

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

Description:

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Comment ID: 133069

From: Community Bankers of Iowa Association, David Caris

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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To: Board of Governors of the Federal Reserve System

I write representing approximately 170 community bank members of the Community Bankers of Iowa Association. Many of my members have already filed their own comments regarding the faster payments issue, so I will keep my comments very general in nature.

CBI is very appreciative of the fact that the Federal Reserve is seeking input on the faster payments issue. My members are very concerned about the fact that the largest banks in the US have banded together in an effort to try to control and monopolize a future faster payments system. The community banking model has served Iowa well for more than a Century, and community banks are very concerned that a payments system designed and controlled by the largest banks in the country will not be in the best interest of community banks and their customers. Getting this right is critical to the future of community banks, which already face significant headwinds.

CBI believes that the Federal Reserve needs to take a leading role as an operator or regulator of any future faster payments system. We believe standards must be developed and enforced to insure interoperability and a non-discriminatory system, including pricing.

CBI also is very supportive of the SHAZAM organization and the comments it has filed in this docket. SHAZAM was founded by community banks in Iowa and is still governed by community banks and credit unions. They have worked tirelessly to be pioneers in payments and hold transaction costs down for community banks and their customers.

Again, thank you for seeking input on a future faster payments system and taking CBI's position into consideration.

David Caris

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