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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

February 18, 2026

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

The Honorable Jerome Powell
Chair
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave NW
Washington, DC 20551

Dear Secretary Bessent and Chair Powell:

I write today to request written confirmation that neither the Department of the Treasury (Treasury) nor the Federal Reserve (Fed) will use taxpayer dollars to bail out cryptocurrency billionaires and other highly leveraged cryptocurrency investors. Not only would it be deeply unpopular¹ to transfer wealth from American taxpayers to cryptocurrency billionaires, it could also directly enrich President Trump and his family's cryptocurrency company, World Liberty Financial (WLFI). The ongoing crypto asset crash underscores why Congress must bolster consumer protections for the cryptocurrency industry so crypto billionaires and other insiders cannot benefit at the expense of small traders and retirees.

In recent weeks, Bitcoin, which constitutes nearly 60% of the entire crypto ecosystem by market capitalization, has lost more than \$2 trillion, or about 50%, in value since its October 2025 peak.² The selloff appears to be driven by a change in investor sentiment and shift away from speculative assets. The decline has been amplified by cascading liquidations of leveraged positions. President Trump's own crypto company WLFI "has sold around 173 wrapped Bitcoin ... this transaction was made to repay \$11.75 million in USDC stablecoin debt, thereby avoiding liquidation as Bitcoin's price dropped below \$63,000."³ During this selloff, crypto billionaires have taken massive hits, as Bitcoin's value continues to plummet. Crypto billionaire Michael

¹ Blue Rose Research, "Cryptocurrency Bailout Research," February 6, 2026, <https://punchbowl.news/2-6-26-cryptocurrency-bailout-research/>.

² Coinbase, "Bitcoin Price," February 13, 2026, <https://www.coinbase.com/price/bitcoin>; NBC News, "Crypto crash accelerates as investors flee risky assets," Allie Canal and Steve Kopack, February 5, 2026, <https://www.nbcnews.com/business/markets/crypto-crash-bitcoin-gold-rcna257556>; Reuters, Bitcoin plummets, driving \$2 trillion tumble in crypto market value," Gertrude Chavez-Dreyfuss et al, February 5, 2026, <https://finance.yahoo.com/news/bitcoin-dip-brings-key-70-061818485.html>.

Saylor's Strategy Inc., one of the largest corporate holders of Bitcoin, has reportedly seen its shares fall nearly 20% since the beginning of the year.⁴ Other major Bitcoin investors have also seen losses, including Binance founder Changpeng Zhao, who reportedly lost nearly \$30 billion, and Coinbase's Brian Armstrong, who reportedly lost \$7 billion.⁵

The Treasury Department and the Federal Reserve have authorities that enable them to provide financial support to banks and non-bank entities during crises. Treasury, for example, manages the Exchange Stabilization Fund (ESF), which was used in the 2008 financial crisis to bail out money market mutual funds.⁶ The Fed, meanwhile, has used its 13(3) emergency lending facilities to provide support to a range of financial and nonfinancial institutions during crises, including in the 2008 financial crisis, 2020 covid pandemic, and 2023 banking turmoil.⁷ Concerningly, at a recent hearing, in an exchange regarding his authority to bail out the cryptocurrency industry, Secretary Bessent was asked whether “the money of our taxpayers... is...going to be deployed into crypto assets,” rather than giving a simple “no,” he deflected, stating that “[w]e are retaining seized bitcoin.”⁸ It’s deeply unclear what, if any, plans the U.S. government currently has to intervene in the current Bitcoin selloff. Ultimately, any government intervention to stabilize Bitcoin would disproportionately benefit crypto billionaires. A 2024 estimate finds that “1.86% of wallet addresses (more than one million) hold more than 90% of the total BTC currently in circulation.”⁹ Your agencies must refrain from propping up Bitcoin and transferring wealth from taxpayers to crypto billionaires through direct purchases, guarantees, or liquidity facilities.

Instead, federal financial agencies must strengthen protections for retail crypto investors. Last year, a record \$17 billion was lost or stolen to cryptocurrency scams and fraud, driven by a massive 1400% year-over-year increase in impersonation scams.¹⁰ According to Chainalysis, “Reported losses from Bitcoin ATM fraud have risen sharply in recent years, and older victims are disproportionately affected by these kiosk-based conversions.”¹¹ While crypto ATM fraud constitutes a small portion of overall crypto-related losses, scammers stole more than \$333.5 million from Americans using Bitcoin ATMs between January and November 2025.¹² As it considers cryptocurrency legislation, Congress must act to address rampant fraud, provide

³ Binance Square, “Trump-Linked Wallet Sells Wrapped Bitcoin to Avoid Liquidation Amid Market Deleveraging,” February 6, 2026, <https://www.binance.com/en/square/post/02-06-2026-trump-linked-wallet-sells-wrapped-bitcoin-to-avoid-liquidation-amid-market-deleveraging-288748024709233>.

⁴ Yahoo Finance, “Why Strategy (MSTR) Stock Is Down Today,” Anthony Lee, February 11, 2026, <https://finance.yahoo.com/news/why-strategy-mstr-stock-down-174607638.html>.

⁵ Forbes, “Crypto Crash: These 10 Billionaires Have Lost \$60 Billion,” Kirk Ogunrinde, February 7, 2026, <https://www.forbes.com/sites/kirkogunrinde/2026/02/07/crypto-crash-these-10-billionaires-have-lost-60-billion/>.

⁶ Brookings, “What is the Exchange Stabilization Fund? How was it used during COVID? How may it be used for Argentina?,” David Wessel, October 6, 2025, <https://www.brookings.edu/articles/what-is-the-exchange-stabilization-fund-and-how-is-it-being-used-in-the-coronavirus-covid-19-crisis/>.

⁷ Federal Reserve Bank of St. Louis, “The Fed’s Emergency Lending Powers Explained,” Heather Hennerich, March 31, 2021, <https://www.stlouisfed.org/open-vault/2021/march/fed-emergency-lending-powers-explained>.

⁸ U.S. House Financial Services Committee, “The Annual Report of the Financial Stability Oversight Council,” February 4, 2026, <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=410991>.

⁹ Binance Square, “What happens when 1% of Bitcoin holders control 99% of the BTC supply,” July 29, 2024, <https://www.binance.com/en/square/post/11476470348810>.

¹⁰ Chainalysis, “Record \$17 Billion Estimated Stolen in Crypto Scams and Fraud in 2025 as Impersonation Tactics and AI Enablement Surge,” January 13, 2026, <https://www.chainalysis.com/blog/crypto-scams-2026/>.

¹¹ *Id.*

commonsense consumer and investor protections, safeguard our national security, and address the President's crypto corruption.

Any government response to Bitcoin's recent crash must be centered around bolstering safeguards for individual crypto holders. American taxpayers should not be on the hook for billionaire crypto investors. I therefore seek written confirmation from you that the U.S. Treasury and the Federal Reserve will not use their authorities, including but not limited to the ESF and 13(3) liquidity facilities, to bail out the Bitcoin market or crypto asset intermediaries no later than February 27, 2026.

Sincerely,



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

¹² ABC News, "Scammers notched \$333 million from bitcoin ATM scams in 2025, FBI says," Lucien Bruggeman, December 30, 2025, <https://abcnews.go.com/US/scammers-notched-333-million-bitcoin-atm-scams-2025/story?id=128526877#>.