



November 7, 2019

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

Re: Docket No.: OP-1670

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

Dear Ms. Misback:

As a community bank with sixteen branches and \$1.1 billion in assets serving the central Ohio area, and a member of the Faster Payments Council, Heartland Bank appreciates the opportunity to provide comments regarding the design and functionality of the RTGS system being developed by the Federal Reserve, FedNowSM. We fully support the decision of the Federal Reserve and look forward to a level playing field for institutions of all sizes to remain relevant and provide the services our customers want and need in the rapidly advancing payments landscape.

While the features discussed in this letter are desired traits we would like to see out of the FedNowSM service, ultimately the most important of all topics is the speed to market and any feature that would delay implementation would be considered secondary. Enhancements to the service could always be introduced post implementation just as enhancements to our current payments systems have been handled (eg. Check 21, Same Day ACH, etc.) Put simply, the estimated rollout year of 2023-2024 is too late!

Heartland Bank and its customers would benefit from the following features in a RTGS system:

- 1) Credit push
- 2) The transaction limits must match the private sector system in order to achieve ubiquity
- 3) Interoperability with the private sector system is critical as smaller institutions can not shoulder the expense that would be necessary to connect to all available systems just to ensure their customers can reach any account at any time
- 4) The use of a directory service is also crucial to achieve rapid ubiquitous adoption. Heartland is unsure of the best approach to this. While a single directory created by the trusted and all-reaching Fed sounds attractive and reliable, this does create a single place where incredibly valuable information would be stored and could attract a lot of attention from fraudsters.



- 5) A request for payment feature
- 6) Governance and standards to ensure safety, security, and functionality for all participants

We encourage the Fed to continue to work closely with the U.S. Faster Payments Council on developing fraud mitigation tools, directory services, and establishing governance and standards for FedNowSM.

We thank you for the opportunity to comment on such an important project to improve our nation's payment system.

Sincerely,

G. Scott McComb
Chairman and CEO

Sarah Hitchens, AAP, NCP
AO, Operations Payment Specialist