



December 14, 2018

*Via Electronic Mail*

Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551  
Attention: Ann Misback, Secretary  
Docket ID: OP-1625

RE: Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments, Request for Comments

Ladies and Gentlemen:

UMB Bank, n.a. (UMB) appreciates the opportunity to comment on the Federal Reserve System seeking input on potential actions that the Federal Reserve could take to promote ubiquitous, safe, and efficient faster payments in the United States by facilitating real-time interbank settlement of faster payments.

UMB, a subsidiary of UMB Financial Corporation, provides comprehensive banking solutions through 95 banking centers in eight states—Missouri, Illinois, Colorado, Kansas, Oklahoma, Nebraska, Arizona and Texas. UMB Bank also serves customers nationwide with healthcare services, institutional banking, asset-based lending, factoring and asset management.

UMB is supportive of the Federal Reserve's proposal to develop a 24x7x365 Real-Time Gross Settlement (RTGS) service and supporting Liquidity Management Tool. The payments industry looks to the Federal Reserve as a trusted authority and service provider to all financial institutions. Additionally, the Federal Reserve's participation provides an additional option among the competitive services that are already available, promoting ubiquity and interoperability across the financial industry which may lead to increased long-term adoption of faster payments for U.S. consumers and businesses. In contemplating a new RTGS service, the Federal Reserve should also provide inter-operability options for existing payments channels. Lacking inter-operability across varying payment options creates additional challenges for financial institutions and end-users, as well as reducing the overall value proposition of a new service. A possible negative result would be decreased ubiquity due to the need for separate and stand-alone services to connect various infrastructures.

UMB recommends the Federal Reserve look at this as an omni-system opportunity that could benefit other payment systems, not just Real Time Payments. This proposal must allow for expansion to the National Settlement Services providing additional benefits for other payment

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types such as Wire Transfers and ACH. Our support for a Liquidity Management Tool aligns with the goal of benefiting multiple payment types.

With respect to desired timing for new services, action should be taken immediately. In July 2017, the Faster Payments Taskforce publicly announced the goal for making receipt of faster payments available to every U.S. consumer and business by 2020<sup>1</sup> Clear expectations and timing of Federal Reserve actions are necessary for the industry to appropriately respond. While both the RTGS and the Liquidity Management Tool are recommended, UMB would prioritize the release of the Liquidity Management Tool for the benefit of account management during non-business hours. With respect to additional services and tools the Federal Reserve could provide such as directory services, UMB's interest exists under the assumption that the directory would be channel agnostic. Alternatively, it is expected the private sector will be providing many of these add-on services.

Because of the continuous change occurring within the payments industry, we believe the Federal Reserve must act swiftly and definitively. Should the Federal Reserve approve and develop these faster payments tools, UMB would evaluate those services with the same scrutiny and rigor as any other service provider engagement. UMB eagerly awaits the Federal Reserve's decision on Interbank Settlement for Faster Payments, and thanks the Federal Reserve Board of Governors for the opportunity to comment.

Sincerely,

Uma Wilson

EVP/Director of Product Management

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<sup>1</sup> <https://fedpaymentsimprovement.org/wp-content/uploads/faster-payments-task-force-final-report-part-two.pdf>

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