

## **VII. Request for Comment**

The Board requests public comment on the entire proposal, and specifically on the following questions:

1. What are the primary benefits to the banking industry, financial markets, and broader economy from an expansion to 22x7x365 Fedwire Funds Service and NSS operating hours? What are the primary benefits to your institution?

- Primary benefits include expediting money movement requests so that clients have access to funds sooner. Additionally, increased operating hours will provide a more even distribution of payment volume.

2. What will be the primary sources of demand for expanded hours for the Fedwire Funds Service and NSS, from 22x5 to 22x7x365? What types of transactions or institutions are most likely to generate demand for the ability to make payments during weekend hours? What additional use cases could be satisfied with the expansion to full 24x7x365 operating hours? Would they represent sources of new and additional volume that could flow over the Fedwire Funds Service, a shift of existing volume over the service, or both?

- There may be a benefit as it pertains to mortgage origination/ closings, loan funding or large dollar value client requests. These sources could represent both shift of existing volume and new volume. This may also impact ACH Same Day client base with low volume/high dollar activity, who may opt to utilize Fed Wire vs. ACH.

3. How might expanded operating hours of the Fedwire Funds Service and NSS support private-sector innovation?

- If the private sector cash flow is limited, the expansion in hours may improve liquidity.

4. How does the existence of the FedNow Service affect your views of the benefits of expanded hours for the Fedwire Funds Service and NSS? How do you anticipate using these services in the future?

- We have not adopted the FedNow Service. The expansion of service hours may exclude the need for FedNow.

5. Do you prefer an interim expansion of operating hours before moving to 22x7x365? If so, what operating hours for the Fedwire Funds Service and NSS would be most useful for your institution? What considerations factor into your preference?

- 22X5 coverage is preferred (no weekends). Considerations include other internal applications, maintenance windows and coverage factors.

6. What is your preferred timeline for a potential expansion of Fedwire Funds Service and NSS operating hours to 22x7x365? What considerations factor into your preference (for example, demand, time to implement changes, adjustments to staffing and internal systems, other major industry milestones or payment system improvements)?

- Our preference is to have it rolled out in 2030 due to huge internal initiatives. Considerations include staffing, technology enhancements/modifications, upcoming industry changes, client communications and internal systems.

7. Are you interested in full 24x7x365 operating hours for Fedwire Funds Service and NSS? If so, what is your preferred time frame for such an expansion of operating hours? What considerations factor into your preference?

- At this time, we are not interested in 24x7x365 coverage as we must consider ongoing industry changes such as ISO 20022 and our internal roadmap. Considerations also include staffing, technology enhancements/modifications, upcoming industry changes client communications and internal systems.

8. What costs and risks would arise for the banking industry, financial markets, and broader economy from an expansion to 22x7x365 of Fedwire Funds Service and NSS operating hours? What are the costs and risks to your institution? What is the estimated incremental cost on a percentage basis to support 22x7x365 operating hours for the Fedwire Funds Service and NSS? What are the implications for competitiveness?

- There will be costs associated with staffing, changes in operating model and technology changes. A deeper cost/benefit analysis will need to be performed.

9. What are the ways in which benefits, costs, or risks of 22x7x365 Fedwire Funds Service and NSS could vary for different types of market participants (for example, for smaller institutions, non-traditional participants, or participants in particular time zones)?

- There is a chance of greater flexibility in settlements in other time zones and markets.

10. Are there infrastructure-related market conditions or barriers (for example, the availability of short-term funding markets over the weekend) that may prevent or reduce your firm's ability to fully achieve the potential benefits of 22x7x365 operating hours for the Fedwire Funds Service and NSS? If so, what are they? What steps might the industry and/or Federal Reserve take to remove such barriers?

- The current barriers include the market not being open on weekends to trade securities. The securities market would need to be in alignment for this to be effective. The Fed would need to express the expectations of the participants as it pertains to the securities trading business as well as the financial institutions.

11. The Federal Reserve plans to maintain the ability to opt out of expanded hours. How would the optionality with respect to participating in a 22x7x365 operating hours environment of the Fedwire Funds Service and NSS, as described in this notice, benefit or challenge your institution

or the broader industry? What steps might the Federal Reserve take to augment potential benefits? What steps might the Federal Reserve take to mitigate potential costs and risks?

- The optionality is going to challenge us to adjust internally to accommodate the proposed operating hours. We will need clarity from the Federal Reserve around the time frames, planned outage windows, downtime etc. What are the alternatives for those who opt out of this service from a Fed settlement standpoint? Would payments received after certain hours be held for settlement next business day? What would be considered regular hours for settlement for those opting out of extended hours?

12. How does your institution anticipate managing liquidity needs in an expanded hours environment? Is the availability of discount window loan originations on weekends and holidays a prerequisite for expanded operating hours for the Fedwire Funds Service and NSS? If so, should the discount window be available 22x7x365, or alternatively, during certain defined hours on weekends and holidays? During what hours should discount window loan originations be available?

- The discount window should be open during all operating hours of 22x7 because if there is a market operational issue or idiosyncratic Firm stress outside of normal market hours an institution may only have the option to use the discount window. This is not something we would need in our normal BAU but from an industry perspective, especially during off-market settlement times it would be beneficial for all direct clearers to have access to the discount window.

13. What effects, if any, on funding market activity should be taken into account when considering the expansion of operating hours for the Fedwire Funds Service and NSS? Would the expansion of operating hours for the Fedwire Funds Service and NSS affect existing wholesale funding markets, including the repurchase market? Do you expect wholesale funding market activity to occur on weekends and holidays?

- We do not expect those markets to engage on the weekends.

14. Describe any other enhancements or initiatives that the Reserve Banks should consider in addition to, or in the context of, expanded hours for the Fedwire Funds Service and NSS. How would such potential enhancements be used in the context of expanded hours? Are there any potential service enhancements that should be prioritized ahead of expanded hours?

- Other enhancements include Fed implementation of ISO2002 2025, Central bank digital currencies, cryptocurrencies, Fed NOW and SEC custody rule enhancements.

15. Please describe any other consideration that you believe should be taken into account as the Board contemplates expansion of operating hours for the Fedwire Funds Service and NSS.

- There are no other considerations to add at this time.