



July 12, 2019

Via E-mail to: regs.comments@federalreserve.gov

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

**RE: Docket Np. OP-1664
Potential Modifications to the Federal Reserve Banks' National Settlement and Fedwire Funds Services to Support Same-Day ACH Enhancements**

Dear Ms. Misback,

Peninsula Community Federal Credit Union (PCFCU) would like to thank the Board of Governors interest about modifying the NSS and Fedwire Funds Services to enable the addition of a third daily Automated Clearing House (ACH) processing window.

We have already seen the benefits of Same Day ACH by providing an incremental enhancement to the payment system. The changes proposed would further advance these enhancements. The proposed changes would be helpful for the implementation of a third ACH settlement window which will improve the efficiency and speed of the US payment system. The proposed changes would benefit the members of Peninsula Community Federal would benefit by being able to receive deposits originated by west coast originators or similarly enable payments with the same speed.

There would be no negligible impact to our operations that has not already been addressed since Same Day ACH transactions were enabled. Furthermore, by extending the NSS operating hours to facilitate a third Same Day ACH window provides financial institutions in the Western U.S. such as PCFCU. We believe this will also help us better compete with FinTech payment solution providers.

We do not believe there would be any additional risk due to the end-of-day timeline being compressed. Our institutions nor any other financial institution we have spoken to over the past couple of years have recognized any material issues. There is no reason to suspect any such risks will be increased due to this proposal. In addition, we believe several types of ACH risk, including credit risk, settlement risk and return risk will be reduced. Moreover, ongoing holistic improvements to the US payments system will necessitate more efficient end-of-day processes. Therefore, any such process changes should not be viewed as a burden imposed by Same Day requirements, but rather an investment in a broader upgrade to further advance the U.S. payments system.

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We urge the Board of Governors to issue a final ruling and adopt the changes outlined in the request for public comment.

Thank you for the opportunity to share our thoughts on this topic.

Sincerely,



James M. Morrell
President & CEO