



December 14, 2018

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

RE: Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments
(Docket No. OP-1625)

Dear Ms. Misback:

On behalf of Randolph-Brooks Federal Credit Union ("RBFCU"), this letter is being submitted in response to the Federal Reserve System's ("FRS") request for comment ("RFC") on "Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments." We greatly appreciate the opportunity to comment.

Introduction

As part of its overall mission, the Federal Reserve has an interest in ensuring there is a safe and robust U.S. payment system, including a settlement infrastructure on which the private sector can provide innovative faster payment services that serve the broad public interest. Accordingly, the Board of Governors of the Federal Reserve System ("Board") is seeking input on potential actions that the Federal Reserve could take to promote ubiquitous, safe, and efficient faster payments in the United States by facilitating real-time interbank settlement of faster payments. Potential actions include the Federal Reserve Banks developing a service for 24x7x365 real-time interbank settlement of faster payments; and a liquidity management tool that would enable transfers between Federal Reserve accounts on a 24x7x365 basis to support services for real-time interbank settlement of faster payments, whether those services are provided by the private sector or the Federal Reserve Banks.

Vision for Faster Payments

In the RFC, faster payments services is described as a process that enables senders to immediately initiate, and recipients to immediately receive, payments at any time. At the end-user service level, the sender of a payment must have an interface that allows real-time communication at any time to initiate a payment. At the clearing level, certain activities—such as messaging—must similarly happen in real

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time and at any time. Accordingly, the Board assumes that a future faster payments system will permit users to:

1. accept payment messages from end users;
2. exchange payment messages between banks; and
3. make final funds available to recipients in real time and at any time.

Real-time Payments Services

RBFCU supports real-time payments services as it will improve overall satisfaction with tools such as online bill pay, person-to-person payments, and business payments such as payroll. Broadly speaking, it will allow end users to make time-sensitive payments whenever needed while potentially reducing late fees. *Accordingly, we believe future demand for real-time payments supports the development of a faster payment solutions.*

The Clearing House – Real Time Payments

In 2017, The Clearing House (“TCH”) launched its real-time payments (“RTP”) system. It was the first new core payments infrastructure in the U.S. in more than 40 years. Additionally, the new RTP system was designed and built through the collaborative effort of TCH’s 25 owner banks and met the objectives of the Federal Reserve-sponsored Faster Payments Task Force (“FPTF”).

The arrival of real-time payments in the U.S. through the RTP network benefited greatly from the strategic vision of the Federal Reserve’s U.S. payment system improvement initiative and the broad-based collaboration of the FPTF. The Federal Reserve’s work in this area has helped drive a national understanding of how real-time payments will benefit consumers, businesses, and the nation’s economy.

RTP has been built to meet the demands of the modern economy by delivering 24x7x365 clearing and real-time settlement. With these capabilities, financial institutions are starting to use RTP to deliver innovative products and services to add speed, safety, and efficiencies to the financial transactions conducted by all Americans. *RBFCU believes that TCH, through its collaborative efforts with FRTF, has successfully developed a solution for real-time payments. Moving forward, we believe the TCH should continue to work with the Federal Reserve to ensure that ubiquity regarding real-time payments is reached.*

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Conclusion

In closing, we would like to once again thank you for the opportunity to comment on this issue which we feel is very important to our credit union and the credit union industry. RBFCU is very supportive of a real-time payments solution. We believe the Federal Reserve and TCH should continue to work together to establish ubiquity in the market.

Sincerely,

Mark Sekula
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Randolph-Brooks Federal Credit Union

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