

Proposal: 1625 Potential FR Actions to Support Interbank Settlement of Faster Payments

Description:

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Comment ID: 133187

From: Maxwell State Bank, Mary P. Howell

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Subject: OP-1625 -Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments

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Comments:

NONCONFIDENTIAL // EXTERNAL

I attended the meeting held in Cedar Rapids in which the Federal Reserve sought input on the faster payment initiative. Let me emphasize the time for faster payments is now! It is imperative for the health and safety of the banking system in the United States. I believe the Federal Reserve's control and governance of payments is vital to the security of the banking system in the United States. Please take this opportunity to take control and ensure the continued health of the U.S. banking system. Questions 2 & 4: Should there be 24x7x365 RTGS? YES. We need the Fed to be in control and set the rules for faster payments so it is fair and equal for ALL banks. If it isn't, the U.S. banking system will diminish to a handful of banks. They will be "too big to fail," which will be disaster for the US banking system.

Question 3 f-i. Should there be a proxy database? Yes, I believe this will be important to allow faster payments in a safe and secure manner.

Question 3-g. How critical is interoperability? ABSOLUTELY CRITICAL!! Without interoperability, the Fed will lose control of the payment system. Without the Fed in control, the payment system, control of the banking system will also be lost. This opens our system up to fraud, which will lose the trust of the public in our banking system!

I have served on the board of 6 community banks, SHAZAM, Inc., Community Bankers of Iowa and Community Bankers Alliance, Inc. I have served on these entities to promote and improve community banking throughout Iowa. Our community banks are vital to the health and welfare of the communities we serve. These communities support farming throughout Iowa and help feed the world. It is imperative these communities remain relevant to support the Agriculture System. If the Fed control of the payment system, it will also lose control of the banking system. Please act expeditiously to take control and govern this important function.

Mary P. Howell

President & CEO - Maxwell State Bank

VP, Secretary, Treasure - Dentel Bancorporation