BACKLUND INVESTMENT COMPANY, TERA BACKLUND

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-C21

Subject

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

Submitter Information

Organization Name: Backlund Investment Company

Organization Type: Company

Name: Tera Backlund

Submitted Date: 07/16/2026

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

Dear Secretary McDonough,

My name is Tera Backlund. I serve as a director of Better Banks and State Street Bank & Trust, two community banks serving Central Illinois, as well as their parent bank holding company, Backlund Investment Company. I also serve as Assistant Vice President of Innovation and Strategic Development for the holding company. Our two community banks serve families, farmers, businesses, schools, municipalities, and other organizations throughout Central Illinois. I appreciate the opportunity to comment on the Board's proposal to establish a special-purpose payment account.

I urge the Federal Reserve Board not to extend direct payment-system access to institutions that are not subject to the same comprehensive supervision and regulation as traditional banks.
Community banks must meet rigorous requirements for capital, liquidity, deposit insurance, consumer protection, cybersecurity, and financial-crime compliance. Those safeguards exist because access to the Federal Reserve payment system carries significant responsibility and risk. Institutions should not receive the benefits of direct access without being held to comparable standards.
Expanding access to less-regulated entities could expose the payment system to greater operational, cybersecurity, fraud, Bank Secrecy Act, anti-money-laundering, and sanctions-compliance risks. It could also divert deposits and payment activity away from community banks that use local deposits to support lending and economic development in the communities they serve.
If the Board proceeds with the special-purpose payment account proposal, I urge it to adopt strong, mandatory guardrails:

* Strict initial low limits on account balances and the number of accounts;

* Mandatory Bank Secrecy Act, anti-money-laundering, and sanctions-compliance requirements for every single account holder;

* Ongoing review and clear procedures to restrict or terminate access when risks arise; and

* An explicit statement that a special-purpose payment account does not create a pathway to a Federal Reserve master account.

Direct access to the Federal Reserve payment system should remain tied to strong prudential oversight. Innovation should not come at the expense of the safety, stability, and integrity of the payment system. Thank you for considering the perspective of an Illinois community banker.

Thank you,

Tera Backlund
AVP of Innovation & Strategic Development

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P: 309.272.2778
www.betterbanks.com<http://www.betterbanks.com/>
www.statestreetbank.com<http://www.statestreetbank.com>

Backlund Investment Co.