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Rebeca Romero Rainey, *President and CEO*

Sent via email

June 27, 2019

The Honorable Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue
Washington, D.C. 20551

Dear Chairman Powell:

On behalf of the nation's community banks, we strongly urge the Federal Reserve System to operate a Real-Time Gross Settlement ("RTGS") service in support of all financial institutions and their consumer and business customers.

The Federal Reserve's ongoing and proven dual payments role as a regulator and provider of check, ACH and wire transfer services ensures that the customers of community banks and other financial institutions nationwide have a trusted option for accessing these services. Moreover, the Federal Reserve's provision of these services provides safety, integrity, continuity and equitable access to all financial institutions and their customers.

The addition of RTGS services for the settlement of faster payments would complement the Federal Reserve's present-day clearing and settlement systems by providing immediate transaction-by-transaction funds settlement and serve as a foundation for payments innovation now and in the future.

Community banks are extremely concerned about the repercussions if the Federal Reserve System does not provide RTGS services. Without the Federal Reserve linking together the nation's financial institutions, there will be slow and unequal access to real-time settlement and

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ubiquity will not be achieved. As a result, faster payments adoption will be fragmented, and community banks' consumer and business customers will be at a competitive disadvantage.

Again, we strongly urge the Federal Reserve to extend its role as a valued and trusted payments partner for community banks to RTGS.

Sincerely,

/s/

Rebeca Romero Rainey
President and CEO

/s/

Preston L. Kennedy
Chairman

CC: The Honorable Richard H. Clarida
The Honorable Randal K. Quarles
The Honorable Michelle W. Bowman
The Honorable Lael Brainard