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Board of Governors of the Federal Reserve System
c/o Ann Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Via Electronic Submission: regs.comments@federalreserve.gov

Re: Comment letter on Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments, Docket No. OP – 1625

Juniper Payments appreciates the opportunity to provide comments on Potential Federal Reserve (the Fed) Actions to Support Interbank Settlement of Faster Payments (RTGS and Liquidity Management Tool).

Juniper Payments is a primary provider of software services for the entry, transmission, clearing and settlement of all current payment channels, serving about 4,000 banks and credit unions through direct and aggregated relationships with corporate credit unions, bankers banks and large commercial banks. As such, Juniper technology serves as a critical online payment hub to these financial institutions for all legacy payments – check, ACH, wire transfer and international remittances– via the Federal Reserve (ACH Advance and Live Wire services) and private clearing exchanges (OnWe Check Exchange Network) and third-party processors. Juniper has been involved in the industry effort to bring faster payments to fruition by serving on the Faster Payments Task Force, the Safety and Security Subgroup and the Rules, Standards, Laws and Regulations Work Group.

Juniper supports the Fed’s contemplated development of the RTGS 24x7x365 settlement service. While the private sector can provide valid alternatives, the Fed serves a critical central role in the clearing and settlement of existing payment services. It is the only ubiquitous clearing and settlement service for U.S. payments to all U.S. financial institutions and default provider in the case of market disruption. Furthermore, the Fed has demonstrated a unique ability to move the industry toward reduced risk and increased efficiency through this central role. The remarkable

speed with which the industry adopted check image exchange is the most recent example of the utility of the Fed in this central clearing, settlement and rules function. While several private image exchanges had been developed, the Fed's unique leadership first in IRD printing and then in promoting full image exchange brought rapid interoperability and efficiency to the industry.

The Fed should continue this leadership approach to industry innovation by developing and supporting a faster payments clearing and settlement service that will be available to financial institutions of all sizes. The Fed's proposed endeavor has multiple benefits:

1. It leverages existing communication channels of legacy payments to promote ubiquity.
2. It will enable the Fed to provide necessary resilience and redundancy to faster payments service offerings.
3. The Fed's direct involvement will promote development and diversified innovation of multiple services to encourage broad and fair competition.

A key feature that should be included in the incremental and final RTGS and Liquidity Management Tool development is for the Fed to make the services available to aggregated connections via interface standards and/or API integration. This is necessary for those institutions without a direct FedLine connection to participate in the service from its inception through their current online providers. Only offering these services through individual FedLine Web and FedLine Advantage connections would unfairly disadvantage thousands of community banks and credit unions who do not directly utilize their own Fed Master account and/or FedLine connection for clearing and settlement. Availability of these new services through agency relationships, aggregated and automated connections was discussed affirmatively by Fed representatives during the Kansas City Townhall, so we request that this aggregated service offering be formalized in the project plans.

Certainly, there will be significant operational and accounting changes, both for the Federal Reserve and member financial institutions, that must be addressed to bring the full RTGS infrastructure into production. An incremental approach would benefit all parties in adopting new timelines and operational procedures to support accelerated transmission and settlement. Juniper currently serves as an automated back office for our customers to transmit, receive and process transactions for financial institutions outside of normal business hours. We envision that this new RTGS service will promote additional innovation, and Juniper looks forward to assisting our segment of the market with these changes.

Despite these industry changes, we suggest the Fed should move toward an implementation of RTGS with all possible speed in order to meet emerging consumer demands and enable all financial institutions to participate in the faster payments economy. We believe that any delay for the Fed to deploy a solution beyond 2 years would be a hindrance to adoption of faster payments by smaller institutions and place them at a significant competitive disadvantage. Since Juniper already serves a large number of financial institutions both commercial and

correspondent, our infrastructure would help streamline implementation of Fed changes for faster payments. These efficiencies have already been demonstrated by Juniper in implementing recent schedule changes for Same Day ACH and the upcoming ISO20022 updates for wire transfer. Juniper has and will serve as a primary point of contact, development and implementation for our commercial and correspondent customer base in these major industry changes. This aggregated structure will benefit the industry and the Fed timeframes for enabling more financial institutions.

We also encourage the Fed to serve as some form of a central database for clearing of payments in response to the growing preference to use alias identifiers for the recipient that can be masked from the sender. The Fed is the logical point of intersection for these nationwide "routing of last resort" clearings in the same role as the Fed serves for check clearing today. Full interoperability will take time to develop in the market place, but it will likely take much longer without the Fed playing a role in routing these payments.

Fraud detection and management at multiple levels, including the Fed, is an important component of a successful faster payments network. We feel that this topic warrants further discussions within the industry with the Fed.

To summarize, Juniper Payments supports and encourages this effort by the Federal Reserve to bring diversity and redundancy to the faster payments marketplace. This effort is critical for the main-street financial institution's inclusion in the faster payments initiatives. As a key provider of payment services to a large portion of the industry, we look forward to collaborating and contributing to the development discussions to ensure that Juniper's broad customer base can take full advantage of this new technology.

Sincerely,



Jon Budd
Chief Executive Officer



Jorge Jimenez
Chairman, President