

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

Comment ID: 136974

From: Association of Credit Union Senior Officers, Mark Warner

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

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

Comments:

NONCONFIDENTIAL // EXTERNAL

November 7, 2019

Ms. Ann E. Misback

Secretary, Board of Governors of the Federal Reserve System

20th Street and Constitution Avenue NW

Washington, D.C. 20551

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

Docket No. OP-1670

Dear Ms. Misback,

I am writing on behalf of the Board of Directors of the Association of Credit Union Senior Officers (ACUSO), a membership organization of executives representing more than 50 large credit unions in the northeast United States. ACUSO's mission is, in part, "further in every way the development and progress of credit unions," and to "carry on such central business functions for and on behalf of its members as may provide for their common benefit." To that end, we have prepared this comment letter for the Board of Governors of the Federal Reserve System regarding the subject of real time payments which we believe is a critical part of the future of credit unions and to the wider financial service industry.

The Board of Directors and membership of ACUSO support the Board of Governors' initiative to develop FedNow, a critical infrastructure for faster payments in the United States. We agree that FedNow must be available to all eligible financial institutions, irrespective of size, just as the Reserve Banks existing infrastructure is available to over 11,000 financial institutions individually or through a correspondent arrangement today.

We believe that interoperability is vital to ensure that payments can be made seamlessly between existing and new payment rails. This also ensures equitable access to a modern, real-time payments system and that competitive fairness remains present in the payments market. As with any payments system, considerations must be made to combat fraud. We rely on the Federal Reserve bank to consider security and soundness in the development of FedNow.

FedNow presents a tremendous opportunity for credit unions. However, the changes occurring in the payments space are happening very quickly and the underpinnings of the system need to be addressed just as quickly. There is a clear need for urgency in this effort. We understand that this is an extremely important and complex project with a great deal depending on the work of so many people. We thank you for your consideration of the needs voiced by the credit union industry.

Sincerely,

Mark Warner

Chairman of the Board of the Association of Credit Union Senior Officers (ACUSO) on behalf of the Association's Board of Directors and its members

Executive Vice President

Triangle Credit Union

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