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United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

November 19, 2019

The Honorable Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Chair Powell:

We write to express our strong support for the Federal Reserve's proposal to create "FedNow," a settlement and clearing service to support real-time payments in the United States. Real-time payments would result in significant economic benefits for working families and small businesses. Currently, the largest Wall Street and foreign banks control the only real-time payment system. FedNow would level the playing field for community banks and credit unions by providing guaranteed access to institutions of all sizes.

Since its inception, the Federal Reserve has facilitated the United States payment system, and real-time payments are no exception. In fact, The Clearing House's Real Time Payments network would not be feasible without the Federal Reserve's capabilities and cooperation. A single real-time payments system run by the biggest banks would place too much control over critical public infrastructure in the hands of Wall Street interests, harming fair competition and increasing financial system risk. We agree with community banks, credit unions, and consumers that the Federal Reserve must provide a universally accessible, real-time payments system to address these concerns and ensure fairness for Main Street. FedNow will promote competition, increase financial stability, and reach all depository institutions and consumers.

The Federal Reserve's continued involvement in payments is critical to ensuring the long-term viability and resiliency of the United States payments system. This is especially true at a time when not only the biggest banks, but also the biggest technology companies and foreign countries are seeking to increase their market power in ways that has serious consequences for our financial system. We applaud the Federal Reserve for taking this important step, and we urge you to continue your work to ensure a safe and secure real-time payments system for all Americans.

Sincerely,



Sherrod Brown
Ranking Member
Committee on Banking, Housing, and
Urban Affairs



Chris Van Hollen
Ranking Member
Subcommittee on Securities, Insurance, and
Investment



Elizabeth Warren
Ranking Member
Subcommittee on Financial Institutions and
Consumer Protection