REGIONS

December 14, 2018

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

Via Electronic Submission

> **Re:** **Docket No. OP-1625; Request for Comment: Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments**

Dear Ms. Misback:

Regions Financial Corporation[1] ("Regions") appreciates the opportunity to comment in response to the Board of Governors of the Federal Reserve System's ("Board") "Request for Comment on Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments" ("FR Notice"). Regions lauds the Board's goal of a fast, modern, secure, and innovative payments marketplace that allows payments to be made 24/7 anywhere in the United States. We also appreciated the opportunity to participate in the Faster Payments Task Force.

In the FR Notice, the Board requests comments on two different ideas. The first is a 24/7 Reserve Bank Service for faster payments and the second is a liquidity management tool that would enable the movement of funds 24/7 among Federal Reserve accounts.

The first proposal would result in the Federal Reserve becoming the operator of a Real Time Gross Settlement System ("RTGS"), which would compete with the existing Real Time Payments ("RTP") product offered by The Clearing House ("TCH"). TCH's network

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[1] Regions Financial Corporation (NYSE:RF), with $123 billion in assets, is a member of the S&P 500 Index and is one of the nation's largest full-service providers of consumer and commercial banking, wealth management, mortgage, and insurance products and services. Regions serves customers across the South, Midwest and Texas, and through its subsidiary, Regions Bank, member FDIC and an Equal Housing Lender, operates approximately 1,500 banking offices and 1,900 ATMs. Additional information about Regions and its full line of products and services can be found at www.regions.com.

is a not-for-profit, bank-owned system that charges the same fees to all financial institutions and provides no volume discounts.

Regions is a significant participant in U.S. payments systems and is one of the Class A owners of TCH. As the Board knows, the RTP Network is now operating but is still in a "start-up phase" with plans to grow over the next twelve months. The owners of TCH have committed significant resources to ensure the TCH network operates in the best interests of bank customers and the financial industry generally and in a safe and sound manner. Regions took steps to adapt our systems to ensure the infrastructure in our institution and used by our customers would have the operational capability to integrate with the RTP Network. Regions uses and supports the TCH's RTP network. Regions also uses the Federal Reserve for Check, Automated Clearing House, and Wires; thus, we support the Federal Reserve's payment mechanisms, too.

If the Board decides to create a new or upgraded payment system, interoperability with the private sector solutions now in the marketplace, or in the future, is paramount. To achieve interoperability, it would require establishing and maintaining on-going functional parity as both systems evolve and innovate over time. If the systems are not interoperable, the Board's effort could hinder faster payments in the United States.

With respect to the Federal Reserve's proposed liquidity management tool, we believe it would be useful if the tool provides liquidity during the weekends and holidays, is flexible, and is interoperable with other systems banks choose to use.

Thank you in advance for your consideration of these comments. Regions applauds the Federal Reserve's goal of promoting safe, fast, and efficient payments. Should you have any questions regarding these comments, or about Regions, please do not hesitate to contact me directly.

Sincerely,

John Owen
Chief Operating Officer
Regions Financial Corporation