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December 11, 2018

Via Electronic Submission

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

Re: Request for Comment: Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments. Docket No. OP-1625

Dear Ms. Misback:

Howard Bank respectfully submits the following comments on the Request for Comment of Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments. The published Improvement Strategies are properly focused with the desired outcomes that benefit our industry.

As the Fed approaches Real Time Payments (RTP) decisions and with the ever increasing volume in the movement of money it is important to the Industry and especially the Community and Regional Banks that any decisions continue to be approached collaboratively.

The country has evolved in our desire to transact payments quicker, faster, and immediate. While the networks exist for the delivery of such payments for consumers, the need for a business centric network is lacking.

The expectation is growing to deliver these options to business owners. They are requesting the same options for their business solutions that they use personally.

To achieve this solution, we need to ensure that a quicker and more efficient solution includes appropriate levels of oversight. All participants should be accountable to the current provisions of the law.

As we look to invest in a national solution we must be diligent in recognizing fraudulent activities in our industry and seek resolution to prevent and/or minimize while not impacting our clients. Fraud cannot impede our decision to move forward and must be included in the conversation. The Fed and engaged banking industry should be strategic and seek proactive solutions to aid in the prevention of fraud.

Regional and Community Banks must have access to the technology that benefits and ensures this plan moves forward. A collaborative solution will allow us to compete on an even playing field.

An engaged conversation should also include international transactions. In consideration of how global our economy has become, business clients are seeking how best to enter the global market with their products and solutions. The ability to enter the global market with the ease of a high value payment system could be expansive. Wire Transfers are still an option, however this is not always the choice clients are seeking.

Additional questions to consider:

Will the service be sold only through a 3rd Party provider or will banks have the option to self-subscribe direct to Fed?

Will clients have the ability to self-subscribe, i.e. an APP, which must be compatible with either their Financial Institution and/or their device or still go through their FI APP?

Would we have limits, similar to the current Same Day limits or will we seek to move without limits?

Thank you for the opportunity to provide comments.

Sincerely,

Michelle Coates
Senior Vice President, Treasury Management Sales Manager

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