



First Missouri Bank

www.firstmissouri.com

December 14, 2018

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:

This letter is written to support any and all efforts by the Federal Reserve Bank to provide a real-time interbank gross settlement system for faster payments. The Federal Reserve Bank is uniquely positioned to provide equitable access to real-time settlement to all banks regardless of size. The challenges to develop and implement an efficient system are complex and numerous and the path to an efficient offering for all remains unclear. However, what is clear is that without the Federal Reserve Bank's commitment to an operational role in the development of a faster and improved payment system, smaller financial institutions like First Missouri Bank will be placed at a competitive disadvantage and will likely be unable to successfully operate in the inequitable environment that will develop.

First Missouri Bank is a \$250 million community bank operating in Missouri and prides itself on meeting the financial needs of the communities we serve. Our bank operates in both the Kansas City MSA as well as rural markets in North Central Missouri. Our ability to meet lending needs of the community are directly tied to our ability to maintain deposit accounts. Deposit account offerings have and will continue to be differentiated by the ability to offer faster payment options such as same day ACH and P2P payments. Banks like ours rely on our technology partners, primarily our core processor, to develop competitive offerings. Those partners need a clear path forward to provide us with a cost-effective solution that will allow us to compete in an environment with increased customer expectations. Access to faster payment systems such as Zelle are not currently available to First Missouri Bank through our core processor and the timeline for availability is unknown. Without the Federal Reserve Bank's facilitation of a safe payment system that is accessible to all financial institutions, those smaller institutions like First Missouri Bank will lose customers and deposits to large institutions and non-bank entities as the gap in payment options expands. The loss of customers due to our inability to compete in this area will result in our inability to meet the lending needs of the communities we serve and will have a detrimental impact, particularly in our rural markets.

We rely on the Federal Reserve Bank to facilitate a safe payment system that is accessible to all financial institutions. I encourage the Federal Reserve Bank to continue its critical role in the payment system by committing to the development of a real-time interbank gross settlement system and a liquidity management tool necessary to support this faster payment option. Furthermore, this necessary action must be prompt to ensure community banks like ours are able to develop competitive offerings.

Sincerely,

Kristie Stuewe, President & CEO



Brookfield
660-258-3311

Kearney
816-903-9010

Eagleville
660-867-5218

Ridgeway
660-872-6686

North Kansas City
816-472-0645

