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

Description:

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From: Liberty Bank, Mark Field

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Date:Sep 04, 2019

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Your comment:The Federal Reserve must now prevent ANY commercial enterprise from inserting itself into the FedNow process under the guise of security or scale and allow them to become a toll-taker on each and every transaction, raising costs for all other participants.
The model for the FedNow payments must also put the burden of cost-recovery onto the "requestor" of the immediate payment. If a commercial enterprise is asking a customer to make such a payment to them, such as at a POS terminal, then the appropriate fees should be borne by that commercial enterprise, and should certainly not be borne by their customer or their customer's bank. If they feel that they need that immediate good-funds payment confirmation ("authorization number"), then they should be happy to cover that modest cost. If a retail customer makes the request, such as in a P2P transaction, then they should bear the incurred costs, with the proper disclosures first provided.
People can then choose which form of payment that best suits them, based on the REAL "need for speed", versus the associated costs involved. Cash, checks, debit cards, and ACH transfers will all continue to be viable alternatives for payments well into the future.
We certainly thank the Fed for announcing the FedNow service, and we would encourage PROMPT implementation.