FedNow & Real-time Payments – Tabletop 3

Background
Faster payments are becoming table stakes in the US. More than 54% of DDAs can now be reached by TCH’s RTP network, with millions of transactions being processed monthly. In August, the Fed announced a phased-approach to launching FedNow, with the first availability of a set of core features around 2023 or 2024. There’s growing consumer and business demand – according to a new study, 81% expect real-time payments to dramatically transform the way business is done. What’s more, 24% of consumers say they would switch financial institutions for access to real-time payments. This means that community banks can’t afford to sit on the sidelines – leading community banks are including faster payments in their strategic plans.

Discussion Questions
1. What is the value to your bank of an instant payment?
2. Are you currently seeing customer demand for real-time payments?
3. Does your bank plan to participate in FedNow?
   o As both a sender and a receiver or as receive-only?
   o Are you planning to participate in the Fed’s pilot program?
4. How does FedNow’s proposed 2023/2024 timeline impact your plans for instant payments?
5. What are the “gating factors” or barriers that might influence your decision about offering real-time payments?
6. Would you consider offering alternatives (e.g., a private sector provider [RTP® or Zelle®] or card-based faster payments [Visa Direct/Mastercard Send®]) while waiting for FedNow to go live?
7. Would your bank consider using an agent (like a banker’s bank) to provide liquidity management services?
8. What is the overall value of interoperability between FedNow and TCH’s RTP?
9. When will the U.S. achieve ubiquitous adoption of real-time payments?

Reading Material
- “A New Look at Faster Payments post COVID-19” ICBA Bancard webinar
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- Faster Payments: An Overview of Options for Community Banks ICBA Payments Executive Brief
- FedNow® Community Resources