

**Meeting Between Governor Bowman and Staff of the Federal Reserve Board and
Representatives of State Bankers Associations
September 29, 2021**

Participants: Governor Michelle W. Bowman, Ann Misback, Ben Olson, Alexandra Fernandez, Alyssa O'Connor, Timothy Geishecker, Todd Vermilyea, Amy Henderson, Amy Koontz, Amy Gwilliam, Brian Chernoff, Carolyn Welch, Dan McGonegle, Dania Palosky, Elena Falcetooni, Eric Belsky, Evans Muzere, Jacquelyn Smith, Jason Hinkle, Jean Whyte, Jennifer Burns, Jinai Holmes, Karen Caplan, Kathy Wilson, Katie Ross-Foster, Kryzstof Wozniack, Lacy Douglas, Larkin Turman, Lilian Villarroel, Madelyn Marchessault, Margaret Shanks, Maria Ling, Mark Manuszak, Melissa Leistra, Neha Contractor, Nitish Sinha, Vivian Wong, and Yao-Chin Chao (Federal Reserve Board)

Gordon Fellows (Mississippi Bankers Association); Bob Glover (The Peoples Bank of Ripley); Kurt Knutson (Freedom Bank); Rose Oswald Poels (Wisconsin Bankers Association); Clem Rosenberger (NexTier Bank); Glen Simecek (Washington Bankers Association); Doug Wareham (Kansas Bankers Association); other representatives of state bankers associations (State Bankers Associations)

Summary: Governor Bowman and staff of the Federal Reserve Board met with representatives of several state bankers associations to discuss various regulatory and supervisory matters affecting community banks. During the meeting, a representative noted significant opposition to the Federal Reserve Board's notice of proposed rulemaking on Regulation II (Docket No. R-1748) from community bankers, many of whom have requested that the proposal be withdrawn. This representative expressed concern about the potential burdens – including costs associated with compliance and increased fraud protection – that the proposed changes might inadvertently place on financial institutions.

Another representative expressed support for the Federal Reserve Board's Proposed Guidelines for Evaluating Account and Services Requests (Docket No. OP-1747), particularly in light of increased requests from entities with novel charters for master accounts at, or access to payment systems offered by, Reserve Banks. The representative noted that a transparent and uniform process for granting direct access to payment services could help mitigate risks to both the consumer and the overall stability of the banking system.

In addition, one representative expressed support for the Proposed Interagency Guidance on Third-Party Relationships: Risk Management (Docket No. OP-1752). The representative noted that risk management practices are a critical component of bank operations, and that consistent guidelines from the Federal Reserve Board, Office of the Comptroller of the Currency, and Federal Deposit Insurance Corporation would help financial institutions more efficiently perform due diligence on prospective third-party service providers.