

Proposal: 1625 Potential FR Actions to Support Interbank Settlement of Faster Payments

Description:

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From: Dean Bank, Kevin Goffe

Proposal: 1625 Potential FR Actions to Support Interbank Settlement of Faster Payments

Subject: OP-1625 -Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments

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Comments:

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Proposal: Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments [OP-1625]

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Your comment: It is my pleasure to submit comment on the Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments [OP-1625]. I would urge the Federal Reserve to commit definitively to providing a platform or infrastructure that all financial institutions, large and small, can access and benefit from for real-time 24/7 settlement. Private industry is making significant investment in alternative channels for real-time 24/7 settlement of payments and consumers are quickly adopting those channels. In the absence of a Federal Reserve supported channel, private systems are developed, managed and priced for the benefit of large scale participants putting the nations numerous community banks at a competitive disadvantage. I concur with Federal Reserve Board Governor Lael Brainard's comment that "a 24/7 economy with 24/7 real-time payments needs 24/7 real-time settlement. That is where we believe that the Federal Reserve and the private sector together need to make investments for the future." The private sector is making those investments. It is time for the Federal Reserve to commit to doing the same, not continue to investigate the potential. Dean Bank is processing such payments today with the assistance of its core processing provider. At current volumes the cost is not prohibitive; however, as the channels gains further acceptance it may create a further drain on the bank's profitability and competitiveness. A Federal Reserve platform will encourage development of alternative providers and ensure cost effective settlement all financial institutions. I urge the Federal Reserve to invest in the future of payments today. Sincerely, Kevin R. Goffe President & CEO