FIRST NATIONAL BUFFALO BANKSHARES, INC., THOMAS A. HOLT

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-C31

Subject

Docket No. OP-[1878]

Submitter Information

Organization Name: First National Buffalo Bankshares, Inc.

Organization Type: Organization

Name: Thomas A. Holt

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

Dear Secretary McDonough:

I am Thomas Holt, President at First National Buffalo Bankshares, Inc., the holding company for a community bank based in Buffalo, Wyoming that serves the needs of our communities in our region including all types of customers including consumer, retail, commercial, industrial, agriculture, etc. We are a full-service commercial bank and very proud to be the oldest chartered bank in the State of Wyoming established in 1885.

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. This potential for deposit disintermediation is very concerning.

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. Risk to our country's payment system and potential reputation fallout is of the outmost importance.

Sincerely,

Thomas A. Holt
President

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