

Proposal: 1670 - Federal Reserve Actions to Support Interbank Settlement of Faster Payments

Description:

Comment ID: 136339

From: South Porte Bank, Travis P. Clem

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Subject: Federal Reserve Actions to Support Interbank Settlement of Faster Payments

Comments:

NONCONFIDENTIAL // EXTERNAL

Dear Ms. Misback:

First, let me express our appreciation for the Fed's decision to develop a real-time gross settlement service (FedNow Service).

As you move forward through the development process, I would urge you to implement a system in the next few years. That availability will allow community banks to offer such services to the general public on a more broad scale that is current available.

On the subject of a payments directory, we urge you to ensure that the Fed remains in control of that process throughout to ensure a fair and safe system. Additionally, we urge the Fed to establish a robust fraud prevention program that provides a real-time information data base that enables users and providers the capacity to combat fraud and prevent losses. We ask that you adopt and implement a single set of rules and standards that treats every involved party equally. The Fed should act as the primary regulatory influencer across the real-time payments system.

In addition to the community banks themselves, we urge you to provide equal access to core system/process providers to the payment system. Such parity would keep community banks, who generally rely on such organizations for processing, competitive with larger institutions that have the resources due to their size, to process internally.

Again, we appreciate your involvement, and look forward to a strong and fair faster payments system.

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