OWINGSVILLE BANKING COMPANY, THOMAS N. RICHARDS

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-C34

Submitter Information

Organization Name: Owingsville Banking Company

Organization Type: Company

Name: Thomas N. Richards

Submitted Date: 07/21/2026

See attached

Owingsville Banking Company

Thomas N. Richards, Chairman and CEO
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July 21, 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; Regulation A: Extensions of Credit by Federal Reserve Banks; and, Regulation D: Reserve Requirements of Depository Institutions (Docket Nos.: OP-1878; R-1892; R-1893)

Dear Mr. McDonough:

My name is Thomas Richards, Chairman and CEO of Owingsville Banking Company, which is a $100MM bank located in rural Owingsville, KY. We are a traditional community bank in that we take deposits from our small county and make loans here. Our primary source of loan growth is in the agricultural space.

Thank you to the Board for the opportunity to comment on this propose policy revision. I don't have to tell you that payments are the lifeblood of our bank, and of the economy writ large. A safe, secure, and efficient system is paramount to the continued growth of our economy. As such, the Board should retain all guardrails included in the RFC including:

- Restricting access only to chartered financial institutions
- Prohibiting access to the discount window
- Prohibiting earning interest on overnight balances
- Prohibiting daylight overdrafts (all payments must be prefunded)
- Prohibiting access to FedACH because that could lead to overdrafts
- Be subject to closing balance limit caps

In addition to those guardrails, the Board should:

- Require that all Payment Account holders be subject to direct federal banking agency supervision
- Establish clear public facing review criteria for applicants
- Further restrict nesting arrangements
- Develop exit or resolution procedures
- Prohibit Payment Account Holders from access to the National Settlement System and the Fedwire Securities Service for transfers free of payment (FOP)

The OCC's proposed approach to interest and yield prohibition is a constructive step, but it does not go far enough. The rule should explicitly prohibit both direct and indirect payments of

interest or yield, and not merely create a test tied to narrowly defined arrangements. Sophisticated issuers can and will engineer around unclear rulemakings and enumerated examples. A flat prohibition against direct and indirect interest and yield payments, supplemented by illustrative examples closes regulatory and statutory gaps. The GENIUS Act was written to ensure stablecoins function as a means of payment and do not disintermediate bank deposits; the final rule must be drafted to enforce that intent.

Again, thank you for the opportunity to comment.

Sincerely,



Thomas N. Richards
Chairman/CEO
Owingsville Banking Company