

Proposal: 1831 Expansion of Fedwire Funds Service and National Settlement Service Operating Hours

Description:

Comment ID: 159453

From: Houston Capital Corporation, Jerry Cooksey

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Subject: 1831 Expansion of Fedwire Funds Service and National Settlement Service Operating Hours

Comments:

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As a proposed executive officer of an in-organization community bank, I find the proposal to expand the Fedwire Funds Service hours to 22/7/365 to be appalling. This proposal would, if implemented, be severely detrimental to community banks. While Federal Reserve staff may indicate that community banks could opt out of participation in the expanded hours, making that election would put the opting-out institution at a severe competitive disadvantage to our regional and national bank brethren. Opting in is also severely detrimental, as this would cause a community bank to incur substantial increases in staffing and technology costs. Bottom line, this is a no-win situation for community banks, and I implore the Federal Reserve Board to NOT expand the Fedwire Funds Service hours. There are any number of other methods for bank customers to transact business during the off hours, but wires are unique in their risk profile due to UCC warranties, and cannot be fully automated without taking substantial risk. Please vote No on expanding hours.

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