

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

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Comment ID: 133248

From: Legends Bank, Thomas Bates

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:

Date:Dec 14, 2018

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

Document ID:OP-1625

Revision:1

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Your comment:Legends Bank is a \$490 million asset bank located in Clarksville, TN just northwest of Nashville, TN. As a small business oriented bank with branches located in Clarksville and Nashville, we certainly recognize the need for faster payment systems as we strive to keep pace with our much larger competitors. As an ICBA member, we fully support the ICBA's long time advocacy of the Federal Reserve System offering services to support faster payments to help ensure that all community banks have access to these services. Legends Bank uses a full array of treasury management products including same day ACH services for our small business customers. We have looked at P to P systems such as Zelle but the start-up and integration costs along with the ongoing fees make this program unfeasible at this time. There is also concern that the larger banks behind this system would have a higher level of access to our customer base since it operates on their platform. We have found some success with Venmo and Paypal but there is the downside of the funds being held somewhere else for a period of time.

Our bank feels it to be critical that we have access to the Federal Reserve for check, ACH and wire transfer services.

We would urge the Federal Reserve to make faster payments a priority and to make transparent decisions regarding its roles in supporting faster payments to remove the cloud of uncertainty and facilitate community banks, such as Legends, and their technology partners in developing competitive offerings.

We fully support the Federal Reserve developing a 24x7x365 Real Time Gross Settlement Service for faster payments, which would open settlement services to more parties, reduce interbank settlement risk and potentially simplify clearing functions.

In summary, as a community bank we encourage the Federal Reserve to help facilitate equitable/universal access to faster payment systems so that the nation's community banks, who play a key role in serving small businesses in rural communities, are not placed at a competitive disadvantage