



# Maine Credit Union League

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Ann Misback  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue NW  
Washington, DC 20551

Re: Docket Number OP-1831

Dear Ms. Misback:

The Maine Credit Union League (MCUL) appreciates the opportunity to submit comments to the Board of Governors of the Federal Reserve System (the “Fed”) in response to the proposed expansion of the operating hours of the Fedwire Funds Service (Fedwire) and National Settlement Service (NSS).

MCUL represents all of Maine’s 49 credit unions, with over 733,000 members. Maine’s credit unions are relatively small compared to other states. Our largest credit union is just over \$1 billion in assets, and the average Maine credit union is just over \$150 million in assets. It is from this smaller, rural-based credit union perspective that we share our comments in opposition to the expansion of the Fedwire and NSS hours.

## Staffing Issues

Like many employers, Maine credit unions are currently struggling to find an appropriate level of staffing and the expansion of these services would exacerbate that issue. Contributing to the very tight labor markets is the fact that Maine remains one of the oldest states in the nation. The expansion of the operating hours would necessitate an increase in staff. In order to have appropriate internal controls, credit unions would need three employees to initiate, review, and post transactions.

## Vulnerability to Fraud

Any expansion of services outside the traditional operating hours has the potential to increase the amount of fraud seen by the industry. When there is a reduction in supervision, the risk of

internal fraud increases. On the external side of wire transfers, business email compromise is rising and fraudsters often attempt to take advantage of off-hours to defraud institutions. Though staff can be trained to confirm the transaction through an alternative method, there is increased risk as wire transfers are initiated later in evening and other staff may be difficult to contact. Fraud of all types is already a major concern for credit unions and an increase in fraud is likely to have a detrimental effect on the bonding costs and the viability of any financial institutions.

#### Consumer Protection

The expansion of these programs is extremely likely to increase the number of overdrafts that members experience. This may lead to an increase in overdraft fees or to an increase in returned charges. Members are not likely to significantly alter how and when they fund their accounts; traditionally, during work hours; and the opportunity for a mismatch of payments and funding has the potential to be problematic for consumers. In addition, members who are the victims of a scam are far less likely to have it spotted by their credit union staff who might be able to question the transaction and reach out to the member.

#### Difficulty for Small Institutions

Smaller credit unions are far less likely to be able to quickly ramp up their offerings. The cost associated with additional staff, training these staff, and staffing the credit union outside of traditional business hours can quickly cut into the thin margins of small member-owned institutions. Though the expansion is optional, this would deepen the divide between small community based financial institutions and large national banks. Maine has a vibrant banking industry made up of many small and medium sized local financial institutions. This high level of competition provides consumers with a plethora of options and personalized service. Increasing costs or normalizing certain services are extremely likely to have a detrimental impact on the continued success of small institutions.

We appreciate your attention to our comments on this matter and ask that the Federal Reserve not expand the operating hours of Fedwire Funds Service and National Settlement Service.