



July 15, 2019

**VIA ELECTRONIC SUBMISSION**

Ms. Ann E. Misback  
Secretary, Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, DC 20551  
*Email: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)*

**Re: Reserve Policy on Payment System Risk [OP-1664]**

Dear Ms. Misback:

The Consumer Bankers Association (CBA)<sup>1</sup> appreciates the opportunity to provide comments to the Board of Governors of the Federal Reserve System (the “Fed”) in response to the Notice and Request for Comment regarding the proposed extension of daily operating hours for the National Settlement Service (“NSS”) and corresponding extension of daily operating hours for the Fedwire Funds Service.

CBA supports the expansion of the Same Day ACH, and the potential benefits of the proposed changes will provide for banks and their customers who utilize the ACH Network. The proposed changes are necessary for the implementation of a third ACH settlement window. Adding a third ACH window will improve the efficiency and speed of the US payment system.

The introduction of Same Day ACH processing has proven to be a valuable incremental enhancement to the payment system. Currently, the later of the two daily windows requires submission of Same Day transactions by 2:45pm ET for all financial institutions regardless of their location. The current time requirement limits the value of Same Day transactions to financial institutions operating in the western region of the United States. Presently, the cutoff time can occur before the halfway point of the business day for banks in the western region, which limits the utility of Same Day ACH transactions to a significant portion of the country’s population.

In regards to potential risks, based on our understanding of historical knowledge, prior adjustments to operating hours have not introduced material risks to the financial system. On the other hand, the addition of a later window will reduce several types of ACH risk, including credit risk, settlement risk and return risk. CBA also anticipates that ongoing improvements to the U.S. payment system will necessitate more efficient end-of-day processes.

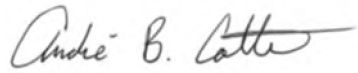
CBA appreciates the opportunity to comment on the Proposal and to continue to work with the Federal Reserve as it continues promote efficiency within and access to our nation’s payment system. Please feel

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<sup>1</sup> The Consumer Bankers Association is the trade association for today’s leaders in retail banking —banking services geared towards consumers and small businesses. The nation’s largest financial institutions, as well as many regional banks, are CBA corporate members, collectively holding two-thirds of the industry’s total assets. CBA’s mission is to preserve and promote the retail banking industry as it strives to fulfill the financial needs of the American consumer and small business.

free to contact André Cotten for further discussion regarding our comments at [Acotten@consumerbankers.com](mailto:Acotten@consumerbankers.com) or 202-552-6360.

Sincerely,

A handwritten signature in black ink that reads "André B. Cotten". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

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Regulatory Counsel

Consumer Bankers Association