

The Federal Reserve Board is seeking public comment on services that the Reserve Banks could offer to support faster payments in the United States. Potential services include:

- 1) a real-time interbank gross settlement system for faster payments operating 24 hours a day, seven days a week, 365 days a year (24x7x365); and
- 2) a liquidity management tool for supporting the transfer of funds between a Federal Reserve master account and another Federal Reserve account used to support 24x7x365 real-time interbank settlement for faster payments, regardless of whether those services are provided by the private sector or the Federal Reserve Banks.

ICBA is a long-time advocate of the Federal Reserve System offering services to support faster payments and ensure that all community banks have universal access to these services. The Federal Reserve's clearing and settlement services for check, ACH and wire transfers support universal access for all financial institutions, including community banks.

The Federal Reserve Board needs to hear directly from community banks nationwide by the comment deadline of December 14, 2018.

### TIPS FOR WRITING LETTERS

- The letter should be genuine and authentic. Be sure to tell **your** bank's story. This should include:
  - your efforts and/or ability to access faster payment systems such as Zelle, owned and operated by the nation's largest banks, and what obstacles exist,
  - the ability to integrate these systems to your core processing platform,
  - any current issues with your customers using non-bank systems (Venmo, PayPal, Square etc.) to conduct transfers, and
  - the importance of direct access to the Federal Reserve for check, ACH and wire transfer services.
- In addition, the letter should stress:
  - the importance of equitable/universal access to faster payment systems to match increasing customer expectations that all banks offer safe and secure payments to anyone, anywhere, at any time and with immediate funds availability,
  - support for the Federal Reserve developing a 24x7x365 Real Time Gross Settlement Service (RTGS) for faster payments, which would open settlement services to more parties, reduce interbank settlement risk and potentially simplify clearing functions,

- support for the Federal Reserve developing a liquidity management tool to complement its RTGS service as well as other private-sector solutions, and
  - concern about the repercussions if the Federal Reserve does not commit to an operational role in the development of a faster and improved payments system. Without the Federal Reserve linking together the nation's financial institutions, will thousands of community banks and their customers be placed at a competitive disadvantage?
- Finally, the letter should encourage the Federal Reserve to make expeditious and transparent decisions regarding its roles in supporting faster payments to remove the cloud of uncertainty and facilitate community banks and their technology partners developing competitive offerings.

[Link to Federal Register Notice](#)

[Link to Federal Reserve's Comment Portal](#)

For more information, visit the [Federal Reserve's payments improvement page](#), read [ICBA's 2017 industry letter](#) or contact Cary Whaley at [cary.whaley@icba.org](mailto:cary.whaley@icba.org).