

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

Description:

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Comment ID: 160584

From: First Resource Bank, Bridget Moran

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

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

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Comments:

Date: Aug 22, 2024

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

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Your comment: First Resource Bank believes that the Federal Reserve needs to clarify the impact of moving to a 22x7x365 settlement. There should be a focus on the impact to financial institutions and their liquidity as well as their possible overnight borrowing position. We have a concern that balance fluctuations could possibly cause an overdraft scenario with our fed account. How will the Federal Reserve facilitate real-time borrowing against credit facilities in order to ensure that there is adequate capital and liquidity for the bank to continue operating? First Resource Bank also has a concern about the impact to smaller community financial institutions with regard to remaining competitive. Larger FIs have the ability to react quickly and start processing, posting, and settling on a real-time basis - that competitive edge has the possibility to render smaller FIs obsolete. We ask that the Federal Reserve truly vet out this change with a better understanding of the impact it would cause - especially before implementing a change of this magnitude. Thank you!