

From: Community First Credit Union, Christie Daigle
Proposal: 1613 - New Message Format for the Fedwire Funds Service
Subject: OP-1613 New Message Format for the Fedwire Funds Service

Comments:

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Response to Docket Number OP-1613 to implement ISO 20022.

Potential Benefits and Drawbacks of Adopting ISO 20022

1. Would adopting ISO 20022 for the Fedwire Funds Service produce the benefits discussed above? We believe it would produce the benefits discussed.
2. Would adopting ISO 20022 for the Fedwire Funds Service produce any other benefits? Implementing the ISO 20022 message format would minimize potential posting errors. It may also speed up the timeline for passing funds between financial institutions.
3. What drawbacks (if any) would adopting ISO 20022 for the Fedwire Funds Service entail and how might they be addressed? There could be a potential cost to institutions that rely on third party vendors that must upgrade their systems to in order to comply with the ISO 20022 format.

Proposed Timeline for Adopting ISO 20022

1. Is the timeline that the Reserve Banks have proposed for adopting ISO 20022 for the Fedwire Funds Service (including the proposed timeframes for publishing final message format documents and testing changes in the Reserve Bank's DIT environment) reasonable? If not, how much time would Fedwire Funds participants and service providers (including software vendors) need to adjust their applications and processes for each phase? We believe this will be enough time for testing.
2. Should the Reserve Banks delay the implementation date for phase 3 of the proposal if SWIFT has not yet implemented a solution on its network to support ISO20022 for cross-border messages? Yes, phase 3 implementation should be delayed if SWIFT has not yet implemented a solution on its network.
3. Would the proposal to migrate to ISO 20022 in phases mitigate any risks associated with implementing ISO 20022? We believe migrating in phases would help mitigate risk.

Impact on Fedwire Funds Service Participants and Service Providers

1. How does your institution access the Fedwire Funds Service? If your institution accesses the Fedwire Funds Service via the FedLine Direct solution or uses the import/export feature of FedPayments Manager-Funds over the FedLine Advantage solutions, do you develop your own software or rely on a software vendor? We use the import/export feature of FedPayments Manager-Funds over the FedLine Advantage solutions. We also rely on two different software vendors in order to import and export our messages.
2. What costs would your institution incur if the Reserve Banks adopt ISO 20022 for the Fedwire Funds Service? If possible, please provide dollar estimates or ranges. Last year we requested that our core processor develop a program to translate Fed Formatted wire fields for wire transfers initiated through our online banking platform. The cost incurred was over \$7,000.00.
3. Would the benefits of adoption ISO 20022 for the Fedwire Funds Service outweigh any associated costs for your institution? In the long run, we believe the benefits would outweigh the cost.

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