

State regulators support the Federal Reserve creating and operating FedNow

Nov 07

State regulators support the Federal Reserve Board's decision to develop a new faster payments system called FedNow service. This service will provide the infrastructure needed to achieve ubiquitous, safe and efficient faster payments in the United States, CSBS wrote in a [comment letter](#) today.

In the letter, CSBS covered:

- Its broad and longstanding support of the Fed's role in operating U.S. payment systems.
- How the Fed's unique capabilities will ensure equitable and ubiquitous access to faster payments services, such as the ability to reach and coordinate with the over 10,000 financial institutions in the US.
- State regulators' support for limiting direct access to Federal Reserve services to depository institutions.
- Issues that the Fed should study as it implements and operates FedNow, including its effect on the composition of the banking industry.