

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

Description:

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Comment ID: 133207

From: Florida State University, David Humphrey

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:

NONCONFIDENTIAL // EXTERNAL

December 11, 2018

Dear Sirs:

Yes, by all means please go ahead with implementing instant settlement to improve the operational efficiency of the US payment system. Receivers will obtain their funds earlier and there will also be a virtual elimination of the risk of settlement failure from delayed settlement arrangements currently in place.

One hopes, as well, that instant settlement will be applied to CHIPS payments so that their delayed net settlement network for certain payments during the day finally becomes a complete real-time gross settlement (RTGS) network like Fedwire.

In my view, instant settlement can benefit the receivers of both smaller value payments as well as large value wholesale payments.

Sincerely,

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