



December 10, 2018

To whom it may concern:

The Federal Reserve Act of 1913 provides for the roles of the Fed to include stability and safety as well as fostering payment and settlement system safety and efficiency. The banking community has always been able to rely on the Federal Reserve Bank as a processing entity for our operational needs. If a payment system structure is not advantageous for smaller or medium sized banks and credit unions, it will create a gap that will impact the economy of communities and sectors of the economy unable to participate in the proposed structure.

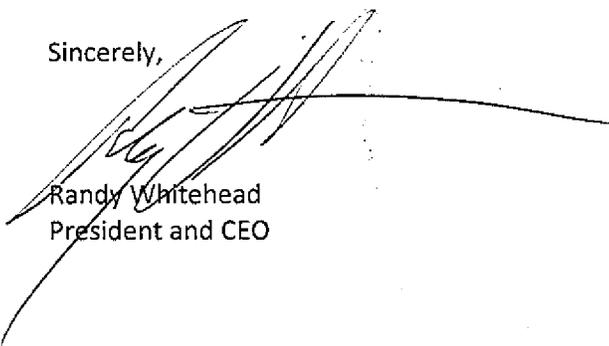
The Federal Reserve needs to be not just involved, but continue supervising any newly created system. The key functions of the Federal Reserve Bank include helping maintain the stability of the financial system, fostering payment and settlement system safety and efficiency, and promoting consumer protection and community development. The Federal Reserve needs to be in charge to insure the security and safety of the network concerns, vendor management requirements and documentation of the security requirements and appropriate agreements for the payments processing environment which will be crucial to ensure back end issues do not arise for participants in faster payments process. A faster payments system should be based on the principles that most financial institutions currently use in operations. The system should have medium or low risk, should be compliant with all banking regulations, and promote the ability to clear rapidly but not have reservations on collectability of the transfer system from unknown sources that are not legitimate providers. To meet these requirements the Federal Reserve must be involved. A strong security frame work for networks and providers must be established and cross referenced to existing regulations and rules.

If the Regulatory process turns out not to be the equivalent for any group processing faster payments, then it's going to leave a hole in the financial system. This is where the bad guys will go. I do not believe that the Faster Payments Task Force representatives of Fintech-IT companies, major corporate retailers and the mega banks are considering the needs of the community banks and small credit unions that will allow us equal access or protection that we now have under the Federal Reserve System.

Over the past 50 years, the community banking system has gone from more than seventeen thousand banks to approximately fifty-five hundred banks. Most of those that have gone were small banks either from failure but mostly from acquisition. If this new Faster Payments leaves the remaining ones out, it will add to the demise, particularly in the rural areas, where volume is too low for the big banks. While small credit unions may have grown in number, they would be affected similarly.

Thank you for the opportunity you have allowed me to go on record on this issue. We need the Federal Reserve involvement.

Sincerely,

A handwritten signature in black ink, appearing to read 'Randy Whitehead', is written over a horizontal line. The signature is stylized and cursive.

Randy Whitehead  
President and CEO