



AMES • ANKENY • JOHNSTON
VALLEY JUNCTION • WEST DES MOINES

December 7, 2018

To: Federal Reserve System

RE: Interbank Settlement of Faster Payments, Docket No. OP-1625

The opening sentence of your summary in Vol. 83, No. 221 of the Federal Register states that your overall mission is to ensure a “safe and robust U.S. payment system, including a settlement infrastructure on which the private sector can provide innovative faster payment services that serve the broad public interest.” We can say with full and unabashed confidence that creating such a system would not only facilitate achieving your stated goal, but it would modernize the American payment system—enabling businesses to run more efficiently, providing consumers with monetary flexibility, and empowering local and regional banks to more efficaciously serve their communities.

We have read and reviewed the Federal Reserve’s proposal, have attended a town hall sponsored by the Federal Reserve Bank of Chicago, and wholly back the letter submitted to you by the Iowa Bankers Association Payments Advisory Council. Here are just a few reasons we support the creation of a faster payment system:

- Payment networks like Zelle are prohibitively expensive for local and regional banks to buy into and further entrench us in a corporate financial system that limits consumer choice.
- The development of real-time gross settlement and the liquidity management tool show the Federal Reserve has done its due diligence in researching this issue and is positioned appropriately to make this system a reality.
- Writing the rules which govern this system and providing access to all chartered and regulated financial institutions will allow the Federal Reserve to ensure ubiquity among payment services, which is a necessary requirement.
- Perhaps most succinctly: We know that RTGS resulting in faster payments will be extremely utilized and believe this will be the payment system of the future.

We appreciate and are grateful for the opportunity to comment and strongly encourage you to take up this endeavor. Not only will this benefit local and regional banks by empowering us to compete with corporate financial institutions, but it will strengthen and modernize the U.S. payment system, something that’s long overdue.

Sincerely,



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