

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

Description:

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From: Anchor State Bank, James Eckert

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

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

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Comments:

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Proposal: Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments [OP-1625]

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Your comment: Although I personally do not see the necessity of 24/7/365 settlements, I do feel that such a system is coming and that the Federal Reserve System should develop a system for real time payments which would be available to all financial institutions.

Speaking for our small, agriculture/consumer-based community bank I think our bank and its customers would be best served by a system available to ALL federally regulated financial institutions (and by extension - their customers) regardless of size, location, or focus of business.

To abdicate that responsibility to a few large banks and/or large data processors would place all other banks (and their customers) at a disadvantage and render smaller institutions vulnerable to unfair and unequal pricing of the services in question. MasterCard and VISA already have virtual, unfettered control of the debit and credit card markets and exercise an unfair advantage over smaller issuers.

The private sector by nature cannot fairly regulate itself and smaller institutions will be left out of the payments process or at very least vulnerable to the rules, regulations, and pricing whims of large "too big to fail" institutions.

With the ascendance of Amazon and PayPal, unless the Federal Reserve acts swiftly and decisively there will be no payments system to regulate.

Development of a real time payment system by the Federal Reserve would be a winning proposition for all but the largest institutions.