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November 7, 2019

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: OP-1670

Dear Ms. Misback:

I write on behalf of the Nebraska Bankers Association (NBA) to comment on the Federal Reserve's proposal to develop a real-time payments network. The NBA is a trade association that represents 174 of the 182 commercial banks and savings institutions in the state of Nebraska.

Current and future consumers will benefit from faster payments by allowing them to send and receive payments in real time, removing the lag that consumers and businesses currently experience. The proposed development of the FedNow system by the Federal Reserve would clearly provide an additional alternative for financial institutions to evaluate as they consider faster payment strategies.

As the Federal Reserve develops its system, NBA would encourage prioritization of the following features:

- Interoperability – The system the Federal Reserve builds should work efficiently and effectively with the current Real Time Payments Network and any other future payment systems, so financial institutions can facilitate real-time payments among each other without regard to which network the institution is using. Failure to properly ensure seamless interoperability should be the first order of business as the FedNow system is developed.
- Network Access – Direct access to FedNow should be limited to depository institutions that are already held to strict legal requirements regarding data privacy, deposit insurance and capital requirements; the system should not be open to other non-depository providers that have less rigorous consumer protections.
- Liquidity – Supporting real-time payments in a 24/7/365 environment requires liquidity support to ensure money is available to move when the customer requests it day or night. The Federal Reserve has proposed several workable liquidity management solutions which should be implemented right away.

- Timing – Today's customer expectations about speed, convenience and user interface are changing rapidly. The Federal Reserve should work expeditiously to roll out the proposed FedNow system in advance of the initial timelines which have been proposed.
- Facilitate Connectivity through Core Providers – The Federal Reserve should provide all system requirements and technical specifications far in advance of implementation deadlines to allow the core service providers, which provide the backend systems for many community banks, to bring their customers online by the due date. The Federal Reserve should also evaluate strategies by which they can encourage both existing and emerging core system providers to adopt real time payments.
- Pricing – There should be a flat pricing model offering same per item fees regardless of institution size and transaction volumes.

Once again, the NBA appreciates your consideration of our interests in this issue.

Very truly yours,



Richard J. Baier
President & CEO

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/tjm