

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

Description:

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

Comments:

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It is absolutely imperative that the Federal Reserve plays the key role in development a service for real-time interbank settlement of payments 24x7x365. It is a threat to our community banks, at all scales, to depend solely on fin-tech relationships due to the consistency and sustainability this system is needed. We must think to a future without cash and realize that the assuredness of the safety in that payment transaction is key to Banks being able to serve their communities of all sizes. The current model favors the continued consolidation of the Community Banking Industry, which will inevitably subject access to banks in many communities to the prevailing economic winds. This issues is a dire as FDIC insurance is/and was at the time it was developed. Community banks cannot continue to turn over their customers information to private-third parties operating in a space far from the customers, and in a space that is not accountable to the customers.

When community institutions lose choice, innovation is hampered. The solvency of our financial system should not be put in the hands of the private interests of FEW companies. Small banks suffer these types of relationships with a consolidating core-processing industry, I do not want to imagine what would happen to small banks if our payment systems followed the same private-party consolidation.

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