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Via Email: regs.comments@federalreserve.gov. *Include docket number in the subject line of the message.*

Ladies and Gentlemen:

The following comments are submitted on behalf of the Independent Bankers Association of Texas ("IBAT"), a trade association representing nearly 400 independent, community banks domiciled in Texas.

The new proposal has two major initiatives. One outlines a Real Time Gross Settlement (RTGS) plan for settlement of payments 24/7/365. The other involves a 'liquidity tool' the Fed says could increase banks' participation in a RTGS by limiting exposure that can arise outside of normal business hours.

There is no doubt that larger regional and nationwide banks are already advancing systems and technology allowing for faster payments – 24/7/365 – like *Zelle*. Those banks have made the strategic decision that they can't afford to wait for the Fed to act. The end result will be a fragmented system that restricts access, limits competition and creates a competitive disadvantage for community banks. If a community banks wants to participate, it will have to turn over customer information to the nation's largest banks.

That leaves community banks relying on the Fed before deciding on a strategy. Community banks simply don't have the resources to develop a 24/7/365 common infrastructure that will be compatible and universally accepted. Absent the Fed, community banks could be squeezed out of strategic options to the detriment of the community banking industry and their customers.

Additionally, since real-time payments are irrevocable and immediate, community banks are understandably highly sensitive about managing fraud. The Fed is a known, trusted player, and community banks are looking for more formal guidance on how to adopt faster payment capabilities, something only the Fed can provide.

Texas community bankers support all efforts by the Fed to develop a 24-7 payment-by-payment interbank settlement using RTGS that both minimizes risk and maximizes efficiency.

Sincerely,

A handwritten signature in black ink, reading "Christopher L. Williston". The signature is written in a cursive style with a large, looping initial "C".

Christopher L. Williston, CAE
President and CEO