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October 29, 2018

The Jerome H. Powell  
Chair  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

VIA ELECTRONIC SUBMISSION: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

### Re: Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments; Docket No. OP – 1625

Dear Chair Powell:

We are writing to urge the Federal Reserve to use its existing authority under the Expedited Funds Availability Act to mandate real time payments. Additionally, we urge the Fed to modernize its own infrastructure to be able to accomplish this goal with the Automated Clearing House system. Delay is costing Americans billions of dollars they do not have and contributing to the growing income inequality that the Fed rightfully agrees is harming our nation.

We appreciate the Fed's request for comments on improving its settlements infrastructure to support faster payments because of this initiative's impact on low and moderate income ("LMI") communities, especially those individuals that may live paycheck to paycheck. Of particular interest is Question 7 of the request for comments where the Board inquires whether updating its settlements infrastructure would help achieve ubiquitous, nationwide access to safe and efficient faster payments in the long run. The Board raises this question after noting that "the net effect on the efficiency of [a] faster payment environment would depend on the extent to which it generates societal benefits by improving...public access to safe and secure faster payment services."

The impetus behind the Fed posing this question suggests the net benefit of a faster payments system is unclear. However, we believe a preponderance of evidence already exists that highlights the overwhelming public benefit of a faster payments system. Specifically, research conducted by the Brookings Institution, Pew Charitable Trust, Center for Financial Services Innovation and others has illustrated the prohibitively high costs of our nation's slow payment system and the sizable benefits for communities of color that would begin to

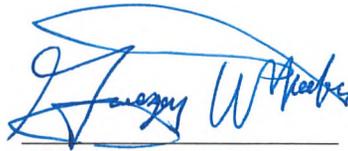
accrue savings from adoption of real time payments. The increased prevalence of overdraft fees, high cost small dollar credit, and check cashing has cost our constituencies tens of billions of dollars that a real time payments system would help ameliorate.

With the public benefits so clear and the costs of delay so dire, we reiterate our strong desire for the Board to move expeditiously toward implementing a faster payments system. Not only should the Fed's ultimate decision reflect the circumstances endured by our communities, it should also reflect the forward-thinking evolution of payment systems demonstrated abroad.

Sincerely,



Cedric Richmond  
Chair, Congressional Black Caucus



Gregory W. Meeks  
Co-Chair, CBC Economic Development and  
Wealth Creation Task Force



Joyce Beatty  
Co-Chair, CBC Economic Development and  
Wealth Creation Task Force



Dwight Evans  
Co-Chair, CBC Economic Development and  
Wealth Creation Task Force