



December 13, 2018

**Board of Governors of the Federal Reserve System
C/O Ann Misback, Secretary
20th St and Constitution Ave, N.W.
Washington DC, 20551**

RE: Docket No. OP-1625-Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments

Thank you for allowing First Hawaiian Bank the opportunity to comment on Docket No. OP-1625.

First Hawaiian, Inc. (NASDAQ: FHB) is a bank holding company headquartered in Honolulu, Hawai'i. Its principal subsidiary, First Hawaiian Bank (www.fhb.com), founded in 1858, is Hawai'i's oldest and largest financial institution. The bank has 57 branches throughout Hawai'i, three in Guam and two in Saipan. It offers a diversified range of banking services to consumer and commercial customers, including deposit products, lending services and wealth management, insurance, private banking and trust services.

We believe The Federal Reserve Bank has a foundational role in settlement services, as the Reserve provides complete ubiquity, and should continue in this role. FHB believes the Federal Reserve Bank provides safety and soundness for the financial industry. We also support RTGS as the appropriate strategic foundation for Faster Payments in the United States.

One of the questions asked was; do we need a RTGS by 2020? We believe no. It is our view that any change should be thoughtfully and carefully implemented, ensuring that current investments by Financial Institutions can be managed down as the new payment rails increase in volume/dollar value. Implementing faster payments could be very costly as they will have to support another payment system along with the existing systems.

We feel the liquidity tool proposed by The Federal Reserve Bank is a necessity, but again, we would like it to be a tool used across multiple payment channels and not just for RTGS. The Federal Reserve Bank should support financial Institutions' need to manage liquidity through expanding the operating hours of the Fed Wire service to 24/7/365.

There is also some concern about the OCC allowing FinTech companies to gain charters, which would then allow them to access Federal Reserve Bank services and settlement. These FinTechs do not have the same regulatory and compliance requirements, thus, creating an unfair advantage.

The Federal Reserve Bank asked if there are other actions, under its existing authority, it should consider that might help its broader goals with respect to the U.S. payment system? We believe that are some related steps that will help payments; eliminate the penny, eliminate ACH batch processing, and like the United Kingdom, implement an end date for check acceptance.

Thank you for the opportunity to comment.

Sincerely,

Michael A. Coates
Executive Vice President & Division Manager
First Hawaiian Bank