

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

Description:

---

Comment ID: 132869

From: Advantage Bank, Randy Smith

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

---

Comments:

Date: Nov 21, 2018

---

Proposal: Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments [OP-1625]

Document ID: OP-1625

Revision: 1

First name: Randy

Middle initial: C

Last name: Smith

Affiliation (if any): CEO, Advantage Bank

Affiliation Type: Commercial (Com)

Address line 1: 8001 N.E. 23rd Street

Address line 2:

City: Oklahoma City

State: Oklahoma

Zip: 73141

Country: UNITED STATES

Postal (if outside the U.S.):

Your comment: My family has owned a small Oklahoma County community bank since 1914. We have great concern about our country's movement to a 24/7 real time payment system that is owned by the private sector. Historically, the Fed has been a payment rail provider for ACH, wires, image, and cash services. Our bank ownership believes that it is natural and necessary for the Fed to be the provider in the new faster payments world. Our hope is that the Fed will become a transaction operator for a new real-time payment rail. The Fed is uniquely positioned in the marketplace to be a moderating force, keeping the market fair, competitive, and open to any bank that wants to participate. And, while the Fed might set rules and standards for this new payments system, its presence as an operator will at least interject transparency into the process, from which community banks like ours will benefit. If the Fed becomes a real-time payment operator, community banks will have alternatives in their selection of service providers, and not be forced into the arms of any one provider. In our view, the Fed's entry in to the faster payments world as a Real-Time Gross Settlement (RTGS) system provider is an essential next step to keep our nation's system healthy and competitive in the global market.