

August 27, 2024  
Ms. Ann Misback  
Secretary, Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, DC 20551

*[Via email \(regs.comments@federalreserve.gov\)](mailto:regs.comments@federalreserve.gov)*

Re: Docket No. OP-1831: Expansion of Fedwire Funds Service and National Settlement Service Operating Hours

Dear Ms. Misback:

Modern Treasury applauds the Federal Reserve's proposal to expand operating hours for the Fedwire Funds Service and National Settlement Service. Modern business is no longer limited to traditional business hours, and we welcome this proposal as part of the broader movement toward real-time payments and round-the-clock payments infrastructure.

By way of background, Modern Treasury's cloud payments platform helps businesses move, track and reconcile money in real time. Our customers use Modern Treasury to connect to their own bank accounts at over 40 banks and initiate payments that, in turn, rely on the Federal Reserve's financial services as the backbone for the nation's payment system. Our customers hail from a wide variety of industries and include investment firms, brokerages, title companies, payroll companies, benefits platforms, bill payment services and working capital providers. The expanded hours would serve as a catalyst for payments innovation across the U.S. economy, and private-sector companies, like Modern Treasury, and broader market participants can leverage the foundation of longer operating hours to settle safely and efficiently.

Please see below Modern Treasury's response to select questions from the proposal:

**Benefits, Sources of Demand and Private-Sector Innovation (questions #1-3 in the Federal Register Notice).**

- **Time-critical, High Value Transactions:** If expanded hours were available to and supported by banks, then time-critical, high-value wire transactions – like real estate purchases and multi-million dollar invoices – can benefit from timely settlement of good funds when convenient to businesses and consumers, including over weekends. For example, property buyers can transfer deposits to an escrow account as soon as an offer is accepted, which means real estate agents would not need to hold and deliver checks later. Likewise, property sellers can receive sales proceeds immediately, which allows them to turn around quickly to purchase another real estate property. Modern Treasury already supports customers making payments over weekends through the FedNow Service and RTP, but high-value payments can exceed the transaction limits of those rails. Weekend wire coverage could unlock significant benefits to US businesses, and we believe that, in time, demand for these services will be widespread. Modern Treasury's platform would be well-suited to support these transactions on behalf of our customers.

- **Managing Liquidity Risk:** Expanded hours would also allow organizations to more effectively manage liquidity and yields in real time across different accounts through weekend sweeps. Potential applications for businesses include just-in-time funding of business operating accounts, internal money movement across corporate affiliates, and managing payroll risk.
- **Vendor-Supplier Relationships:** Expanded windows would also help corporates pay vendors and suppliers over weekends. For example, small businesses can pay for emergency repairs or make just-in-time payments over the weekend, providing flexibility that is often critical to establishing credit with new vendors and suppliers. This can foster better relationships, improved operational liquidity and continuity of services with last-minute payments. Modern Treasury's platform would allow businesses to conduct automated reconciliation and ledgering required to initiate and track these payments over weekends.

#### **Successful Deployment and Enhancements (question #11 in the Federal Register Notice).**

- **Participant Directory.** As the windows expand, Modern Treasury strongly supports the Federal Reserve publishing a public participant directory listing which banks are open for transactions at which times, as referenced in Section III, Part C of the Federal Register Notice. Our customers can work with one or many of the 40+ banks that Modern Treasury supports. Knowing which banks are open for business will be key for customers seeking the advantages of weekend coverage and for Modern Treasury as their service provider. The Federal Reserve has offered ancillary tools, such as payment notification features and the E-Payments Routing Directory; a public participant directory would build on these existing offerings to help users navigate and make informed decisions in their payment processing. In addition, Modern Treasury encourages the Federal Reserve to consider offering developer resources for the industry and the broader developer community to build platforms that automate access to key service information, including directory information, and enhance flexibility and efficiency in managing transactions. These initiatives would help the banking industry and broader economy realize the full benefits of expanded hours.
- **Industry engagement and collaboration.** Expanded hours is an important facet of modernizing the nation's payment system. To realize its broader and far-reaching benefits across the U.S. economy, collaboration and regular engagement with industry participants will be critical. Modern Treasury supports the creation of a user group for the expanded windows for Fedwire and NSS, broadly consisting of a diversity of participants in the payments ecosystem. Such a user group could help drive adoption of expanded hours, inform the continued evolution of the services, and catalyze innovation. This would promote collaboration and engagement among banks, businesses and service providers on the benefits, use cases and adoption of the expanded hours. Modern Treasury would be pleased to participate in new user groups and forums regarding the expanded operating hours for Fedwire and NSS.

Modern Treasury appreciates the opportunity to submit these comments and welcomes the opportunity for further discussions.