

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

Description:

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Comment ID: 133032

From: Guaranty Bank, Troy Q. Richards

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

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Comments:

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In response to various questions relating to the Federal Reserve developing both a real time gross settlement service and a liquidity management tool that would enable transfers between Federal Reserve accounts on a 24X7X365 basis to support services for real-time interbank settlement of faster payments, Guaranty Bank offers the following response:

Guaranty Bank agrees that there should be 24X7X365 settlement for payments. For community banks, this type of system would mean equal and fair access to real-time payments and real-time settlement, offering choice and flexibility in the faster payments ecosystem. The Federal Reserve providing RTGS is absolutely essential to the future of community banking.

If the Fed does not provide this service, community banks will be forced to sign up with other solution providers owned and operated by the largest financial institutions in the country. When faster payments are concentrated through a single solution provider, community institutions such as ours will lose choice and innovation will be hampered. Also, we believe that in order to effectively manage an RTGS system, we would need a liquidity management tool and we applaud the Fed for recognizing this important fact.

Thank you for the opportunity to express our opinion.

Troy Q. Richards

President/COO

[Guaranty\_horizontal email]

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