LEGACY BANK, STEVEN F. SUELLENTROP

Proposal and Comment Information

Title: Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests, OP-1878

Comment ID: FR-2026-0013-01-C104

Subject

Docket No. OP-[1878]

Submitter Information

Organization Name: Legacy Bank

Organization Type: Company

Name: Steven F. Suellentrop

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July 27, 2026

Benjamin W. McDonough
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

RE: Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests [Docket No. OP-1878]

Dear Secretary McDonough:
I am Steven Suellentrop, President/CEO at Legacy Bank, a community bank based in Colwich, KS that serves our market area in Wichita, Colwich, Sedgwick and Pratt, Kansas. I appreciate the opportunity to comment on the Board's proposal to establish a special-purpose payment account.

Community banks meet rigorous standards for capital, supervision, consumer protection, and deposit insurance. These requirements protect depositors, support responsible local lending, and help keep the payment system safe. By granting direct access to the Federal Reserve payment system to institutions that are not subject to the same prudential, supervisory, and community-focused requirements, the proposal extends the benefits of Federal Reserve access without the corresponding safeguards. It could also divert deposits and payment activity away from the community banks like mine that support local economic development.

I am also concerned about the risk to the payment system. Extending this access shifts critical responsibilities, including Bank Secrecy Act/anti-money laundering and sanctions compliance, onto entities that may have less oversight than banks.

If the Board proceeds, I urge it to adopt strong, mandatory guardrails: a low limit on account balances and on the number of accounts during an initial period; mandatory Bank Secrecy Act/anti-money laundering and sanctions compliance requirements for every account holder; clear off-ramps and ongoing review if risks emerge; and an explicit statement that a payment account is not a pathway to a master account. Access to the Federal Reserve's accounts and services should remain tied to strong prudential oversight.

Legacy Bank is proud to protect our customers deposits while also meeting the financing demand in our area. We have over $700mm in loans to area consumers, farmers, and small businesses. Again, I have grave concerns about the creation of a “skinny account” and the potential negative impacts this would have not only on our community bank and community banks across the country, but the consumers and businesses we serve. Remember, together, community banks fund 80% of ag loans and nearly 60% of small business loans. Please consider these statistics and the impacts to the overall economy when debating OP-1878.

Regards,

Steven F. Suellentrop

President / CEO
Legacy Bank | 4050 N Ridge Rd | Wichita, KS 67205
P: 316-260-3711 | F: (316) 260-3791
stevens@legacy.bank | www.Legacy.bank
[cid:image001.png@01DD1DD3.F2012850]<https://www.legacy.bank/>