

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

Description:

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Comment ID: 133227

From: Mark Frank

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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Please see the commentary below regarding docket number OP-1625

1. the development of a service for real-time interbank settlement of faster payments 24 hours a day, seven days a week, 365 days a year (24x7x365); and
2. the creation of a liquidity management tool that would enable transfers between Federal Reserve accounts on a 24x7x365 basis to support services for real-time interbank settlement of faster payments.

The need for the United States to advance to a real time payment eco-system has been well established over the past few years. Our daily lives are now fully rooted into a real time environment on so many levels, however our financial payment processing systems have lagged behind. While some payment methods offer facets of real time capabilities (authorization, memo-posting come to mind), a holistic approach covering all facets of the payment process is sorely overdue. This is especially evident when we notice that other nations have forged ahead with success in establishing a faster and safer payments mechanism for their economies.

Furthermore, the financial services private sector is moving too slowly in advancing this much needed modernization and may only provide it to smaller, more fragmented section of the marketplace. I would support the two above initiatives outlined in OP-1625. The Federal Reserve Bank should develop these above services (settlement and liquidity management) thus ensuring all banking and financial services providers have access to a real time payments network which will maximize availability for all consumers and business entities. The Federal Reserve's proven track record over the past 100 years provides evidence to their effectiveness of serving all constituents regardless of size, location or any other defining characteristic.

Thank you for your consideration.

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