

Proposal: 1670 - Federal Reserve Actions to Support Interbank Settlement of Faster Payments  
Description:

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From: DHI Computing Service Inc., David Harris

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Comments:

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Proposal: Federal Reserve Actions to Support Interbank Settlement of Faster Payments [OP-1670]

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Your comment: Regarding Docket No. OP-1670

1. The description of messages on page 74 of the notice does not mention a message to the sending bank confirming the acceptance or rejection of the payment by the receiving bank. There needs to be such a message.
2. With regards to close of business day and accounting: a clock time is a "fuzzy" moment in time as clocks on different systems (even with the most careful and diligent practices) may be slightly out of sync with the systems of another organization. Balancing processes will be much easier if participants have a clear indication of the business date of each payment. Will there be a message to participants that indicates the end of a business day and the beginning of the new business day? Will each payment message include the business day that the payment was processed on at the Federal Reserve?
3. With regards to the directory service, one of the challenges core processors face with wire and ACH transactions is the unstructured nature of account identifiers. I think it would be best if the Federal Reserve take the lead (as part of establishing the FedNow service) and establish a U.S. IBAN standard to be used with FedNow. All payments in FedNow would then use an IBAN to identify the account and the directory service can translate the public identifiers to IBANs that can be used in formatting payment messages.