



November 30, 2018

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

Re: Potential Actions to Support Interbank Settlement of Faster Payments
Docket No. OP – 1625

Dear Ms. Misback:

Thank you for the opportunity to present comments on behalf of the membership of the Kansas Bankers Association (KBA). The KBA is a nonprofit trade organization whose membership includes 232 of the commercially chartered banks headquartered in Kansas. Our membership also includes 19 out-of-state commercial banks and 7 savings and loans operating in Kansas. We are pleased to support 99% of the industry in the state. Our member banks employ more than 13,000 Kansans that provide financial services in more than 400 towns and cities across Kansas.

Specifically, the Federal Reserve is asking for comments on whether the Reserve Banks should develop a 24x7x365 payment settlement service and whether they should also develop a liquidity management tool that would enable transfers between Federal Reserve accounts on a 24x7x365 basis to support real-time interbank settlement of faster payments, regardless of whether those services are provided by the private sector or the Reserve Banks.

In general, the KBA is supportive of a payment system that would enhance payment speed, while also maintaining a safe and efficient system for all users. We believe that the Reserve Banks are uniquely situated to be a provider of such a system. First of all, we understand the Federal Reserve's fundamental interest in ensuring there is a safe, equitable and robust U.S. payment system. We also believe the Reserve's role in the current system provides a foundation for trust among potential users. A faster payments system, developed by the Reserve, would maintain that same level of integrity and would serve the best interests of the public.

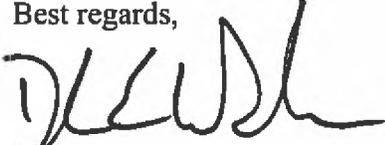
The KBA is also aware that in order for a faster payment system to truly be effective, it would involve clearing services and interbank settlement services 24x7x365 – including many hours where traditional banks and even the Federal Reserve are not staffed. We would advocate for the development of a liquidity management tool to also be developed to enable transfers for real-time interbank settlement for all institutions.

While the KBA does not have all of the answers regarding the appropriate strategic foundation for interbank settlement, or what adjustments would need to be made by the financial services industry and its customers, we believe public demand for faster payment is real. One needs only to look at the demand that nonbank entities that have developed online portals or mobile applications to enable impromptu payments between individuals who sign up for that specific service are experiencing, as well as efforts to implement faster payments in other countries. In this world of being only one click away from obtaining so many other types of products and services, we do believe that if the Reserve Banks build it, they will come.

The KBA not only offers its support for the involvement in developing a faster payments system, we also offer to help find individuals and entities that will collaborate with the Federal Reserve to achieve a system that is safe, equitable and efficient for all users.

Thank you, once again, for this opportunity to make these generally supportive comments.

Best regards,



Douglas E. Wareham
President and CEO



Kathleen A. Taylor
EVP/General Counsel