

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

---

Comment ID: 133112

From: FirstLight Federal Credit Union, Irene Cortinas

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:

NONCONFIDENTIAL // EXTERNAL

I support faster payments, but I am interested in more information about how much infrastructure investment will be needed by FI's to be able to receive said payment files and post instantly. What kind of requirements will FRB roll out and how will FRB improve or change the current settlement cut off times? Will there be cut off times? As far as liquidity, will a FI be able to set limits on what can settle daily so they can manage their liquidity status? In the event a file containing errors or fraudulent items that we don't want to settle, how can we balance or view before settlement occurs? What safeguards will be put in place for this? How will returns be handled? Any changes there? Any changes to disputes? There are obvious questions about staffing, posting 24X7X365 will these be handled like a POS? How will weekends be handled and will the FI be required to be working on weekends? It would appear that instant settlement would imply that we work with our core systems vendor to allow FRB auto post without balancing first; that is a big risk. The expectation would be to have safeguards for fraud, some kind of preauthorization for review and balancing, an opt out options? How and who we allow to initiate payments and what limits will be assessed is another question that should be addressed. Do we get to decide this? Or will there be set standards that we all adopt?

Irene Cortinas |Director of Financial Analysis & Treasury  
FirstLight Federal Credit Union  
D: (915) 231-3173 |E: icortinas@firstlightfcu .org  
9983 Kenworthy El Paso Tx 79924| firstlightfcu.org