PRIORITYONE BANK, ROBERT J. BARNES

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-C51

Subject

Docket No. OP-[1878]

Submitter Information

Organization Name: PriorityOne Bank

Organization Type: Organization

Name: Robert J. Barnes

Submitted Date: 07/24/2026

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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 Robert Barnes, President and CEO of PriorityOne Bank, a community bank based in Magee, MS that serves mostly rural markets in the south-central part of the state made up of mostly small communities consisting of small businesses, farms, rural housing and a large consumer base. 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.

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.

Given the rural nature of our market, maintaining a safe and fair payment system matters to the customers we serve. It is also critical that we don’t allow deposits and payment activity to be taken away from community banks like mine since they are the funding source that is used to provide support for local economic development, loans for small businesses and rural housing.
Thank you for considering my views.

Respectfully,
[cid:image001.jpg@01DD1B4D.EAF15860]
Robert J. Barnes
President & CEO
PriorityOne Bank
Magee, MS