

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

Description:

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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Your comment: I urge the Federal Reserve to take leadership in deploying a RTGS system that replaces the outdated ACH system, with the Fed or designated public authority acting as central recorder and funds mediator of the coordinated clearing network. The best interest of the individual citizens of the USA is a system that allows people (individuals) to have access to low-cost, secure, instantaneous transactions. There is no longer any technological reason to withhold this capability. Individual consumers should be able to initiate transfers from their bank accounts (no debits / withdraws by other parties allowed) simply by entering recipients' account numbers, rely on funds to be confirmed at the recipient (other individuals, businesses) within seconds, so that: - low cost payments and transfers are accessible to anyone with a bank account - the confusion of new payment alternatives is consolidated into one trusted system - fraud is practically eliminated by ensuring that only an account owner can initiate a transaction - customers no longer have to deal with intermediary payment platforms and inconsistent clearing times - customers are sure that their accounts have sufficient funding when sending, and are guaranteed funds when receiving Many other countries have accepted these kinds of benefits as solid justification for doing away with old-fashioned checks, net settlement, and a proliferation of ineffective replacements for the outdated banking systems. 3 days to have funds clear is no longer a reasonable expectation of a 1st world country, and will lead to the government being bypassed as a trusted financial authority in favor of private platforms. It is time that the USA (with the Fed as leader) rip off the bandaid and mandate a new standard (and provide the infrastructure) for everyone's benefit, which anyone designing a system from the start would choose over our current system. Like the change we experienced with the Check 21 Act of 2003, while the one-time cost of migrating to a new system was painful and much-complained at first, no one would ever choose to go back once the benefits and advantages are realized. I urge the Fed to help us take the next sensible step to create such an improved system with benefits for us all.