage). Average interest of 8-10% based on fully collateralized DeFi pools as benchmark. Underwritten based on corporate/personal ability to repay (cash flows) and collateral.
   b. Asset-backed lines of credit for private securities (90-365 days): <50% loan-to-value ratio with personal guarantee. Average interest of 10-12% benchmarked to loans outstanding today. Underwritten based on personal ability to repay (cash flows) and collateral.
   c. GPU financing (2-4 years): Up to 90% loan-to-value ratio with chips as collateral plus recourse to the company undertaking the project. Average interest of 20% without recourse / 15% with recourse / 10% with recourse and guarantee from datacenter customer (e.g. Meta), benchmarked to loans outstanding today. Opportunity to take the contract itself with the datacenter customer as collateral as well. Underwritten based on specific datacenter's cash flows and collateral.

7. **DeFi Opportunities**:
   a. Short term, the Bank sees an opportunity to create new methods of risk and credit scoring based on on-chain history tied to specific wallets for its own underwriting.
   b. Medium term, the Bank can use an affiliated broker-dealer to route customer assets to DeFi protocols when explicitly directed by customers, who have a menu of options (e.g. checking, savings, Treasury, Aave, Morpho, Ethena) based on risk appetite.
   c. Longer term, the Bank can deploy its own assets into DeFi when there are no attractive direct loans, serving as a source of net interest income for otherwise underutilized assets.
   d. Leveraging its connectivity with the admin and its position as an OCC-regulated institution, the Bank will surface novel issues related to increasing access from within the regulated financial system and work to create guidance that will drive additional liquidity to DeFi.

8. **Management**
    a. Founder: Palmer Luckey
    b. Co-Founder: Trevor Capozza
    c. Co-Founder/Co-CEO: Sales, marketing, and regulatory: Jacob Hirshman
    d. Co-Founder/Co-CEO: Product, credit, and customer success: Owen Rapaport
    e. Co-Founder/CTO: Aaron Pelz
    f. Chief Risk Officer: Joshua Rosenberg
    g. Chief Financial Officer: Ricky Grant
    h. Chief Credit Officer: Vlad Dubinsky

9. **Fundraising Proposal**
    a. The best late-stage and public banks trade at 6-8x book (Nubank at 8x, Monzo at 6x, Starling at 6x). Earlier stage, more innovation, and with Palmer involved, we're raising at ~7.2x book value.
    b. Conservative intended outcome after the first 3 years of operations is ~$10B business.
    c. Targeting $225M on $2B at ~7.2x book (w/ ~275m cash on books)