

FASTER PAYMENTS TALKING POINTS FOR FEDERAL RESERVE TOWN HALL MEETINGS

October 26, 2018

- Provide your name and title, bank's name, bank's location, city and state, and a brief description of your bank.
- Be sure to tell your bank's story. This should include your efforts and/or ability to access faster payment systems such as Zelle, owned and operated by the nation's largest banks.
- Provide your perspective on what obstacles exist for your bank as you migrate toward faster payments. Note that many of your customers are already using faster payment services provided by non-banks such as Venmo and PayPal.
- Community banks need equitable/universal access to real-time payment systems to match increasing customer expectations that all banks offer safe and secure payments to anyone, anywhere, at any time and with immediate funds availability.
- While there are real-time payment applications in operation or under development, the work of the Federal Reserve's Faster Payments Task Force suggests that none are likely to reach all financial institutions.
- Applaud the Federal Reserve's payments system improvement efforts.
- Strongly support the Federal Reserve developing a 24x7x365 Real Time Gross Settlement Service (RTGS) for faster payments. Note that RTGS would open settlement services to more parties, reduce interbank settlement risk and potentially simplify clearing functions.
- Encourage the Fed to design RTGS to support interoperability with its ACH and wire transfer systems as well as any private-sector faster payments offerings (e.g. Real-Time Payments (RTP)).
- Strongly support the Federal Reserve developing a liquidity management tool to complement its RTGS. With this tool, community banks would be able to settle real-time payments without the need to staff their funds management functions 24x7x365.

- Strongly encourage the Federal Reserve to further support faster payments with new operational roles comparable to its roles in providing safe, secure and ubiquitous (universal) access for all of the nation's financial institutions to check, ACH and wire services.
- Strongly encourage the Federal Reserve to develop and operate a payments directory linking financial institutions, as well as any private-sector payments directories. In this role, the Federal Reserve would:
 - provide an on-ramp or a bridge to real-time payments, leveraging its connectivity among financial institutions to provide all financial institutions access to real-time payments;
 - drive adoption of real-time payments for all financial institutions and their customers; and
 - provide a platform for payments innovations for years to come.
- Express concern about the repercussions if the Federal Reserve does not commit to serving in an operational role in the development of an improved payments system. Without the Federal Reserve linking together the nation's financial institutions and/or playing a significant operational role in the creation and implementation of the new faster payments rail for the country, the much-needed goals of safety and universal and equitable access will not be achieved, thereby, placing thousands of community banks and their customers at a competitive disadvantage.
- Strongly encourage the Federal Reserve to make expeditious decisions regarding its roles in supporting real-time payments to remove the cloud of uncertainty.

For more information, visit the Federal Reserve's payments improvement website – www.fedpaymentsimprovement.org and read [ICBA's 2017 industry letter](#).