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Submitted via email: comment@fedpaymentsimprovement.org

December 13, 2013

Federal Reserve Banks

Re: Input on the "Payment System Improvement" Public Consultation Paper

Dear Federal Reserve Banks:

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on the "Payment System Improvement" Public Consultation Paper. As a matter of background, GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 139 Georgia credit unions that have over 1.9 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

In general, GCUL supports the Federal Reserve Banks' "end-to-end" approach to improving the U.S. payment system. As credit unions are already overburdened with regulatory requirements, we support a payment framework that facilitates the latest in payments, without new regulatory restrictions.

Credit unions provide a variety of payment services to their members, which can include: credit, debit, and prepaid cards, checks, wire transfers, and Automated Clearing House (ACH), mobile payments, person-to-person (P2P) payments, and other services

Some points we would like to address:

- The Fed Banks should continue to work and coordinate with, the Consumer Financial Protection Bureau (CFPB), Federal Reserve Board, NACHA – The Electronic Payments Association, other regulators, and policymakers to facilitate payment services provided by credit unions, and ensure that credit unions will not be impacted by new regulatory restrictions, including with overdraft protections.
- We urge the Fed Banks to fully consider the potential costs and impacts on credit unions and other smaller institutions, as well as potential benefits, with any approaches to move towards

“ubiquitous near-real-time payments.” We don’t want to see credit unions negatively impacted by changes.

- We agree the Fed Banks should continue to act as a major service provider to the interbank market for financial institution payment services.
- The Fed Banks should continue to collaborate with industry to look at different ways to enhance payment security and to reduce fraud.
- We advocate for higher data security standards that apply to merchants.
- The Fed Banks should consider additional education opportunities to inform consumers, businesses, and others about payments security, and on fraud prevention.
- Credit unions are interested to learn more about how a directory would work, but are concerned with any associated costs to use the directory, and how the directory would be updated and maintained, as well as other operational and risk management considerations.
- We ask that the Fed Banks collaborate and work with regulators, financial institutions, and others on potential improvements to international payments.
- Some credit union have expressed that the 10-year timeframe for eliminating check payments is too long. They believe a shorter time period would be more practical because of the changes taking place, almost daily, with technology.
- Credit unions recommend that the Fed Banks or another governing body oversee the payment process, and that rules be established, similar to NACHA and ACH. This way, one agency would set the necessary industry standards to ensure consistency.
- Credit unions feel that shifting to near-real-time payments, would be more beneficial to consumers, merchants, and the U.S. economy.

Georgia credit unions welcome the idea of an improved payment system, especially in keeping the U.S. markets in step, or ahead of other nations. However, we are concerned with regulatory and other changes that might negatively impact or place unnecessary burdens on credit unions.

We look forward to the Fed Banks’ white paper in 2014, and implementing an improved and efficient payment system in the future.

GCUL appreciates the opportunity to present comments on behalf of Georgia’s credit unions in regards to Payment System Improvements. Thank you for your consideration.

Respectfully submitted,

A handwritten signature in cursive script that reads "Selina M. Gambrell". The signature is written in dark ink and is positioned above the printed name.

Selina M. Gambrell

Compliance Specialist