

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

Description:

Comment ID: 133099

From: Credit Union for Robertson County, Sherry Johnson

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:

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I am writing on behalf of the Credit Union for Robertson County, located in Springfield Tn. I wanted to share our support of the Federal Reserve's proposal to develop a faster payment system. I believe the Federal Reserve can create a solution that we all can share in. The real time gross settlement that is being offered 24x7x365 will help relieve settlement risk within the financial system and create a secure interbank settlement system which will also help if there is any regulatory oversight.

As an operations manager at the credit union I want to encourage the Fed to develop a system that is fair and accessible to all parties involved. The Credit Union for Robertson County has an already established system with our corporate, I want to encourage the Fed to keep this system in view when developing the new real time gross settlement.

To prevent overdrafts during non-business hours a liquidity management tool would need to be in place, our corporate credit union helps us compete by providing intraday liquidity. This needs to be considered when developing an answer to faster payments. There are many credit unions that do not have Federal Reserve accounts, therefore there is a need to select someone to help manage their liquidity.

As an employee of the Credit Union for Robertson County we want to be able to participate in the faster payment movement, therefore, it is incumbent that the Federal Reserve make faster payments available to all financial institutions in a safe and regulated way, and not allow the payments to be driven by the private sector which could only benefit the larger credit unions.

Thank you for your time.

Sherry Johnson
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