

Proposal: 1664 - Potential Modifications to National Settlement Service Support of Same-Day ACH Service

Description:

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Comment ID: 134317

From: Wright-Patt Credit Union, Darrick Weeks

Proposal: 1664 - Potential Modifications to National Settlement Service Support of Same-Day ACH Service

Subject: Potential Modifications to the Federal Reserve Banks' National Settlement Service and Fedwire Funds

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Comments:

Date: Jul 15, 2019

Proposal: Potential Modifications to the Federal Reserve Banks' National Settlement Service and Fedwire Funds Service to Support Enhancements to the Same-Day ACH Service and Corresponding Changes to the Federal Reserve Policy on Payment System Risk [OP-1664]

Document ID: OP-1664

Revision: 1

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Your comment: In general we are supportive of these changes, however would ask that consideration and thought be given to:

Potential file issues with effective dates if a third window is implemented. Files would be considered same day which means funds could be debited sooner than expected from an external account. As such, we will need to ensure the FI has time to correct any file issues or update processes to ensure funds are debited based upon the agreed upon date prior to the rule change. Also, we would need to ensure FIs have the resources or the funds to invest in programming of any changes required (we'd encourage minimal changes or some FIs may struggle to implement).

There is concern of potential overdraft with the Fed if funds are unable to be wired because the wire room closes prior to final settlement. As such, our Fed account will need to have a sufficient balance to cover the last ACH File received. Hours may have to be extended for accounting and/or Payment Systems teams to transfer funds or may have to consider potential interest for a line of credit or overdraft source.