VELOXVFX LLC

Proposal and Comment Information

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R-1892 — Comment

Docket No. R-1892

The attached PDF is respectfully submitted by VeloxVFX LLC in response to the Board of Governors of the Federal Reserve System's proposed amendments to Regulation A: Extensions of Credit by Federal Reserve Banks (R-1892).

This submission is offered from an independent, architecture-oriented public-record perspective and addresses the proposed treatment of Payment Accounts with respect to Federal Reserve extensions of credit, including primary credit, secondary credit, seasonal credit, and discount-window eligibility.

The attached comment supports preserving the limited-purpose nature of Payment Accounts while maintaining clear institutional boundaries between payment operations and Federal Reserve lending authority. It also offers governance-oriented recommendations concerning operational modernization, statutory consistency, and public confidence.

This submission is respectfully offered for the Board's consideration during the rulemaking process.

Respectfully submitted,

VeloxVFX LLC

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Public Comment

Regulation A: Extensions of Credit by Federal Reserve Banks

Docket No. R-1892

Architecture-Oriented Public Comment on Credit-Authority Preservation, Payment Account Governance, Institutional-Boundary Protection, and Operational Separation

TABLE OF CONTENTS

I. INTRODUCTION AND INDEPENDENT PUBLIC-RECORD POSITION

VeloxVFX LLC respectfully submits this public comment in response to the Board of Governors of the Federal Reserve System's proposed amendments to **Regulation A: Extensions of Credit by Federal Reserve Banks (Docket No. R-1892).**

This submission is offered from an independent, architecture-oriented public-record perspective and is intended solely to assist the Board's consideration of operational governance, Federal Reserve credit policy, Payment Account implementation, institutional-boundary preservation, supervisory transparency, and payment-system resilience.

VeloxVFX LLC submits this comment independently and not on behalf of any Federal Reserve Bank, insured depository institution, uninsured depository institution, special-purpose depository institution, payment processor, payment network, financial market utility, money transmitter, stablecoin issuer, digital asset service provider, exchange, broker-dealer, custodian, technology vendor, governmental entity, supervisory authority, regulatory authority, trade association, or lobbying organization.

Nothing contained in this submission should be interpreted as requesting eligibility for discount-window borrowing, primary credit, secondary credit, seasonal credit, intraday credit, Master Account access, Payment Account access, reserve balances, monetary authority, supervisory authority, examination authority, governmental authority, settlement authority, or any operational role reserved by statute to the Federal Reserve System.

For avoidance of doubt, VeloxVFX LLC does not issue, redeem, custody, settle, transmit, process, clear, screen, report, supervise, examine, enforce, operate, or administer payment accounts, reserve accounts, credit facilities, monetary instruments, governmental systems, or Federal Reserve services.

Nothing in this submission should be interpreted as requesting adoption, implementation, procurement, endorsement, approval, operational integration, eligibility, or governmental recognition by the Board of Governors, any Federal Reserve Bank, or any other governmental authority.

Rather, this comment offers governance-oriented observations concerning the relationship between Payment Accounts and Federal Reserve extensions of credit. It focuses specifically on preserving statutory boundaries, maintaining the limited-purpose character of Payment Accounts, and reinforcing the distinction between operational payment infrastructure and central-bank credit functions.

The observations presented throughout this submission are intended to complement—not replace—the Board's existing statutory framework and should not be interpreted as proposing expansion of Federal Reserve authority, modification of Regulation A, or redistribution of congressional responsibilities.

II. EXECUTIVE SUMMARY

The Board's proposed amendments to Regulation A appropriately clarify that holders of the proposed Payment Accounts would not be eligible for extensions of credit provided by the Federal Reserve Banks, including primary credit, secondary credit, seasonal credit, or access to the discount window.

VeloxVFX LLC respectfully supports this policy direction.

The proposed exclusion preserves the limited operational purpose of the Payment Account while reinforcing the distinction between payment clearing and settlement activities and the Federal Reserve's monetary-policy and liquidity-support responsibilities.

This submission respectfully offers five governance-oriented observations.

First, Payment Accounts should remain operational mechanisms dedicated exclusively to payment clearing and settlement.

Second, Federal Reserve extensions of credit should remain limited to those institutions and circumstances authorized under existing statutory and regulatory frameworks.

Third, preserving separation between operational payment services and central-bank credit strengthens institutional clarity and public confidence.

Fourth, modernization should encourage innovation without creating ambiguity regarding eligibility for Federal Reserve credit facilities.

Fifth, Payment Account implementation should reinforce—not weaken—the statutory boundaries established by Congress between operational payment infrastructure and central-bank lending authority.

Accordingly, this submission addresses the proposed Regulation A amendments from a governance perspective and respectfully supports the Board's effort to preserve the integrity of Federal Reserve credit policy while encouraging responsible payment-system modernization.

III. UNDERSTANDING THE PROPOSED REGULATION

The proposed amendments to Regulation A address a specific and important policy issue.

The Board proposes to clarify that institutions maintaining a Payment Account would **not** become eligible for Federal Reserve extensions of credit solely by virtue of maintaining that account.

Specifically, Payment Account holders would not receive access to:

- primary credit;
- secondary credit;
- seasonal credit;
- the discount window; or
- other Federal Reserve lending facilities associated with Regulation A.

VeloxVFX LLC respectfully agrees that this clarification is fundamental to preserving the limited-purpose nature of the proposed Payment Account framework.

Payment Accounts are designed to facilitate payment clearing and settlement.

They are not designed to establish borrowing relationships with the Federal Reserve Banks.

Maintaining this distinction preserves the integrity of both operational payment services and Federal Reserve credit policy.

IV. GENERAL OBSERVATIONS

A. Credit Authority and Operational Purpose

Federal Reserve extensions of credit serve a distinct statutory purpose within the United States financial system.

They are designed to support liquidity under carefully defined legal standards and should remain separate from operational payment infrastructure.

The proposed amendments appropriately preserve this distinction.

VeloxVFX LLC respectfully believes that modernization is strongest when operational payment services remain clearly separated from monetary-policy instruments and central-bank lending functions.

B. Payment Accounts Are Not Credit Facilities

The proposed Payment Account should continue to be understood as a limited-purpose operational account.

It should not function as:

- a borrowing facility;
- a liquidity facility;
- a reserve substitute;
- a discount-window relationship;
- a monetary-policy instrument; or

- an implied extension of Federal Reserve credit.

Maintaining these distinctions reinforces the proposal's stated objectives while reducing uncertainty regarding institutional eligibility and legal authority.

C. Public Confidence Through Clear Institutional Boundaries

One of the principal strengths of the Board's proposal is its preservation of institutional boundaries.

Public confidence is strengthened when the roles of the Federal Reserve, Reserve Banks, participating institutions, and Payment Account holders remain clearly defined.

The proposed exclusion of Payment Accounts from Regulation A lending authority reinforces that clarity and helps ensure that operational modernization does not inadvertently alter the longstanding legal framework governing Federal Reserve credit.

V. PRESERVATION OF FEDERAL RESERVE CREDIT AUTHORITY

A. The Distinct Purpose of Regulation A

Regulation A has historically provided the legal and operational framework governing extensions of credit by Federal Reserve Banks. The regulation serves a specialized role within the Federal Reserve System by establishing the conditions under which eligible institutions may obtain liquidity through primary credit, secondary credit, seasonal credit, and other authorized lending facilities.

VeloxVFX LLC respectfully recognizes that these authorities represent fundamental instruments of central-bank policy.

Accordingly, eligibility for Federal Reserve credit should remain governed by statutory authority, prudential supervision, and the specific eligibility standards established by Congress and implemented by the Board.

The proposed amendment appropriately preserves these principles.

B. Payment Accounts Should Not Alter Credit Eligibility

The proposed Payment Account framework is designed to facilitate payment clearing and settlement.

Its operational purpose differs fundamentally from the purpose served by Regulation A.

Accordingly, the existence of a Payment Account should not create either:

- actual eligibility for Federal Reserve credit; or
- an implied expectation of future credit eligibility.

Maintaining this distinction protects the integrity of both frameworks.

Payment Accounts remain operational.

Regulation A remains monetary and liquidity policy.

C. Preserving Discount-Window Integrity

The discount window has long served as an important liquidity mechanism within the United States financial system.

Its effectiveness depends upon disciplined eligibility standards, prudent risk management, and public confidence.

VeloxVFX LLC respectfully supports the Board's proposal to clarify that Payment Account holders would not obtain discount-window access solely because they maintain Payment Accounts.

This clarification reduces uncertainty regarding:

- institutional status;
- operational purpose;
- Reserve Bank responsibilities;
- public expectations.

Accordingly, the proposal strengthens—not weakens—the integrity of Regulation A.

VI. PAYMENT ACCOUNTS AND OPERATIONAL SEPARATION

A. Operational Infrastructure Versus Liquidity Facilities

Payment infrastructure and central-bank lending perform fundamentally different public functions.

Payment infrastructure supports the orderly movement of funds.

Federal Reserve credit supports liquidity under carefully defined statutory circumstances.

Although both contribute to the stability of the financial system, they should remain institutionally distinct.

VeloxVFX LLC respectfully submits that the proposed amendments appropriately preserve this separation.

B. Operational Function Should Not Expand Monetary Function

The Payment Account proposal introduces a limited-purpose operational relationship.

Nothing within the proposal suggests that operational participation should expand:

- monetary authority;
- lending authority;
- reserve authority;
- supervisory authority; or
- governmental authority.

VeloxVFX LLC respectfully agrees.

Operational modernization should improve payment efficiency while preserving the statutory framework governing Federal Reserve credit.

C. No Implied Lending Relationship

The existence of a Payment Account should not be interpreted as creating:

- a borrowing relationship;
- a liquidity relationship;
- a reserve relationship;
- a monetary-policy relationship; or
- an entitlement to future Federal Reserve financial support.

Instead, Payment Accounts should remain operational mechanisms governed solely by the conditions established by the Board and administered by the Reserve Banks.

This distinction reinforces legal certainty for participating institutions and promotes consistent implementation across the Federal Reserve System.

VII. INSTITUTIONAL-BOUNDARY PRESERVATION

A. Maintaining Congressional Intent

Congress has assigned distinct responsibilities to the Federal Reserve concerning monetary policy, payment services, supervision, and extensions of credit.

The proposed amendments appropriately preserve these statutory distinctions.

VeloxVFX LLC respectfully submits that modernization should continue reinforcing—not redefining—the institutional framework established by Congress.

Accordingly:

- Payment Accounts remain payment infrastructure.
- Regulation A remains the framework governing Federal Reserve credit.
- Reserve Banks retain their statutory responsibilities.
- Monetary authority remains exclusively within the Federal Reserve System.

B. Public Confidence Through Functional Clarity

Public confidence depends upon clear institutional roles.

The proposed amendments strengthen confidence by ensuring that Payment Accounts are not confused with Federal Reserve lending relationships.

This clarity benefits:

- participating institutions;
- Reserve Banks;
- supervisors;
- policymakers; and
- the public.

Operational modernization is strengthened when legal authority remains easily understood.

C. Governance Before Expansion

VeloxVFX LLC respectfully believes that responsible innovation should proceed through disciplined governance rather than institutional expansion.

Accordingly, modernization should continue emphasizing:

- clearly defined operational limits;
- transparent eligibility standards;
- prudent implementation;
- institutional accountability;
- preservation of statutory authority.

These principles support long-term payment-system resilience while avoiding unintended changes to Federal Reserve credit policy.

VIII. RECOMMENDATIONS

VeloxVFX LLC respectfully offers the following recommendations for the Board's consideration as it finalizes the proposed amendments to Regulation A.

Recommendation 1 — Preserve the Limited-Purpose Character of Payment Accounts

The proposed amendments appropriately distinguish Payment Accounts from Federal Reserve credit facilities.

VeloxVFX LLC respectfully recommends preserving this distinction.

Payment Accounts should continue functioning solely as operational mechanisms supporting payment clearing and settlement and should not be interpreted as creating any entitlement to Federal Reserve liquidity, lending facilities, or monetary-policy relationships.

Recommendation 2 — Preserve the Integrity of Regulation A

Regulation A has historically governed extensions of credit under carefully defined statutory conditions.

The proposed amendments appropriately preserve this framework.

Accordingly, eligibility for Federal Reserve credit should remain determined exclusively under applicable statutes, regulations, and Board policy rather than operational participation in payment services.

Recommendation 3 — Reinforce Institutional Clarity

The Board should continue emphasizing that Payment Account participation does not alter:

- institutional status;
- supervisory authority;
- Reserve Bank responsibilities;
- monetary authority;
- legal obligations; or
- eligibility for Federal Reserve lending.

Clear institutional distinctions strengthen both implementation and public understanding.

Recommendation 4 — Preserve Operational Separation

Payment-system modernization should continue recognizing the distinction between:

- payment execution;
- payment clearing;
- settlement operations;
- liquidity support;
- central-bank lending.

Maintaining these distinctions reinforces the limited-purpose character of Payment Accounts while protecting the integrity of Federal Reserve credit policy.

Recommendation 5 — Encourage Consistent Reserve Bank Implementation

VeloxVFX LLC respectfully supports consistent implementation across the Federal Reserve Banks.

Consistent interpretation promotes:

- operational predictability;
- equitable treatment;
- institutional confidence;
- effective governance.

Reserve Banks should retain appropriate discretion while applying common policy principles established by the Board.

Recommendation 6 — Preserve Public Monetary Authority

The proposed amendments appropriately reinforce that Federal Reserve extensions of credit remain governmental functions exercised under statutory authority.

Payment-system modernization should continue preserving this principle.

Nothing associated with Payment Account implementation should be interpreted as transferring monetary authority, lending authority, liquidity authority, or governmental responsibility to private operational frameworks.

IX. CONCLUSION

VeloxVFX LLC respectfully appreciates the opportunity to comment on the proposed amendments to **Regulation A: Extensions of Credit by Federal Reserve Banks (Docket No. R-1892).**

This submission has been offered from an independent, architecture-oriented public-record perspective and is intended solely to assist the Board's evaluation of Payment Account implementation, Federal Reserve credit policy, institutional-boundary preservation, operational governance, and payment-system modernization.

VeloxVFX LLC respectfully supports the Board's decision to preserve the distinction between Payment Accounts and Federal Reserve lending facilities.

The proposed exclusion of Payment Account holders from access to Federal Reserve extensions of credit appropriately maintains:

- the integrity of Regulation A;
- the limited-purpose character of Payment Accounts;
- clearly defined institutional responsibilities;
- public confidence in the Federal Reserve System.

The observations presented throughout this submission are guided by several consistent principles.

Operational innovation should strengthen governance rather than redefine it.

Payment modernization should improve efficiency without expanding monetary authority.

Architecture may improve operational transparency, but it should never replace statutory authority, supervisory judgment, or congressional responsibility.

Federal Reserve credit should remain governed exclusively by the legal framework established by Congress and implemented by the Board of Governors.

Accordingly, VeloxVFX LLC respectfully submits these observations for the Board's consideration as it finalizes the proposed amendments to Regulation A.

Respectfully submitted,

VeloxVFX LLC

Independent Architecture-Oriented Public-Record Perspective

June 30, 2026

APPENDIX A

Regulation A Response Matrix

Regulation A Proposal Topic	**Response Section**
Purpose of Regulation A	III
Federal Reserve Credit Authority	V
Payment Accounts and Operational Separation	VI
Institutional-Boundary Preservation	VII
Recommendations	VIII
Conclusion	IX

APPENDIX B

Guiding Governance Principles

The observations presented throughout this submission are guided by the following principles:

1. Preserve statutory authority.
2. Preserve Federal Reserve credit authority.
3. Preserve the limited-purpose character of Payment Accounts.
4. Maintain clear institutional boundaries.
5. Distinguish payment infrastructure from central-bank lending.
6. Preserve operational transparency.
7. Encourage consistent implementation.
8. Reinforce public confidence.
9. Preserve congressional intent.
10. Support responsible innovation within existing legal frameworks.

APPENDIX C

Public-Record Clarification

This submission is offered solely as an independent public comment responding to **Docket No. R-1892**.

Nothing contained herein should be interpreted as:

- requesting eligibility for primary credit;
- requesting eligibility for secondary credit;
- requesting eligibility for seasonal credit;
- requesting access to the Federal Reserve discount window;
- requesting intraday credit;
- requesting reserve balances;
- requesting a Master Account;
- requesting a Payment Account;
- requesting supervisory authority;
- requesting examination authority;
- requesting monetary authority;
- requesting settlement authority;
- requesting procurement, endorsement, implementation, operational integration, or adoption by the Board of Governors or any Federal Reserve Bank.

For avoidance of doubt, VeloxVFX LLC does not issue, redeem, custody, settle, transmit, process, clear, screen, report, supervise, examine, enforce, operate, or administer any payment account, reserve account, credit facility, monetary system, governmental system, or Federal Reserve service.

The observations contained in this submission are intended solely to assist the Board's public consideration of the proposed amendments to Regulation A by promoting operational clarity, institutional-boundary preservation, payment-system governance, and responsible modernization while preserving the statutory framework governing Federal Reserve extensions of credit.