



December 11, 2018

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

Re: OP – 1625 Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments, Request for Comments

To Whom It May Concern:

First Heritage Bank supports the Federal Reserve as a developer and operator of a 24x7x365 RTGS settlement service.

First Heritage Bank also supports the Federal Reserve as a developer and operator of a liquidity management tool to support the 24x7x365 real-time interbank settlement of faster payments.

As a community bank, we believe the emerging faster payments ecosystem will only obtain ubiquity and interoperability if the Federal Reserve develops and operates the settlement rails.

If development of a faster payment network is left to current market influencers, the nation's largest banks will govern its design and build it based on their big-bank model. Consequently, as transactions migrate to available faster payments systems and away from traditional ACH, Check, Cash, or Wire Transfer channels, community banks would likely see deposits similarly erode at a devastating pace.

We encourage the Federal Reserve to promptly arrive at a decision that favors community banks and immediately begin development of a faster payments RTGS settlement solution.

Sincerely,

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First Heritage Bank

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