

December 12, 2018

Ms. Ann Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

RE: Comment on Faster Payments Settlement
Docket Number OP-1625

Dear Ms. Misback,

On behalf of Desco Federal Credit Union, I would like to take this opportunity to comment on the Federal Reserve's request for comments regarding interbank settlement and liquidity management tools for faster payments. We appreciate the opportunity to share our support and express our gratitude towards the Federal Reserve and the Faster Payments Task Force in regards to the work they have put into this initiative.

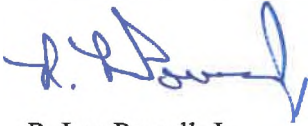
We support the role of the Federal Reserve in a faster payments settlement service and liquidity management tool provider so that it would make this an interoperable and ubiquitous system that would allow for equal access to all financial institutions. Also, with the involvement of the Federal Reserve comes a confidence in the ability of how it will be implemented and ran going forward. The Federal Reserve is a trusted partner on payments and the adoption rate would be higher than if the private sector would attempt.

We feel for the smaller financial institutions the relationship between the real time settlement and the liquidity management tool is critical. Most small financial institutions would not be able to adapt if not for the involvement of the Federal Reserve and some sort of liquidity management tool. They would also need to have a strong working relationship with their Corporate Credit Union to have the partnership needed to manage this new settlement method.

Because of the real time settlement occurring during non-banking hours the need for a liquidity management tool is critical for operations. We would recommend the setup of a sub-account of the master account and overall funding to be managed as one account. If a second account is required, the Federal Reserve should develop an automated tool that would move funds from the master account to the separate account or back to the master account when certain limits or thresholds are met. We feel that the two accounts should be looked at together for reserve balance requirements, interest calculations and to prevent over-draft issues. If this cannot be accomplished, the overall cost of operations would be too complex and costly for financial institutions to implement the faster payments settlement.

We sincerely appreciate your time in considering our comments on this important topic and the operational areas it affects.

Very truly yours,

A handwritten signature in blue ink, appearing to read "R. Lee Powell, Jr.", with a stylized flourish at the end.

R. Lee Powell, Jr.
President/CEO

A handwritten signature in blue ink, appearing to read "Kara L. Tieman", written in a cursive style.

Kara L. Tieman
CFO