



FIRST NATIONAL BANK
AND TRUST COMPANY OF ARDMORE

Ardmore • Lone Grove • Marietta • Ringling • Sulphur • Velma • Norman

December 12, 2018

Federal Reserve System
20th Street and Constitution Ave NW
Washington DC 20551

Re: Docket No. OP-1625

It is important that the Federal Reserve become a transaction operator for a new real-time payment system. The Federal Reserve is uniquely positioned to be a moderating force, keeping the market fair, competitive and open to any bank that wants to participate. As a real-time operator, the Federal Reserve can provide a parallel system to the private sector resulting in much needed redundancy and resiliency. It will also promote interoperability with service providers that might otherwise be left out of a monopolized market. Without the Fed as an operator, community banks such as ours will ultimately be at a significant competitive disadvantage and the desired outcome of system ubiquity is much less likely to occur.

In addition, we strongly encourage the Federal Reserve to provide a Real-Time Gross Settlement System to effect settlement of transactions immediately 24 hours a day, 7 days a week. This would help community banks manage liquidity and their own settlement without being forced to give control to larger institutions.

During times of stress, it is imperative to maintain the public's trust and confidence in the financial system. Without the Federal Reserve becoming a transaction operator and providing a real-time gross settlement system, the payments industry will lack the diversity and transparency necessary to maintain healthy competition and public confidence. We strongly urge the Federal Reserve to become an active participant of the faster payments solution now, while technology and systems are being developed.

Sincerely,

Clayton Lodes, President

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