

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

Re: Docket No. OP-1664

July 12, 2019

Dear Ms. Misback,

Dwolla, Inc. appreciates the opportunity to comment on the Federal Reserve Banks' notice and request for public comment on the potential modifications to its payment services, which would facilitate the adoption of a later same day ACH processing and settlement window.

Dwolla is a payments platform that facilitates the movement of millions of dollars every day using the ACH Network. Many of Dwolla's business clients utilize the existing same day ACH processing and settlement windows to enable their end users to make faster payments. In total, these business clients currently have millions of end users.

Dwolla's business clients, and their end users - collectively referred to as "Dwolla customers" - are located throughout the United States, spanning several time zones. As it stands currently, Dwolla customers can only access two same day ACH processing and settlement windows: a morning window with a submission deadline of 10:30 am ET and settlement at 1:00 pm ET, and an afternoon window with a submission deadline of 2:45 pm ET and settlement at 5:00 pm ET. Since the windows are based on the Eastern time zone, it is difficult for Dwolla customers outside of this area to fully take advantage of same day ACH services.

Dwolla is strongly in favor of the Federal Reserve Bank making the necessary changes to enable the third same day ACH window, including extending the operating hours of the National Settlement Service (NSS) and the Fedwire Funds Service. The potential new ACH window, with a submission deadline of 4:45 pm ET and settlement at 6:00 pm ET, would allow significantly more Dwolla customers to utilize same day ACH services, and will also create additional processing time for those already utilizing same day ACH.

In addition, implementing a third same day ACH processing and settlement window would provide a clear public benefit. Many Dwolla customers utilize same day ACH for business-to-business payments, consumer bill payments, or to facilitate the transfer of funds. By granting these individuals access to an additional processing window, Dwolla - and the U.S. payments system as a whole - can be more competitive and provide a better service to its end users.

Overall, Dwolla believes that the benefits of the adoption of a third same day ACH processing and settlement window far outweigh any perceived risk. As with the changes in 2016, when the existing same day ACH windows were adopted by the Federal Reserve System, financial institutions and their customers will need to make operational and procedural adjustments. As with any such change, preparation and education are key. Dwolla is willing to make adjustments internally to accommodate these changes, as we believe it will ultimately provide a significant positive impact for our customers.

Dwolla supports the steps that the Federal Reserve Bank is taking towards faster payments in the United States, and we believe the addition of a third same day ACH processing and settlement window is a step forward for our country's payments system as a whole. In addition, Dwolla believes the additional processing window will create great opportunity and benefit for businesses and consumers alike. Dwolla continues to support other changes in this area as well, including the development of a 24x7x365 real-time interbank settlement of faster payments.

We appreciate the opportunity to comment, and are happy to discuss further should the Federal Reserve Bank need additional detail.

Sincerely,

A handwritten signature in black ink that reads "Lindsey Richardson". The signature is fluid and cursive, with the first name "Lindsey" and last name "Richardson" clearly distinguishable.

Lindsey Richardson, ACH Operations Manager
Dwolla, Inc.