



July 15, 2019

Via Electronic Submission

Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551
regs.comments@federalreserve.gov

Re: Docket No. OP-1664

Dear Ms. Misback:

Catalyst Corporate Federal Credit Union (“Catalyst”) welcomes the opportunity to submit this comment letter 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 (the “Request”).

Catalyst strongly supports the Request as a critical and immediately achievable step in the Fed’s facilitation of faster payments in the U.S., particularly in the ability of the industry to timely implement a later window for same-day settlement of entries within the Automated Clearing House (“ACH”) Network (“Same Day ACH”). In order for the industry to have sufficient certainty to implement the new same-day settlement window by the scheduled implementation date of March 29, 2021, it is essential that the Fed act promptly following the close of the public comment period to adopt the Request in final form.

The introduction of Same Day ACH processing has proven to be a valuable incremental enhancement to the payments system. At present, the later of the two daily windows requires submission of Same Day transactions by 2:45 pm ET for all financial institutions regardless of location. This limits the value to financial institutions operating in time zones to the west, for whom this cutoff time can occur before the halfway point of the business day. This limits the usefulness of same-day ACH for a large number of the population.



Clearly the addition of a third window with a 4:45pm ET submission deadline will be particularly valuable for west coast and Hawaii credit unions, and allow east coast institutions to offer expanded Same Day benefits to customers as well. Ideally the third window would be set even later, to provide full day benefit to western institutions. However, we appreciate the associated tradeoff with the need for multi-national east coast financial institutions to close their books and prepare for the open of the next banking day in Asian markets. We believe the proposed timing strikes an appropriate balance between these interests.

The proposed extension of NSS and Fedwire operating hours provides significant net benefits to financial institutions, end users and the payment system as a whole. Given that there are aspects of the Request that both decrease and increase risk, the balance of risk/reward weighs heavily in favor of implementing the Request, including changes to mitigate those risks that might otherwise increase.

Sincerely,

Brad Ganey
SVP, Chief Operating Officer