



## *FPC Member News*

# *Tackling the Challenges in Today's Faster Payments Environment*

## Letter from the Executive Director



In tackling faster payments in the United States, we're all met with a number of challenges, but these challenges open doors to new potential. We're taking on a daunting task, and we are making history in the process. We're imagining a new way of doing business, a new way for our economy to operate. And that's not something that will happen overnight. But one thing I've learned over the years is that we can't succumb to inaction because a task is too complex or may take a long time. The way forward is one step at a time. And that is the philosophy that we have adopted at the FPC.

For example, take regulation. Today, there are countless laws and regs that govern faster payments. But some of the trickle-down details—from protections to questions on emerging solutions—are still somewhat murky for varying stakeholders. That's why our Regulatory Work Group is developing a comprehensive resource that provides specifics around the purpose, significance, and impact of laws and regulations governing faster payments.

And hand-in-hand with compliance comes risk management. This remains a daunting task in an environment where fraudsters continue to shift tactics in an attempt to remain one step ahead of us. To address that point, the Fraud Information Sharing Work Group will soon be releasing its first white paper highlighting current fraud themes and trends, and the practices and solutions to prevent fraud in a faster payments environment. Tools like this support sound risk mitigation and a safer, more secure faster payments system.

And finally, interoperability continues to be called out as a big challenge for our industry. But this, too, we are taking on, in a measured way. Earlier this month, our Network Committee shared with members a thorough overview of the ways in which we can connect networks together to achieve interoperability. While this doesn't necessarily solve the interoperability challenge, it serves as a solid foundation to spur the additional dialogue and discussion needed to get us there. The FPC's full interoperability primer will be released in the coming weeks.

So, while we are definitely cognizant of the magnitude of the challenges we face in fulfilling our mission and establishing the FPC as a foundational resource for the industry, the FPC is resolute. We are heading forward and, with your support we will continue to find ways to foster adoption and usability of faster payments.

## FPC Town Hall Series Completes, Glenbrook Webinar Slated for June

This month, FPC members had an opportunity to get an insider's look into the FPC Work Groups and a sneak peek at the Network Committee's first deliverable: the Faster Payments Interoperability Primer, through our [two virtual Town Hall events](#).

On May 6, the chairs of the Education and Awareness, Regulatory, Directory Models, and Fraud Information Sharing Work Groups, shared details about the goals and objectives of their respective Groups and the work efforts each is currently working on. From launching comprehensive faster payments resource sites to developing the best practices to address common industry issues, the FPC Work Groups have been busy addressing the barriers hampering the advancement of faster payments. While the Town Hall shed light on some of the inner workings of our Work Groups, the recent [FPC blog](#) published that discusses a number of recent Work Group deliverables also provides additional insight into what's been happening with various Work Groups. So, if you haven't checked it out, please do so.



And while our Work Groups have been hard at work, so, too, has our Network Committee. The Network Committee is comprised of members from the network operator segment – those entities that facilitate payments through today's payments systems. As such, the Committee has been tasked with looking at such topics as interoperability. And on May 20, the Committee presented details from its Interoperability Primer research effort. The Primer takes a comprehensive look at the various models that can connect payments systems together, such as the Point-of-Origin Model, Network-to-Network Model, Intermediary Model and more, and how settlement could work in various models. While the goal of the Primer is not to identify a preferred model or method for interoperability for the U.S. faster payments system, it serves as the foundation to further dialogue and discussion around this multifaceted topic. Ultimately, it might very well be a mix of approaches required to achieve interoperability here in the United States. Be sure to check it out once the Primer is officially released in a few weeks.

The Town Halls have given us, as members, a lot to be proud of and to also consider and evaluate. It is very clear that the work we are doing here in the FPC is not only important to the industry, but vital to the success of faster payments.

If you missed either of the May Town Hall events, members can access the presentations and recordings in the Members Area of the [FPC website](#). Please be sure to complete the [Town Hall survey](#) today if you haven't already done so.

Our FPC virtual events will continue on June 17 with Glenbrook Partners. As part of the FPC's Faster Payments Barometer study, Glenbrook will be presenting preliminary analysis from its qualitative research with billers and financial institutions around the faster payments bill payment use case. Registration details will be coming soon.

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## FPC Announces New Board Members



The FPC is [pleased to announce](#) the newest members of the Board of Directors. Newly elected and re-elected members include **John Drechny**, Merchant Advisory Group; **Stuart Dwyer**, Microsoft; **Tom Feltner**, Center for Responsible Lending; **Kim Ford**, Fiserv; **Matt Howarter**, Walmart Inc.; **Steve Ledford**, The Clearing House; **Robert Palmer**, Community Bankers Association of Ohio; **Carl Slabicki**, BNY Mellon; **Peter Tapling**, PTap Advisory, LLC; and **Pat Thelen**, Ripple.

We look forward to working with them and existing Board members to continue to execute our mission and enhance the FPC member experience.

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## FPC Seeks Nominees for Board Advisory Group

The FPC is seeking nominations for a newly established Board Advisory Group. The Board Advisory Group will advise the FPC Board of Directors and FPC Staff by providing additional perspectives outside those represented on the Board and assisting the FPC in capitalizing on and responding to trends in the faster payments market.



Board Advisory Group participants must be a member, or an employee of a member, in good standing with the FPC. Interested parties must apply for a seat on the Advisory Group and be approved by the Board of Directors.

If you're interested in learning more or applying to become a member of the Board Advisory Group, please complete the nomination form found in the [Members Area](#) of our website or reach out to Reed Luhtanen at [luhtanen@fasterpaymentscouncil.org](mailto:luhtanen@fasterpaymentscouncil.org).

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## Save the Date: Fall Member Meeting Sept. 15-16



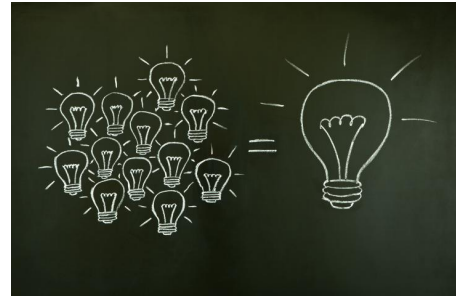
Mark your calendars now for our Fall Member Meeting taking place on September 15-16, 2020. Given the current and anticipated developments related to the COVID-19 pandemic, this event will take a different shape than our traditional in-person format. Nonetheless, please save the date as the goal is to be able to engage and connect with you on important FPC matters during this time. Stay tuned for more details.

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Support Development of FPC's Faster

# Payments Initiatives

FPC members are strongly encouraged to participate in our Work Groups. Through Work Groups, you have an opportunity to influence the future of faster payments. You can help shape the solutions that will help define the future of faster payments in the United States. So, if you have not joined a Work Group, please take a look at the [many Work Groups](#) we have available and consider becoming part of one (or more).



We are constantly evaluating the needs and opportunities of our industry and are standing up new Groups, as necessary. If you have ideas for other Work Groups, we'd love to hear them. Reach out to [memberservices@fasterpaymentscouncil.org](mailto:memberservices@fasterpaymentscouncil.org) with your suggestions.

## FPC Work Groups Advance Efforts



Our FPC Work Groups have been hard at work this month, focusing on tangible actions and results, summarized below.

***Cross Border Payments Work Group*** – With its chair, Kelvin Leung, vice president at Mastercard, in place, the Group is taking initial steps towards its goal of identifying what is needed to create an environment to

support faster cross-border payments. To kickstart its efforts, the Group is conducting a review of current and emerging infrastructure models, an assessment of use cases and user experiences relevant to real-time payments and cross-border payments, and an analysis of lessons learned. Additional work efforts and outputs are being considered.

***Education and Awareness Work Group*** – The Group is making progress on its next content deliverables to include a Faster Payments Glossary of Terms, a Faster Payments Use Case document, and a Faster Payments Solutions resource, which will categorize solutions according to the following: Network Solutions-Financial Institutions, Core Banking- Provider Solutions, Financial Institution Ecosystems Solutions, Non-Bank Specific Solutions, and Cross-Border Solutions. Once finalized, these resources will be made available for all FPC members.

***Fraud Information Sharing Work Group*** – Through its subgroups, the Group is finalizing content for the two main focus areas of its white paper: “Fraud Trends and Themes” and “Fraud Prevention Practices and Solutions.” The Group is currently identifying leads to compile the two sections into one document to unify the content into one voice and ensure proper flow. The Group is targeting June 2020 for release of the final paper.

***End User QR Code Interface Work Group*** – Chaired by Matt Howarter, senior director payments services at Walmart, the Group is actively working to identify the existing QR Codes used to facilitate faster payments. Leveraging this information, the Group will seek to outline the necessary components of a QR code to facilitate faster payments in the United States, ultimately providing a template and testing environment for financial

institution and end-user use in early 2021.

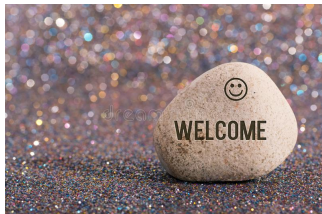
**Regulatory Work Group** – The Group finalized a new PowerPoint layout for its extensive resource that provides an overview of the current U.S. faster payments laws and regulations. The PowerPoint format organizes content by topic, and uses a visually appealing display to outline applicable laws and rules related to the topic, purpose and relevance to faster payments, and impact on end users. The Group is developing “micro teams” to align the remaining laws and regulations with the newly adopted format to speed completion of the work effort.

**Directory Models Work Group** – The Group, which is now working to identify best practices to industry issues, has identified the topics/issues it will tackle first. Currently, the Group is working through the topic of tokenization and is outlining the issues/challenges around tokenization and potential solutions. Next, it will focus on bill payments, AP Systems, Authentication, Governance, and debit pull and credit push payments.

*Please note that we are currently seeking volunteers to support FPC Membership and Marketing efforts. If you have experience in Communications, Marketing, and/or Membership Engagement/Sales and would like to lend your skills to a new Marketing Committee, please reach out to Elizabeth Grice at [egrice@fasterpaymentscouncil.org](mailto:egrice@fasterpaymentscouncil.org).*

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## FPC Welcomes New Members



The FPC would like to welcome its newest members: **ABTC Corp.**, **Baton Systems**, and **MetaBank**. Our members are the reason the FPC exists. Your contributions, passion, and support allow us to advance our efforts and make progress on our goal of ubiquitous faster payments in the United States.

As such, we thank you for making the commitment to the Faster Payments Council and helping make our vision a reality.

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## FPC Members Respond to Coronavirus

May is Small Business Month, a time to honor the 30 million small businesses and the people who run them. While typically a celebratory time and a time when small businesses might see an increase in customers/ revenue, the novel coronavirus has left many small businesses struggling and unsure of their future and the future of their employees. But the Small Business Administration (SBA) Paycheck Protection Program (PPP) has provided a level of support to assist small businesses and their employees during these uncertain times and many of our members have developed resources to support greater understanding of and use of the program.



The Independent Community Bankers of America (ICBA) has established a dedicated resource page in support of the PPP that includes latest news, frequently asked questions, program overview details, lender and borrower documents, and instructions and guidance. The resource can be accessed by visiting <https://www.icba.org/news/Crisis->

[Preparedness/coronavirus-response/ppp-and-lending.](#)

The American Bankers Association has created a [SBA Paycheck Protection Program resource page](#) that provides information about the program, the latest rules and guidelines for lenders to participate, and other relevant information.

Also, many member banks and lenders are supporting small businesses and the PPP by serving as entities accepting PPP applications. Thank you to all the FPC members who put in countless hours—and continue to—to navigate the ins and outs of this program and support small businesses.

If your organization has additional coronavirus or PPP resources we can share, please email [egrice@fasterpaymentscouncil.org](mailto:egrice@fasterpaymentscouncil.org).

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## We Value You as an FPC Member!



Thank you for your engagement and commitment to advancing faster payments.

If you have any questions, please contact us at [memberservices@fasterpaymentscouncil.org](mailto:memberservices@fasterpaymentscouncil.org) and visit [fasterpaymentscouncil.org](http://fasterpaymentscouncil.org).

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## Faster Payments Council

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