[Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests](#)

COMMENT LETTER

Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests

July 24, 2026
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Benjamin W. McDonough, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551
Docket No. OP-1878

Re: *Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests*

The Conference of State Bank Supervisors ("CSBS")[1] provides the following comments on the notice and request for comment issued by the Federal Reserve Board (the "Board") entitled *Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests*.[2] In the notice, the Board proposes revisions to the Account Access Guidelines ("guidelines") and Federal Reserve Policy on Payment System Risk ("PSR Policy") for the provision of payment accounts, special-purpose accounts held at Reserve Banks for clearing and settling payments.

While broadening access to Federal Reserve payment services has the potential to promote competition and payments innovation, it may also introduce new operational, liquidity, settlement, and systemic risks. For the Board to achieve its policy objectives while mitigating any attendant risks, it is essential that payment account application standards be transparent, objective, and applied consistently across similarly situated institutions of different charter types and business models and that the Board and Reserve Banks optimize information sharing with state regulators.

The revised guidelines would apply the existing tiered review framework for master account access to institutions seeking a payment account. Under this framework, the Reserve Banks would subject payment account applicants to one of three levels of scrutiny based on whether they are federally insured and whether they are subject, by statute or by commitment, to Federal Reserve supervision at the holding company level. While the guidelines are an important instrument for standardization across Reserve Banks, they do not clearly define what it means to "commit" to holding company supervision by the Federal Reserve and how such a "commitment" might be obtained. Given the current lack of clarity, it is conceivable that committing to holding company oversight may not be offered to the same extent or on equal terms across the parents of payment account applicants of different charter types or with different business models. Therefore, the Board should clearly define the process by which an institution's holding company may "commit" to Federal Reserve oversight, including any limitations or restrictions on eligibility, and what entering such a "commitment" entails.

Additionally, as payment account applications are processed, similarly situated institutions may be subject to disparate or inequitable treatment based on the extent to which Reserve Banks rely on examinations conducted by their primary regulator. Specifically, while revised Section 1 of the guidelines directs the Reserve Banks to consider "assessments of an institution" by their primary regulator, Reserve Banks may, in practice, place more reliance on certain regulators' assessments than others, even for institutions that fall within the same tier of review. Implementing the guidelines in a manner that skews in favor of one institution over another based on who they are supervised by would undermine competition in the payments marketplace and discourage further financial innovation. Therefore, the Board should proactively monitor implementation of the revised guidelines to ensure that they are applied fairly and consistently for all similarly situated institutions and encourage Reserve Banks to be transparent regarding how different regulators' assessments are considered.

The Board's guidelines should also stipulate that Reserve Banks implement robust information sharing and coordination processes with the primary regulators of prospective or approved payment account holders, including, when applicable, state regulators. Information sharing and coordination should not only pertain to application decisions; it should also cover any conditions imposed in or after approving an application, such as the case-by-case risk mitigating terms that may be imposed per the revised PSR Policy. Likewise, information sharing should cover material changes to account conditions and significant supervisory concerns. Because state regulators have the most comprehensive understanding of a state-supervised institution's business model and risk profile, ongoing coordination would improve supervisory effectiveness and support timely risk identification.

In sum, CSBS encourages the Board to finalize a framework that promotes responsible innovation while safeguarding payment system stability. To achieve these objectives, the Board should clarify the standards governing commitments to Federal Reserve holding company oversight, ensure consistent treatment of similarly situated institutions, and promote strong coordination and information sharing with state regulators.

Sincerely,

Brandon Milhorn

President & CEO

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  CSBS is the nationwide organization of state banking and financial regulators from all 50 states, the District of Columbia, and the U.S. territories. The views presented in this letter may not reflect the policy of individual states.

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  See Federal Reserve Board, Notice and Request for Comment, *Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests*, 91 Fed. Reg. 30627 (May 26, 2026).

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