

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

Description:

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From: Bank of Springfield, Lynn Bandy

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: I am an advocate of the Federal Reserve System offering services to support faster payments for Community Banks. Access to such services will allow us to compete with national banks who own real time products like Zelle, while also allowing us to compete with non-bank systems such as PayPal, Square, and Venmo. Same Day ACH options do help, but the expectation of real time money movement options continues to grow.

These systems should offer services that allow banks to manage Real Time Gross Settlement services in an automated way, so that customer payments can be satisfied during times when the bank is closed. A liquidity management tool would be needed and should be structured in a way to allow the banks to forecast needs for longer periods of time, such as extended holidays when the Federal Reserve is closed.

I feel the Federal Reserve should immediately commit to the services outlined in the commentary, because without it Community Banks and their customers are at a competitive disadvantage.

Respectfully,

Lynn Bandy

Chief Operations Officer

Bank of Springfield