



November 7, 2019

Ms. Ann Misback, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, DC 20551

Re: Docket No. OP – 1670  
Potential Actions to Support Interbank Settlement of Faster Payments, Request for Comments

Dear Ms. Misback:

The following comments are submitted on behalf of Millennium Corporate Credit Union (Millennium), a corporate credit union providing financial services to approximately two-hundred seventy credit unions located primarily in Kansas, Missouri, Nebraska and Montana. We appreciate the opportunity to comment on the Federal Reserve's FedNow solution for promoting ubiquitous, safe and efficient faster payments in the US by facilitating real-time interbank settlement, a liquidity management tool to build the infrastructure to provide services to financial institutions across the country.

We believe a real-time payments system and services operated by the Federal Reserve is critical for credit unions to compete with larger financial institutions and fintech companies. The Federal Reserve has the unique ability to serve as a central point to connect financial institutions of all sizes and sophistication with the efficient correspondent/respondent infrastructure model that is already in place today. We believe the FedNow solution will dramatically impact the opportunity for adoption nationwide.

The FedNow solution must allow participating credit unions to settle payments in the account of a correspondent like Millennium and liquidity through intraday credit for our master account on a 24x7x365 basis, which is crucial for settlement. A liquidity management tool should be developed to help reduce the challenges of funds management. Use of an Agent is critical for many credit unions to participate as many credit unions depend on the corporate credit union system to handle settlement and liquidity management.

As the Federal Reserve develops FedNow, considerations should be made to include a robust fraud detection system that assists financial institutions in their fraud mitigation efforts.

The Federal Reserve has indicated that they would develop FedNow to process individual credit transfers valued at \$25,000 or less, however in order to establish a common standard, we believe that the maximum transfer should meet the maximum transfer value of the private sector solution.

The Federal Reserve should advocate for a payments directory service for the industry. There is a need for a federated directory service that can be used by all payments system operators to ensure payments are securely routed based on end-users requirements and payment tokenization utilized. Ideally, the preferred solution would be for the Federal Reserve to build their own directory as part of the FedNow service.

It is critical that the FedNow solution launch is accomplished quickly for credit unions to remain competitive, even if that means bringing FedNow to the market before all its features, notably Request for Payment messages, are fully operational.

Millennium would like to thank you for the opportunity to comment on the proposed development and implementation of FedNow.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Eisenhauer". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Larry Eisenhauer  
President/CEO