



# First Security Bank

December 12, 2018

Ms. Ann E. Misback, Secretary  
Board of Governors  
20th Street and Constitution Avenue, N.W.  
Washington, DC 20551

Re: Request for Comment: Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments. Docket No. OP-1625

Dear Ms. Misback:

The First Security Bank appreciates the opportunity to submit the following comments on the Request for Comment on Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments (the Notice). As we understand the request, the Federal Reserve is interested in comments regarding whether the Federal Reserve Banks should develop a 24x7x365 payment settlement service and whether they should also develop a liquidity management tool that would enable transfers between Federal Reserve accounts on a 24x7x365 basis to support the real-time interbank settlement of faster payments.

The First Security Bank is \$61 million, family owned community bank, serving three communities in Kansas. We humbly believe control of the payment system, now and in the future, should remain within the Federal Reserve Banks. However, for financial institutions to compete fairly in today's economy, a faster payment system is necessary. To ensure equal access for all financial institutions, regardless of size, to that new system, it is critical for the Fed to be the developer. The Federal Reserve Banks are positioned properly to be the developer and provider. The Federal Reserve Banks payment system currently experiences a high level of confidence and integrity. Should they develop a faster payment system, the security and integrity of the existing system would be enjoyed by the newer, faster system.

It is also clear that for a faster payment system to be effective, it would involve clearing services and interbank settlements services 24x7x365. It would be critical for the Federal Reserve to develop a liquidity management tool to support and enable transfers for real-time settlements.

Thank you for the opportunity to comment on this very important issue.

Respectfully,

L. Kent Needham,  
Chairman, President & CEO