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December 13, 2018

VIA website

Ref: Docket No.: OP-1625

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

On behalf of the Purdue Federal Credit Union Board of Directors, members and staff, thank you for the opportunity to provide input on the Federal Reserve's potential actions to support interbank settlement of faster payments by developing a real-time gross settlement (RTGS) service and/or a liquidity management tool.

Purdue Federal Credit Union is a \$1.2 Billion cooperative financial institution providing financial services to over 78,000 members. The majority of our membership live and work in Indiana where Purdue University is located however 40% reside outside the state of Indiana. As such, facilitating electronic transactions become a very big part of what we do to serve our members on a daily basis.

Purdue Federal Credit Union supports the Federal Reserve maintaining an active role in providing settlement mechanisms and payment services and believe an RTGS service is the appropriate strategic foundation for interbank settlement of faster payments. This is necessary in order to meet consumer demands to send and receive funds in a timely manner enabling the credit union to provide such a service for an affordable price for the institution.

The Federal Reserve is a trusted entity that plays a vital role in providing access to payment services for community banks and credit unions like us, as well as fostering competition and innovation in the financial services industry. Therefore, while we support the RTGS service in and of itself, we would also like the Federal Reserve to operate a real-time clearing and settlement service. A faster payments service operated by the Federal Reserve would provide community financial institutions access to faster payments provided by an established partner, opportunities to deliver faster payment products to our accountholders and the ability to compete with larger financial institutions and nonbank providers. This is essential in order to allow community financial institutions to be an option for every consumer. A Federal Reserve Bank faster payment clearing and settlement service would also bolster the resiliency of the U.S. payment system in times of financial crisis.

Purdue Federal Credit Union urges the Federal Reserve to act swiftly and decisively to develop a real time clearing and settlement service—time to market is essential since every day that passes is another step towards disintermediation for community financial institutions like ourselves.

Regarding the liquidity management tool, Purdue Federal Credit Union perceives this as a valuable tool that could help with faster payments settlement account management during non-traditional business hours, particularly if it facilitated automated liquidity management. Additionally, a liquidity management tool could deliver benefits to financial institutions even if the Federal Reserve does not create a real-time clearing and settlement service.



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We consider interoperability an essential attribute of any faster payments service developed by the Federal Reserve and critical to the goal of safe, secure and ubiquitous faster payments. Real-time fraud detection and prevention services are also crucial for successful adoption and use by financial institutions and our accountholders. Directory services have demonstrated value in the marketplace today and in the future. The Federal Reserve could play a key role in a real time fraud prevention solution or directory services for faster payments through continued efforts to convene industry participants to work together toward collaboration, interoperability and utilizing common technical standards.

Thank you again for the opportunity to comment on these potential actions to support interbank clearing and settlement of faster payments.

Sincerely,

A handwritten signature in cursive script that reads "Evelyn A. Royer".

Evelyn Royer  
Vice President Operations  
Purdue Federal Credit Union