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July 16, 2019

Ms. Ann Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, D.C. 20551
Regs.comments@federalreserve.gov

RE: Docket No. OP-1664

Dear Ms. Misback

Webster Bank, N.A. (Webster) appreciates the opportunity to respond to the Request for Comment regarding potential modifications to the National Settlement and Fedwire Funds services to support expansion of Same-Day ACH.

Webster Bank supports the Federal Reserve Board of Governors' (Board) proposal to extend its settlement services to support Same Day ACH enhancements with later settlement hours. The industry has spoken loudly in support of the expansion of Same Day ACH and the public benefits it will provide for all businesses and consumers that use the ACH Network. Webster has offered Same Day ACH Origination since it was first made available, and has experienced many instances where both our clients and our bank have found it to be very useful. Webster has commented in the recent past to both Nacha and the Federal Reserve Board in support of Same Day expansion, payment system improvements, and the Board's role in expanded settlement services.

A later Same Day ACH window would be used by Webster and our business and consumer customers for all types of ACH payments. There is great benefit in advancing ACH further by offering expanded processing times for Same Day ACH Origination, especially for our clients doing business outside the Eastern time zone and for local businesses and ourselves in the event a system disruption delays our normal processing timetable.

The expansion of settlement services via extended National Settlement Service (NSS) operating hours is a well-documented industry priority and is long overdue. Webster supports the extended operating hours for the benefits not only to our ACH capabilities, but to our Wire services as well. While there may



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be some additional risk for our evening operations due to “end-of-day compression,” ultimately it is worth the effort to extend the operating hours of NSS and Fedwire and to implement changes to mitigate those risks. Over the long run, these changes will better position financial institutions for ongoing improvements in the payment system, including mitigation of other types of risk. With respect to risk management, a new, later Same Day ACH window will reduce several types of ACH risk – credit risk, settlement risk, operational risk, and return risk.

Webster Bank strongly urges the Board to act expeditiously in issuing a final rule. The Board should strive to facilitate a smooth implementation of the new Same Day ACH window by the March 19, 2021 effective date by giving impacted institutions as much time as possible to implement changes to end-of-day processes.

Sincerely,

A handwritten signature in black ink, appearing to read "PP".

Phil Picillo

Director of Treasury & Payment Solutions

Webster Bank, N.A.

Cc: **Harriet Wolfe, General Counsel**
 Alice Ferreira, Public Affairs
 Jim Coughlin, Chief of Staff to the President & CEO