

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

Description:

Comment ID: 160692

From: Members 1st Federal Credit Union, Kevin Burke

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

Comments:

NONCONFIDENTIAL // EXTERNAL

To whom it may concern,

Members 1st Federal Credit Union is submitting their objection to the proposed rule for the Fedwire Funds Service and the National Settlement Service expansion of operating days. Below are the reasons we feel this proposed rule would not be beneficial to smaller and midsize Financial Institutions:

* The proposed rule provides an unfair competitive advantage for larger FIs that can absorb the cost of FTEs, processing and turnover to staff, caused by expanded operating windows.

* Expected expanded hours for the following divisions include, but not limited to: AML, EFT, Finance, Customer Service, Branch

* Historically, retention for associates working part time, weekends and holidays is lower than ones working normal operating hours, M-F.

* If the optional windows became required in the future, this could severely impact the small to midsize FI's operations and bottom line.

* The need for expansion of operating hours is not needed in smaller markets due to primary business occurring M-F and many businesses being closed Sundays and holidays.

* The cost greatly outweighs any potential benefit for the local communities that we serve.

* The proposed rule appears to blur the lines of what each payment rail (RTP, FedNOW, ACH and Wires) offers and degrades the value of each service.

* The proposed rule makes it difficult to package and price services into specialized product offerings

(like a reward checking) that could provide benefit to loyal members.

* The proposed rule would cause an increased risk of ACH and wire fraud on holidays and weekends, which are typically targeted by fraudster and is currently limited to debit and credit cards. This increased fraud risk also impacts staffing, and the financial institution bottom line.

Thank you and I hope you have a great day.

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