

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

Description:

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From: Peoples National Bank, N.A., Suzy Morris

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Comments:

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Your comment: Peoples National Bank, N.A (PNB) can understand the request to change, especially as other rails are being stood up. However, the biggest overall gain could be from liquidity management, which the new FedNow rail and added windows for ACH provide the ability for these gains to be met. PNB is a \$1.8 billion dollar community bank with under 300 employees. With the expansion for NSS to 22x3x365 there are several factors that go into the fact that we do not support the change. Even with an opt in or optional participation, there would be the need for a community bank to stay competitive. A large national bank may easily be able to make the change, therefore a community bank would feel pressured to stay competitive and offer similar solutions for their clients. Additionally, currently we do not see the customer demand for processing Fedwire transactions outside of current options. PNB and other community banks would also would not be able to staff to support the NSS expansion to 22x7x365. Outside of competitiveness and staffing concerns, there is the core bank technology that would need to be updated to be able to support and based on the timeline, we do not believe that this would be able to be completed. PNB believes there is already a solution to this using FedNow for 24x7x365. Perhaps making this a requirement vs an opt in could provide the solution for liquidity management as well as customer access to transact. PNB is supportive of the growth and change of the U.S. payments system, however not the expansion of the NSS operating hours.