

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

Description:

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Comment ID: 136653

From: Security National Bank, Jeremy Craighead

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

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Comments:

NONCONFIDENTIAL // EXTERNAL

Ms. Misback,

Thank you in advance for your time and consideration on this important issue (Docket No. OP-1670).

Community banks have historically played a critical part of our country's economic success.

Community banks are intimately connected with individuals and businesses (small and large) to help meet both day to day and long term financial needs of the communities that we serve. Community banks have relied heavily on the partnership with the Federal Reserve System to serve our customers and to do so on a level playing field with large mega banks. Today, community banks find themselves at a critical crossroads when it comes to the concept of faster/real time payments.

We are asking that you and the Federal Reserve help community banks, and their customers, by ensuring all community financial institutions have nondiscriminatory access to an open, standards based Faster U.S. payments system. The Federal Reserve plays an important role in enabling innovation and promoting a safe, efficient, and broadly accessible U.S. payments system.

The time to act is now. Competition from the largest banks is currently winning out with their product, The Clearing House. The Fed needs to act in a prudent and expedient manner. The proposed date of 2023 or 2024 is simply too distant. Considering current trends and the rate at which technology is impacting banking at every level, the Fed proposed Faster Payment Network dates will leave community banks at a disadvantage.

Additionally, we ask that you please give strong consideration to the following concepts:

- 2023-2024 is not soon enough
- Interoperability is critical and it must be available day one
- Collaborate with the private sectors
- Utilize industry resources through the U.S Faster Payments Council.
- FedNow should require all participants to have the ability to send and receive credits to all other participants
- Protect sensitive customer data
- Uniform operating standards must be established
- Ease of adoption and use for community banks is necessary

Thank you for your service and for your consideration on this important matter.

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