



Office of the President

27 December 2021

*Via e-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)*

Ms. Ann Misback  
Secretary, Board of Governors  
Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, DC 20551

Re: Request for Comment Regarding New  
Message Format for the Fedwire Funds  
Service (Docket No. OP-1613)

Dear Ms. Misback,

Navy Federal Credit Union (“Navy Federal” or “we”) appreciates the opportunity to provide our response to the Request for Comment issued by the Federal Reserve Board of Governors (“Federal Reserve”) regarding its proposal to implement the migration of the Fedwire Funds Service to the ISO® 20022 message format on a single day. We are the nation’s largest not-for-profit credit union, with more than \$150 billion in assets and 11 million members. We are focused on serving the financial needs of servicemembers and their families, located across the United States and around the world.

The Federal Reserve committed to adopt the ISO® 20022 message format for Fedwire® Funds Service (Fedwire) and ultimately for the FedNow Service. Navy Federal supports the proposed move from a three-phased implementation to a single day migration. We agree with the benefits of moving to the ISO 20022 message format and anticipate we will be prepared to do so on the Federal Reserve’s anticipated launch date of November 2023.

***Federal Reserve’s Target Implementation Date***

Navy Federal is actively taking the needed steps to meet the Federal Reserve’s implementation goal. However, we believe this target date might be less achievable for smaller credit unions and are cognizant that potential hurdles might hamper our own preparations. In particular, many smaller organizations rely on technology providers to deliver key services, including core processing. To the extent financial institutions rely on vendors, both may experience challenges without extensive preparation and lead time.

In light of this, we encourage the Federal Reserve to engage in proactive, ongoing communication of the full testing plan, including sufficient advance notice of assigned script testing in the three testing environments. Such robust communication will ensure we and other financial institutions are able to coordinate sufficiently with our vendors and engage in other preparation needed to ensure a smooth engagement on testing and transition to ISO 20022 messaging.

*Fix-in-Place Strategy*

The Federal Reserve notes an intended strategy of software updates to resolve significant issues that may arise following implementation of ISO 20022 by the Reserve Banks. Navy Federal agrees that this strategy is consistent with prior customer-facing initiatives. However, not only do our members rely on our ability to transmit funds via Fedwire, but it is also how we conduct our own business. Any disruption in service would create large scale challenges across the financial industry. Therefore, we encourage the Federal Reserve to remain conservative in its implementation date and communicate a continuity strategy that includes re-evaluating the criteria for financial institutions to request an extension to settlement services cut-off times due to any delays in Fedline access.

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We appreciate the opportunity afforded by the Federal Reserve to continue to provide feedback on the implementation of ISO 20022 messaging. We look forward to reviewing detailed testing plans and additional information provided regarding the Federal Reserve's fix-in-place strategy. If you have any questions, please contact Tynika Wilson, Senior Vice President, Debit Card and Funds Services, by phone at (703) 255-8151 or by email at [tynika\\_wilson@navyfederal.org](mailto:tynika_wilson@navyfederal.org).

Sincerely,



Mary A. McDuffie  
President & CEO

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