

Proposal: 1831 Expansion of Fedwire Funds Service and National Settlement Service Operating Hours

Description:

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From: Ireland Bank, Thomas C. Roper

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Proposal: Expansion of Fedwire Funds Service and National Settlement Service Operating Hours [OP-1831]

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Your comment: To Federal Reserve Board, In regards to Docket No. OP-1831 the expansion of Fedwire and NSS hours to weekends and holidays, Ireland Bank views the expansion of these services hours as unnecessary. The following is Ireland Bank's explanation as to why: - The implementation of the FedNow services creates an instant payments network that is available at all hours. The FedNow services give more controls and better automated process to the FI. Some of these are better fraud controls within the FedNow program, better limit management, better settling processes, and other items built within the FedNow service and the service providers who connect to the FedNow service. Many of these controls were created, because FedNow was built with a 24/7/365 payment processing in mind, and in collaboration with the Fis, and service providers. - FedWire and NSS were not built with these controls nor with 22/7/365 in mind. As such the controls and automation built around these services is mainly built within the services providers who service the FIs. There is a big disparity between service provider automation, controls and processes. As such many FIs have created their own processes and reporting to manage fraud, risk controls and processes. Many of these require manual intervention by employees as the FI. Extending hours would require FIs and service providers increase expenses in overhead to be able to man the additional hours. These costs would require an increase in many pricing of these services to customers. - The argument could be made that offering these additional hours is voluntary, but with the number of bank shrinking competition increases. One FI making the move to offer these services in a market can make it next to impossible for any other FI in the market to not offer these services. Voluntary is not really voluntary. - The Fedwire, NSS, and FedNow each have their niche in the payments space. Let each of them fill their respective niche. Ireland Bank recommends the hours not be expanded for FedWire and NSS as they were not built to meet these requirements, but let each function according to their niche and need the FIs create.

Regards, Ireland Bank