

# AUSTIN SCHNEIT

## Proposal and Comment Information

**Title:** Collection of Checks and Other Items by Federal Reserve Banks and Funds Transfers Through the Fedwire Funds Service and the FedNow Service, R-1891

**Comment ID:** FR-2026-0011-01-C20

## Subject

Comment on Docket No. R-1891 / RIN 7100-AH23

## Submitter Information

**Name:** Austin Schneit

**Submitted Date:** 06/05/2026

To the Board of Governors of the Federal Reserve System:

I write in strong support of the Board's proposed amendments to Regulation J (Docket No. R-1891) permitting FedNow participants to designate non-Reserve Bank intermediary institutions for cross-border funds transfers.

### I. The Amendment Addresses a Critical Structural Gap

The FedNow Service has demonstrated clear value as a domestic real-time gross settlement rail since its July 2023 launch. However, its restriction to domestic-only payments has prevented it from achieving its full potential as modern payment infrastructure. Cross-border payments remain among the most costly, slow, and operationally complex transactions in global finance — a problem that falls disproportionately on small businesses, individuals sending remittances, and emerging-market counterparties who lack access to efficient correspondent banking relationships.

The proposed amendment — permitting FedNow participants to leverage private-sector intermediaries for the international leg of a cross-border transaction while using FedNow for the US domestic leg — is architecturally sound and aligned with how the Fedwire Funds Service has successfully operated for decades.

### II. Private-Sector Innovation Is Ready to Fill This Role

The amendment's value is amplified by the emergence of private-sector infrastructure that is specifically designed for exactly the intermediary role it contemplates. Distributed ledger technology, and specifically blockchain-based settlement platforms, offer near-instant finality, 24/7 availability, and transparent settlement that are technically superior to traditional correspondent banking for cross-border transactions.

Several private-sector entities have already built the operational, regulatory, and technical infrastructure to serve as compliant cross-border intermediaries under this framework:

- \* Ripple Prime was added to the DTCC's National Securities Clearing Corporation participant directory as a credentialed clearing and executing broker in March 2026
- \* The Office of the Comptroller of the Currency has granted conditional national trust bank charter approval to multiple digital asset firms
- \* The Federal Reserve Bank of Kansas City approved a limited purpose account for Kraken Financial in March 2026, establishing the precedent that digital asset institutions can operate within Federal Reserve infrastructure

These developments demonstrate that the private sector has built the compliance, custody, and operational infrastructure necessary to serve as responsible intermediaries under an amended Regulation J framework.

### III. The Amendment Supports the Board's Own Cross-Border Payment Goals

The Federal Reserve has consistently expressed support for improving cross-border payment efficiency, including through its engagement with the Financial Stability Board's cross-border payments roadmap and G20 payment system enhancement initiatives. The proposed amendment directly advances these stated goals by enabling private-sector providers to connect FedNow's domestic real-time settlement capabilities to international payment corridors.

The correspondent banking model referenced in the amendment — in which a US FedNow participant routes the domestic leg through FedNow and uses a private intermediary for the international leg — is precisely the architecture needed to extend real-time, cost-efficient settlement to cross-border flows that currently move through slow, expensive correspondent chains.

#### IV. Alignment with Recent Executive and Regulatory Direction

The amendment is consistent with the May 19, 2026 executive order directing regulators to facilitate fintech and digital asset firms' access to Federal Reserve payment infrastructure. Finalizing this amendment would demonstrate the Fed's commitment to enabling private-sector innovation within a properly supervised framework — the approach the Board has articulated as its preference throughout the payment account and master account policy development process.

#### V. Request

I respectfully urge the Board to finalize these amendments to Regulation J on an expedited basis. The technical and legal infrastructure for private-sector cross-border intermediaries is already in place. The regulatory framework is converging. The proposed amendment is the enabling step that connects domestic real-time settlement to global cross-border payment efficiency in a way that benefits US businesses, consumers, and financial institutions.

Respectfully submitted,

Austin Schneit  
Easton, PA  
Date: June 5 2026

Note: This comment represents my personal views as an individual interested in payment system modernization. This comment references publicly available information including Federal Register notices, OCC charter announcements, DTCC participant directories, and Federal Reserve Bank of Kansas City press releases.

Sent from my iPhone