

**Congress of the United States**  
**Washington, DC 20515**

July 8, 2024

The Honorable Jerome Powell  
Chair  
Board of Governors of the Federal Reserve System  
20th Street NW and Constitution Avenue NW  
Washington, DC 20551

Dear Chair Powell,

We write to you about modernizing our nation's existing payments infrastructure by expanding the operating days and hours of interbank settlement services to support operations over weekends and holidays, and ultimately 24x7x365.

We were pleased to see the Federal Reserve Board announce last month that it is taking steps to expand the operating days and hours of the National Settlement Service (NSS) and Fedwire Funds Service (Fedwire) to 22x7x365 in 2027.<sup>1</sup>

The Federal Reserve's 2015 report titled *Strategies for Improving the U.S. Payment System* acknowledged that this expansion "has the potential to empower private-sector innovation around solutions for making payments faster, safer, and more efficient" for consumers and businesses.<sup>2</sup> In the last nine years since the publishing of this report, the Federal Reserve has made progress on several key priorities. Since the report's publication, we have seen multiple expansions in the operating days and hours of interbank settlement services to accommodate faster and more efficient interbank payments.

The ACH Network currently processes and clears payments 23¼ hours every banking day, but private-sector ACH operators can only conduct interbank settlement when the wholesale payment services are open and available. Expanding the operating days and hours of the NSS and Fedwire will further allow the ACH Network to settle payments during additional days and times of the week, and it will enable the continued adoption of real-time payments.

This would benefit workers and consumers by enabling people to receive funds for payroll Direct Deposits on weekends and holidays, which is especially important for gig workers and those working shifts. It would also allow Americans to transfer money between accounts at night and on weekends and holidays, something they currently cannot do. Enabling ACH payments to

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<sup>1</sup> Federal Reserve Board requests comment on proposal to expand the operating days of the Federal Reserve Banks' two large-value payments services, Fedwire Funds Service and the National Settlement Service, to include weekends and holidays. (2024). Board of Governors of the Federal Reserve System. <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20240503a.htm>

<sup>2</sup> "Strategies for Improving the U.S. Payment System," 2015, <https://fedpaymentsimprovement.org/wp-content/uploads/strategies-improving-us-payment-system.pdf>.

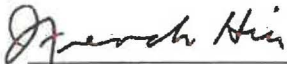
settle on weekends and holidays through expanded days and hours can help consumers manage their own cash flow, pay their bills on time, and avoid late fees, as well as reduce the overall cost of payments to consumers. Expanding the days and hours of interbank settlement services would also especially benefit small businesses by allowing for quicker access to funds from card sales instead of having to wait for the next banking day.


As the Federal Reserve's own staff memo to the Board of Governors states, expanding the operating hours would "improve the nation's payment and settlement infrastructure ... [and] support the safety and efficiency of the U.S. payments system." Doing so would also bring other benefits such as "improving the credit risk and operational efficiency of ... retail payment arrangements, spurring innovation in new or enhanced private-sector payment solutions, and supporting more efficient cross-border payment flows, among others."<sup>3</sup>

We believe it is important for the Federal Reserve to prioritize its work and act swiftly to expand the operating days and hours of the NSS and Fedwire. Please respond to the following questions by July 31, 2024:

1. How did the Federal Reserve Board reach its decision to propose expanding the operating hours no sooner than 2027? Please describe the rationale in detail, including why the Board proposed a two-year delay following the implementation of the ISO 20022 message format for Fedwire in March 2025, and whether any other time periods were considered.
2. What factors would the Federal Reserve consider as it potentially expands the operating hours sooner than 2027?
3. How is the Federal Reserve thinking about an expansion of operating hours to the full 24x7x365 versus 22x7x365? What kind of feedback will the Federal Reserve consider regarding the constraints, preferences, and demand related to full 24x7 operating hours?
4. What technological, operational, infrastructure, staffing, resource, risk, and other factors are the Federal Reserve analyzing as it considers expanding the operating days and hours of its wholesale payment services? Please expand on the "operational and technical changes" that expanded hours would impose on the Reserve Banks and participants.

Sincerely,

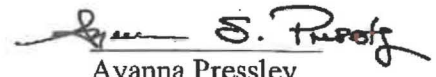
  
French Hill  
Member of Congress

  
Chris Van Hollen  
United States Senator


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<sup>3</sup> <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20240503a1.pdf>

  
Cynthia Lummis  
United States Senator

  
Ayanna Pressley  
Member of Congress

  
Young Kim  
Member of Congress

  
Nikema Williams  
Member of Congress