



July 12, 2019

Via Electronic Submission

Ann E. Misback
Secretary
Board of Governors of the Federal Reserve
20th Street and Constitution Avenue, NW
Washington, DC 20551
Email: regs.comments@federalreserve.gov

Docket Number: OP-1664

Dear Ms. Misback:

NEACH is pleased to submit this comment letter to the Board of Governors of the Federal Reserve System, in response to the notice and Request for Comment regarding the proposed extension of daily operating hours of the National Settlement Service (NSS) and corresponding extension of daily operating hours for the Fedwire Funds Service. NEACH is a trade association representing over 500 members, consisting of banks, credit unions and corporations, located in New England. Our response to the Request for Comment is based on input from NEACH staff.

NEACH supports the Federal Reserve Board of Governors' proposal to extend its settlement services to facilitate Same-Day ACH enhancements with later settlement hours. The payments industry has spoken loudly in support of the expansion of Same-Day ACH, and the public benefits it will provide for all businesses and consumers that use the ACH Network. NEACH previously submitted its comments to NACHA with regard to a third Same-Day processing window that expands access to later in the day, and joined other payments stakeholders in support of this proposal.

NEACH fully supports the evolution of Same-Day, and the idea that financial institutions and related third parties need to evolve along with it. A third Same-Day window will facilitate greater use of Same-Day processing for businesses and consumers. Same-Day ACH is a vital element for the banking industry in its efforts to improve the speed and

efficiency of our payments system, and will also reduce credit risk, settlement risk and operational risk, with the support of later clearing within the Network. Improved services and access have the potential to encourage the growing private sector efforts to create innovative solutions to address and accommodate the changes necessary for making payments faster and safer.

In 2015, the Federal Reserve published the Strategies for Improving the U.S. Payment System (the 2015 SIPS Report), in which strategy 5 specifically addressed enhancing the Federal Reserve Bank's settlement service. In an increasingly disrupted payments ecosystem, enhancing a ubiquitous settlement solution for large and small financial institutions aligns perfectly with the spirit and actions resulting from the 2015 SIPS Report. NEACH encourages the Federal Reserve to not only look at changes that minimally meet the requirements of NACHA's new Same-Window, but to look to its own strategy of Payments System improvement.

NEACH appreciates the opportunity to provide its input in response to this Request for Comment. NEACH staff has given thoughtful consideration to this proposal, and supports the decision to enact modifications to the National Settlement Service (NSS) and the Fedwire Funds Service that would support the expansion of Same-Day ACH.

Sincerely,



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Director, Risk and Compliance

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