



NORTH AMERICAN BANKING COMPANY

December 14, 2018

Via Electronic Submission

Ms. Ann E. Misback  
Secretary  
Board of Governors  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, DC 20551

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

Dear Ms. Misback:

This is my second comment letter in response to your request for comment. While not specifically addressing your questions I felt it was extremely important to make these additional comments.

The financial services provided by the FRB, such as wire, cash, collection of check, check image and ACH processing were essential to the success of North American Banking Company when it started as a de novo bank in 1998. The products might have been available through a correspondent but at conditions and costs that would have made it very difficult for a de novo bank's customers or the bank to bear. While a Real Time Gross Settlement product might not be essential in starting a new bank it will be something that will be needed for long term viability and the only cost effective connection would be through a FRB product.

Also the FRB should review some of its past decisions over the years that current staff analyzing this new product who might not have the benefit of historical knowledge. The FRB did make a decision years ago to not participate in the processing of credit card transactions when credit cards were evolving from a closed loop environment of merchants to a credit product issued by a third party. While the market forces did successfully implement this type of product along with enhancements such as debit cards and open ATMs, the excessive fees that a small number of providers were placing on the merchants and consumers needed outside intervention. Eventually congress stepped in to change the pricing model.

The payments industry needs an active FRB product office that allows all Chartered Financial Institutions access to products that create fair access for all sizes thereby creating access to all types of merchants and consumers.

Sincerely,



Michael A. Bilski  
Chief Executive Officer