

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

Description:

Comment ID: 133116

From: Woodland Bank, Jennifer R Spartz,

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

Comments:

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To Whom It May Concern:

I am emailing you today in response to your request for comment on "Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments."

I believe the Reserve Banks should develop a 24x7x365 RTGS service to facilitate the settlement of payments. This type of system through the Federal Reserve would give equal and fair access to real-time payments and real-time settlement. If the Fed does not provide this service, we will be forced to use products and services provided by the largest financial institutions. This will result in less control and less flexibility for community

Banks to offer products and services to our customers that better fit their needs.

We have already experienced issues with providing our own faster payment solution due to control the larger banks already appear to have. We offer a P2P service through Shazam BOLT\$. Our customers that want to send a payment through this to someone that banks within the Zelle network are not allowed to do so. The larger banks are prohibiting integration of other payment systems into their controlled payment systems, effectively creating a monopoly and limiting choice and innovation. Banks should not be forced into using one payment system over another.

The Fed's offering of this service to facilitate the faster settlement of payments will help maintain the integrity of the system and provide accessibility to banks of all sizes. I have concerns if the Fed does not commit to an operational role in the development of a faster and improved payments system.

Leaving it to the private sector to facilitate opens it up to the largest banks controlling the choices of the community banks, which in my opinion is a very slippery slope.

Thank you for your consideration.

Sincerely,

Jennifer R Spartz, CCBTO

EVP/COO

Woodland Bank

Grand Rapids, MN

218-327-4000

www.woodlandbank.com[http]

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