

BANKERS' BANK OF KANSAS



December 3, 2018

Ann Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: OP – 1625 Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments, Request for Comments

To Whom It May Concern:

Bankers' Bank of Kansas, as a correspondent serving over 200 Kansas community banks, supports the Federal Reserve as a developer and operator of a 24x7x365 RTGS settlement service.

Bankers' Bank of Kansas also supports the Federal Reserve as a developer and operator of a liquidity management tool to support the 24x7x365 real-time interbank settlement of faster payments.

In July 2017, the Federal Reserve's Faster Payments Task Force published a paper calling for ubiquity and interoperability for faster payments, and it is our belief the only sensible model for attaining these goals is for the Federal Reserve, touching more than 11,000 financial institutions, to promptly stand-up the infrastructure to act as an operator for faster payment settlement.

Historically, the Federal Reserve has assumed a fundamental role in payment systems, and as we look forward to further advancements in the industry we believe the Federal Reserve should continue to play a significant role in emerging payment verticals. Community banks look to the Federal Reserve to operate the rails of today's transactions, be it ACH, Wire Transfers, or Check Images. Looking forward to a faster payments ecosystem, we see substantial gaps in infrastructure community banks will expect the Federal Reserve to occupy.

Current faster payment models operating in the United States are impractical for community banks. The nation's largest institutions cannot fathom the challenges impacting community banks, and our industry cannot allow a new payment rail to be controlled by a consortium of participants unable to empathize with the community bank model. The Federal Reserve has provided opportunities to the nation's smallest financial institutions to stay competitive using attainable payment systems. Without the

Federal Reserve's participation in a faster payments exchange, the safety and soundness provided by the Federal Reserve's infrastructure will erode and leave community banks facing extreme challenges servicing tomorrow's customer.

Again, Bankers' Bank of Kansas supports the Federal Reserve's involvement in faster payments, and we strongly encourage the Federal Reserve to expeditiously conclude its review and move forward.

Sincerely,



Calvin J. Coady
President / CEO



Christopher S. Gilbert
Chief Information Officer