



PO BOX 1950  
WEST LAFAYETTE, IN 47996  
765.497.3328 // 800.627.3328



November 7, 2019

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

Email: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

RE: FedNow

Dear Secretary Misback,

Purdue Federal Credit Union supports the Federal Reserve's decision to develop FedNow to realize the benefits of ubiquitous faster payments. We believe a real-time payment system and service operated by the Federal Reserve is critical for credit unions to compete with larger financial institutions and fintech companies. Having the Federal Reserve as an operator of a real-time payments network provides the foundation and familiarity from which credit unions, like Purdue Federal, can develop products and services to satisfy current and future expectations for faster business and consumer payments.

Purdue Federal desires the Federal Reserve act more quickly to develop FedNow, even if that means bringing FedNow to market before all its features, notably Request for Payments messages, are fully operational. There is concern about the proposed FedNow development and implementation timeline and its projected capabilities. The launch date of 2023 or 2024 could become a disadvantage based on competitive solutions already available today in the marketplace. The private sector operator already has connections to several large financial institutions, and it continues its efforts to achieve ubiquitous faster payments utilizing core system relationships. We also prefer FedNow have dollar limits equal to those of the private sector operator; if the private sector operator has higher limits than FedNow, community financial institutions may be at a competitive market disadvantage.

We view interoperability an essential attribute of any service developed by the Federal Reserve and critical to the goal of safe, secure and ubiquitous faster payments. Purdue Federal acknowledges the challenges of achieving interoperability but urges the Federal Reserve to maintain its efforts to convene industry participants to work together toward collaboration and common technical standards.

Purdue Federal requests the Federal Reserve continue exploration of the expansion of Fedwire Funds Service and NSS hours facilitating liquidity access during nonstandard business hours to accommodate real time interbank payments settlement. This would reduce the possibility of payments being rejected as well as lessen the amount of prefunding committed to the joint account held at the Federal Reserve.

As the Federal Reserve develops FedNow, considerations should be made to include a robust fraud/OFAC detection system that assists credit unions in their fraud mitigation efforts. As payments continue to move faster, it will be prudent for the industry to continue to refine fraud detection tools that protect financial institutions and end-users of payment networks, regardless of the channel used.

Lastly, the Federal Reserve should advocate for a payments directory service for the industry with access via standard APIs. While directory services are available today, 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-user requirements and utilization of payment tokenization.

In closing, thank you for the opportunity to comment on the proposed developments and implementation of FedNow.

Sincerely,

A handwritten signature in black ink that reads "B. D. Musser".

Brian D. Musser  
Senior Vice President/CFO  
765-497-7410  
[bmusser@purduefed.com](mailto:bmusser@purduefed.com)



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