



OHIO CREDIT  
UNION LEAGUE

November 7, 2019

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

Re: Request for Comment: Docket No. OP-1670

To Whom It May Concern:

The Ohio Credit Union League (OCUL) welcomes the opportunity to submit comments concerning the Federal Reserve System's (the Fed) request for comment regarding potential actions by the Fed to support interbank settlement of faster payments.

As the state trade association representing Ohio's 261 credit unions and more than three million members, we appreciate the work the Fed has conducted thus far regarding developing faster payments and settlements. Generally, OCUL is strongly supportive of the decision to develop an interbank 24x7x365 real-time gross settlement service, proposed as FedNow. OCUL and our member credit unions appreciate the Fed's leadership and continued progress on FedNow as demonstrated through multiple public comments and dialogues.

While we recognize the immense work the Fed has undertaken to develop FedNow, specifically through the 2018 Federal Register Notice on actions to advance the development of faster payments, we write to summarize our comments on the FedNow proposal:

- Creating a five-year rollout (2024) may unintentionally harm other market innovation as many financial institutions may wait for the FedNow rollout bringing private development and competition to a halt in the faster payments arena;
- Failing to develop an agreed upon set of procedures (dispute resolution, transaction limits, etc) will decrease the likelihood the FedNow will be interoperable with other networks as the rules of engagement would not be established;
- Focusing on simplicity and customer-centric aspects (*the financial institution as the customer*) will ensure success by making the FedNow accessible to a broader set of financial institutions; and,
- Leveraging existing relationships and aggregators, such as corporate credit unions or bureau models, will help expand the efficiency and reach of FedNow.

We appreciate the agency's commitment to engage with interested parties and industries. We urge the Fed to continue to elevate the priority of faster payments and real-time payments, including a real-time gross settlement system, proposed as FedNow, as consumers and businesses will vastly benefit from a system of real-time financial and commercial transactions. We caution the agency against overlooking the unique considerations of essential community based financial institutions, such as credit unions. OCUL and our member credit unions look forward to working with the Fed in the future. Please reach out to us at (800) 486-5024 if you have comments or questions.

Respectfully,



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A handwritten signature in black ink, appearing to read 'Paul L. Mercer'.

Paul L. Mercer  
President

A handwritten signature in black ink, appearing to read 'Miriah Lee'.

Miriah Lee  
Regulatory Counsel



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