



December 13, 2018

Ms. Ann Misback, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N. W.  
Washington, DC 20551

Dear Ms. Misback:

On behalf of our 147 member banks, the Alabama Bankers Association (“ABA”) appreciates the opportunity to respond to the Board of Governors of the Federal Reserve System’s request for comment regarding the Faster Payments initiative (Docket No. OP – 1625). Simply put, it is critical that the Federal Reserve be intimately involved in a 24x7x365 settlement service as well as in the processing of payment data.

ABA strongly supports the Federal Reserve being the infrastructure for a 24x7x365 settlement mechanism as well as the payment information processor for faster payments items for all banks. Without your involvement, ABA is concerned that many of our members, particularly our small-to medium-sized member banks, may altogether turn away from this type of delivery of payments. As you can imagine, that would be detrimental to the banking industry in Alabama.

ABA also supports the ability for banks to utilize their Master and Sub-Accounts at the Federal Reserve, or a Correspondent Bank’s account with the Federal Reserve, to ensure the timely settlement of payments. This will protect not only the industry but also the end user of the payment service. Additionally, this would prevent banks from having to increase staff to monitor the accounts on nights, weekends, and holidays.

A fundamental role of the Federal Reserve system is maintaining a secure, stable, and strong payments system for the economy of the United States. By providing both the settlement service and the processing of payment data, the Federal Reserve would ensure that all banks have access to the service without having to go outside of the banking sector, where important consumer protection laws (BSA, AML, CIP, etc.) are not required.

Thank you again for the opportunity to comment on this important topic. Working together, ABA has every confidence that the banking industry, with the Federal Reserve at the forefront, can provide these important services in a timely and efficient manner.

Sincerely,

Scott E. Latham  
President & CEO

**UNIFIED VISION. INDIVISIBLE STRENGTH.**

445 Dexter Avenue, Suite 10025 | Montgomery, AL 36104 | 334.244.9456 | [www.alabamabankers.com](http://www.alabamabankers.com)