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MEETING

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Education & Awareness

Faster Payments Use Cases, Solution Providers,
FAQs, Terms and more....

Work Group Concurrent Session
March 4, 2022

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Education & Awareness Work Group



Charles Harkness, Sr. Vice President
Corporate One Federal Credit Union
EAWG Chair



Steve Wasserman, CEO
Payments, Inc.
EAWG Vice Chair

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Presenters



Charles Harkness
Senior Vice President
Corporate One Federal Credit Union



Steve Wasserman
CEO
Vments, Inc.



Kathy Feringa
Vice President, Member Product Support
Alloya Corporate Federal Credit Union



Beatriz Saldivar
Global Payments Advisor
KYRIBA



Glenn Wheeler
Vice President – Payments Strategy and Product Innovation
Catalyst Corporate Federal Credit Union



Beverly Kennedy
Executive Director Payments
J.P. Morgan

Session Agenda

| Deliverables | Sub-group Chair |
|----------------------------|----------------------------------|
| Use Cases | Steve Wasserman |
| Solution Providers | Glenn Wheeler |
| Frequently Asked Questions | Beverly Kennedy |
| Glossary of Terms | Beatriz Saldivar / Kathy Feringa |

| Planned Activities |
|--------------------|
| Town Hall Meetings |
| Outreach |

Q&A Session with FPC Members

Education & Awareness

Faster Payments – Use Cases

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Faster Payments Opportunity / Issue

- Address #1 topic of interest to membership for what use cases to focus on
- Addressing end user demand → adoption → successful implementation & ROI

Where we've been.....

- Collaborated on 130 use cases for interactive and extensible repository
- Designed user experience for repository navigation and internet consumable summary of our work (infographic)

Where we are....

- Infographic and website navigation released
- Filling use case gaps identified as cross section of use case types, functions, and industries
- Collaborating with FAQs sub-group

Where we're going....

- Continue filling gaps and solicit members use case studies
- Enhance navigation
- Collaborate with other work groups about use cases specific to their groups



Education & Awareness Faster Payments – Use Cases

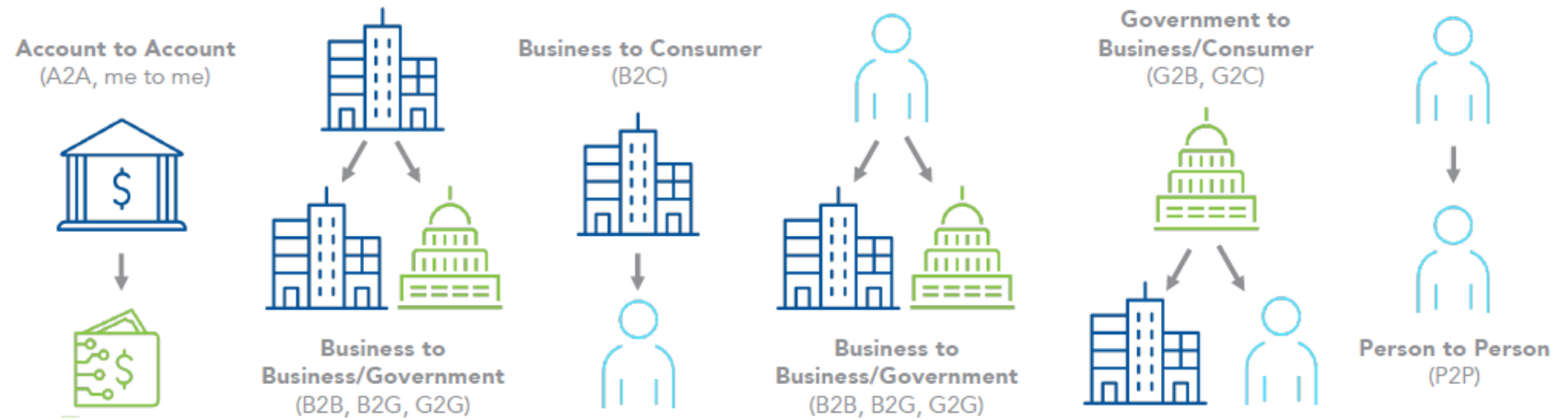
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Education & Awareness Use Repository Over 130+ Use Cases

Use cases help inspire ideas, discussions, and adoption within an organization to identify direct and indirect value for the implementation of faster payments.

Searching the repository by Use Case Type...



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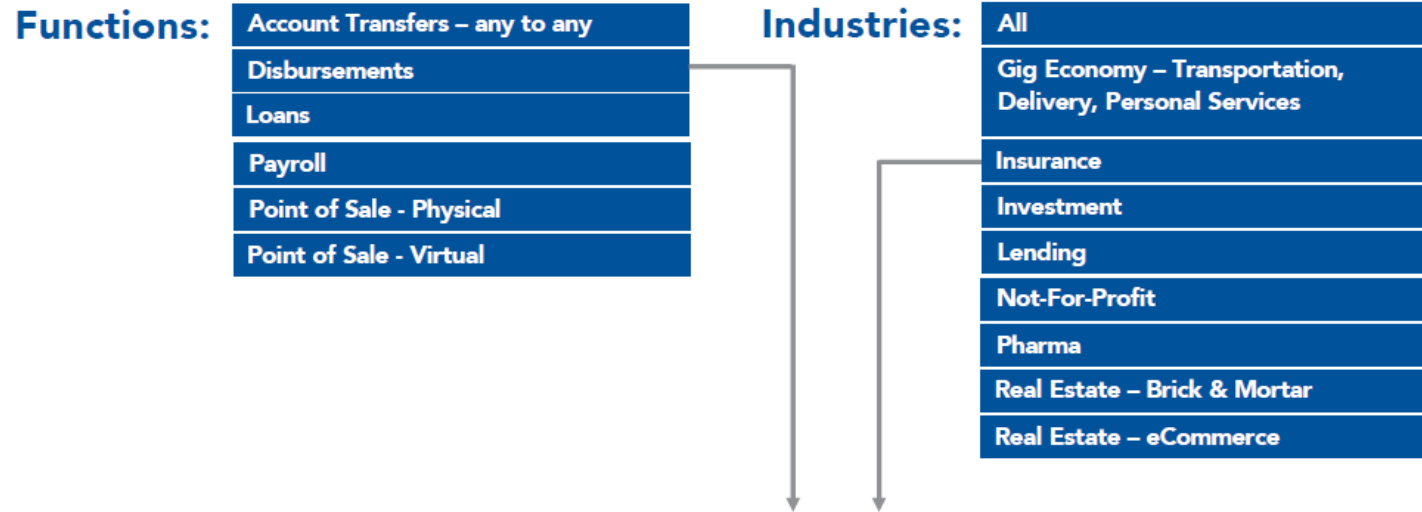
Faster Payments – Use Cases

Why are use cases important?

Use cases are instrumental in driving adoption for organizations to highlight the key value proposition of faster payments to all stakeholders. Faster payments use cases enable business model transformations.

...drills into the list of Functions and Industries of the selected Use Case Type...

FPC EAWG Faster Payment Use Case Type Example: Business to Consumer (B2C)



...which then lists specific functions and industries to click through to the use case descriptions, some of which have additional detailed use case documents and other links.

Example: Insurance claims reimbursement to customer

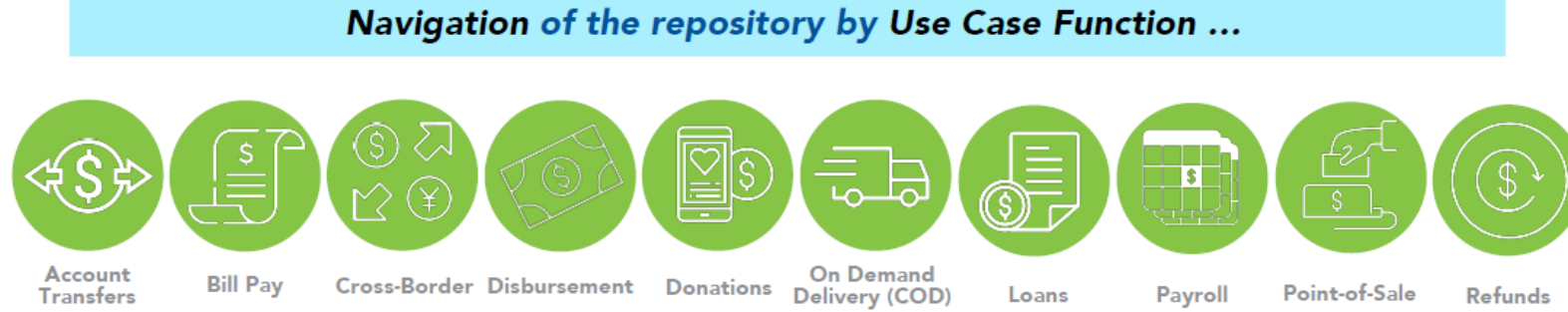
Insurance claims of all types (auto, home, healthcare reimbursement) are funds that are typically needed immediately. The use of faster payments for these insurance disbursements would provide faster access to these funds as well as providing additional claim detail, making it easier for customers to reconcile claims.



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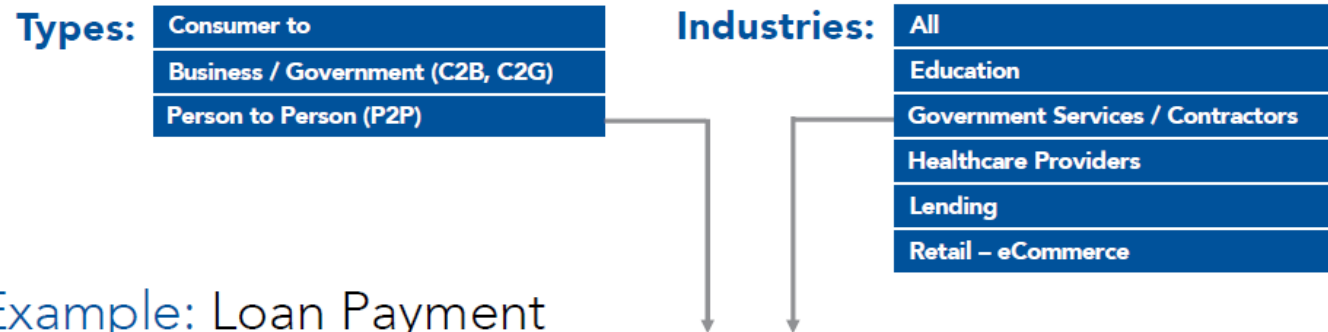
Faster Payments – Use Cases

For
organizations
implementing
faster payments



...drills into the repository to list the Use Case Types and Industries of the selected Use Case Function and then into the description and optional detail.

FPC EAWG Faster Payment Use Case Function Example: Bill Pay – Consumer



Example: Loan Payment

Request For Payments for recurring loan payments can be initiated by the lender and then paid by the consumer up to the last minute they are due. Alternatively the borrower can setup recurring or on demand Credit Push Payments through their banking app which can be scheduled up to the last day and time these payments are due.

The use case repository will be helpful to envision additional areas for expanding faster payments adoption and transitioning from traditional payments systems.



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Faster Payments – Solution Providers

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Faster Payments Opportunity / Issue

- Response to membership interest in understanding the various faster payment solution providers and attributes
- Survey of FPC membership that offer a faster payment solutions Bullet on awareness and

Where we are....

- Publicizing Solution Provider Catalogue to membership
- Evaluating possibility to provide limited access or participation from non-FPC members
- Developing a second survey focused on value-added services

Where we've been.....

- Developed a comprehensive survey that was completed on a voluntary basis for FPC Members providing faster payment solutions
- Published Solution Providers Catalogue in the FPC Knowledge Center
- Reopened survey for updates and additional responses
Number of original solutions and categories

Where we're going....

- Continue to update and obtain additional solution provider responses to the initial survey
- Continue collaboration with Network Committee on state of play and value-added services information
- Release and publish results of value-added services survey

Faster Payments Solution Providers

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The Faster Payments Council (FPC) is focused on increasing industry awareness of the benefits and opportunities surrounding faster payments. To promote awareness of faster payments solutions, the FPC created a project to collect and share information regarding faster payments solutions, products, and services provided by our members. A survey was conducted from June-August 2021 to gather the data presented below from members in the segments of Networks, Financial Institutions, Bankers Banks/Corporate Credit Unions, Third-Party Payment Providers, and Credit Union Service Organizations.

Sponsored By:



Click through experience

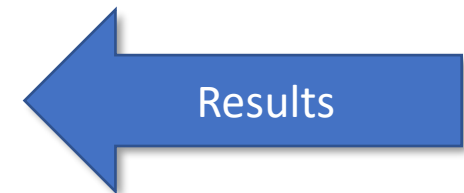
Faster Payments Solution Provider Organization Types

Click a bar to view all providers within each organization type.

[View All Providers](#)



Knowledge Center



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Faster Payments – FAQs

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Faster Payments Opportunity / Issue

- Help educate and answer simple to complex questions
- Established largest repository of FAQs by category

Where we've been.....

- Collaborated with network committee regarding interoperability and QR Code work group to finalize these FAQs category focuses
- Ensure consistency and accuracy with work group subject matter experts

Where we are....

- Working on Infographic and website navigation
- QR Code and Interoperability section ready for release
- Collaborating with other work groups on various topics

Where we're going....

- Working to complete additional categories focusing on one at a time
- Enhance navigation
- Continue to collaborate with other work groups about FAQs specific to their groups





Education & Awareness Frequently Asked Questions Repository

Search FAQs by **Category**...

Everyone that has questions about faster payments can quickly and easily find answers and links to additional resources through the FPC's repository of FAQs



Interoperability



QR Codes



Safety and Security



Settlement



Fraud

USE CASE

Use Cases



RISK



Clearing



Regulatory and Compliance



Education & Awareness Faster Payments – FAQs

...drills into the list of Subcategories and Questions of the selected Category...

Category: Interoperability

| Sub-category | Question |
|------------------------------|---|
| ACH role | <i>What role does ACH have in interoperability?</i> |
| Central Banks/Regulations | <i>How do the central banks and regulations play a role?</i> |
| Challenges | <i>What are the challenges with faster payments interoperability?</i> |
| Education | <i>Where can I find educational materials on interoperability?</i> |
| FedNow/RTP | <i>Will FedNow be interoperable with The Clearing House's RTP?</i> |
| Meaning across networks | <i>What does interoperability mean across networks?</i> |
| Meaning within organizations | <i>What does interoperability mean within an organization?</i> |
| Models/Methods | <i>What are the different/methods of interoperability?</i> |
| Standards | <i>What does the role of ISO20022 mean for interoperability?</i> |

...which then allows drilling into the Answer for a selected Question.

Example FAQ: What does interoperability mean across networks

Network interoperability enables faster payments to transact across networks, systems, applications and devices. This entails discovery of other network participants, standard data format, standard delivery method, and settlement.

Why are FAQs important?

FAQs are instrumental to help support implementation, education, and adoption for organizations evaluating and working on faster payments for their customers.



Education & Awareness Faster Payments – FAQs

**For
organizations
implementing
faster payments**

Some Answers can drill into related FAQs plus additional documents and other links.

Example FAQ: Where can I find educational materials on faster payments interoperability?

There are several resources available on the FPC Knowledge Center, such as the following paper on interoperability. [Click here](#) for the FPC paper about the various models of interoperability. See additional resources in the related FAQs to this one.



Related FAQs

Where can I find information about interoperability involving digital currencies?

Where can I find information about financial inclusion interoperability?

Where can I find information about interoperability involving CDBC's?

Example Related FAQ: Where can I find information about financial inclusion interoperability?

[Click here](#) for a FPC member resource from Mastercard about how to interoperability can solve and scale financial inclusion. The FPC also has a work group specifically focused on financial inclusion. If you have interest and would like to join, contact FPC member services.

The FPC Knowledge Center FAQ Repository is a beneficial resource to answer questions and find information. The repository will be kept up-to-date with the rapid advances in the faster payments industry.



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Faster Payments – Glossary of Terms

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Faster Payments Opportunity / Issue

- Educate industry in providing consistent terminology and understanding
- Provide access to terminology across multiple industries

Where we've been.....

- Two phases complete with 260 terms defined
- Designed user experience for repository navigation, one of first knowledge center deliverables

Where we are....

- Working to improve website design and navigation
- Phase 3 updates – Additional 48 terms have been added to the list and all terms have been put into general categories to aid in searches and filtering.
- Collaborating with other sub-groups to ensure consistency in terminology

Where we're going....

- Enhance navigation
- Ongoing updates as new systems and terminologies come to market
- Infographic



Faster Payments Glossary of Terms



Developed by the Education & Awareness Work Group, the Faster Payments Glossary of Terms includes a list of over 180 well-defined terms that are most relevant to the faster payments industry.

View the Document

[Faster Payments Glossary of Terms
\(fasterpaymentscouncil.org\)](https://fasterpaymentscouncil.org)

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Faster Payments – Glossary of Terms



Faster Payments Glossary of Terms

The U.S. Faster Payments Council Education & Awareness Work Group aggregated a list of faster payments industry terms in the following glossary.

| Term | Definition |
|--|--|
| Anti-money laundering (AML) | A set of laws, regulations, and procedures set to prevent illegally obtained funds as legitimate income. ¹ |
| Automated Clearing House (ACH) | Automated Clearing House. An electronic payment network used most often with direct deposit of payroll checks and recurring payments. Can also be used to clear electronic checks, as well as Demand Deposit Account (DDA) transactions. ¹ |
| ACH Operator | An entity that processes all ACH transaction flows between financial institutions and serves as the central clearing facility for the network participants. ¹ |
| Acquirer | A bank serving a merchant in an open-loop network. ² |
| Address Verification System (AVS) | A security system requiring merchants to supply address information for a cardholder to the institution that issues the credit card in card-not-present transactions, including online purchases. ³ |
| Addressing | An automated means to route/direct a transaction using a set of data that may employ a directory service. ⁴ |
| Adjustments | A transaction that corrects or modifies the amount or details of a payment entry. ¹ |
| Application Program Interface (API) | A set of specifications, standards, routines, and protocols providing the capability of building software applications which can be used as building blocks and provide the ability to exchange information electronically. ⁴ |
| Association for Payment Clearing Services (APACS) | An organization that manages the main clearing networks which allow UK banks and building societies to exchange payments. ⁵ |
| Automatic Teller Machine (ATM) | An electronic physical banking option that allows customers to complete basic transactions without the aid of a branch representative or teller. Fees are commonly charged for cash withdrawals by the bank where the account is located, by the operator of the ATM, or by both. ¹ |
| Authentication | The process that verifies the identity or veracity of a participant, device, payment, or message connected to a payment system. ⁶ |
| Authorization | The explicit instructions/permission, including timing, amount, payee, source of funds, and other conditions, given by the payer to the payee to transfer funds on a one-time or recurring basis. ⁶ |
| Authorized Participant | Someone who has legal access to a payment solution, payment network, or payment service. ⁶ |
| Automated Clearing House (ACH) | This refers to the U.S. electronic network used by financial institutions to electronically transfer funds between banks, including processing volumes of transactions in batches. ³ |
| Available Balance | The amount that includes the total funds available. ¹ |
| Business-to-Business Payments (B2B) | A form of a transaction between two or more businesses, such as a payment made by a manufacturer to a wholesaler for raw materials, or a retail business to its rental company. ³ |
| Back-End Processor | A core processor that accepts the settlement information and routes the transaction to the final recipient for settlement. ¹ |
| Bank Card | A physical card that is typically a plastic card issued by a card-issuing entity, which is often a bank or credit union, providing access to funds either by drawing on a bank or a credit account. ATM cards, debit cards, and credit cards are all examples of bank cards. ³ |

Sources:

- ¹FPC Education & Awareness Work Group, Glossary Terms Team
- ²Glenbrook Partners
- ³FirstData.com, Payments 101 Glossary
- ⁴Epcor.org, sourced from Fed FP Task Force
- ⁵Nacha, Glossary of International ACH Terms
- ⁶Fed Payments Improvements
- ⁷Bank for International Settlements
- ⁸PYMNTS.com, Pay-Ology Glossary
- ⁹Mastercard RTP Message
- ¹⁰Paypal.com
- ¹¹Federal Reserve
- ¹²Fedwire Funds Services
- ¹³Federal Financial Institutions Examination Council
- ¹⁴The Clearing House RTP System Operating Rules
- ¹⁵FasterPaymentsPlaybook.org
- ¹⁶Otava.com



Join the Discussion

Town Halls – Topics for Consideration

- Work Group Concurrent Sessions (fr. Spring Meeting)
- Corporate Treasurers and Faster Payments
- Fighting Fraud and Scams in Real-Time
- Faster Payments – Payment Solution Providers Perspective
- Navigating the "SEAS" of payments disruption
- Instant push to card going mainstream
- The Future of P2P
- Why Go to the Bank When You Can Get on Your Phone—Bridging the Gap
- Improving payment success rates through advancements in Open Banking
- Best Practices For B2B Faster Payment Remittance Automation
- Developing A Winning Strategy For Instant Payments

Look out for us in your Work Groups!

Join the Discussion

Outreach Ideas

- Leverage Knowledge Center to reach members and non-members alike
- Share marketing and education resources
- Videos to share industry wide: real-time, push to card, same day ACH, etc.
- Leverage social media
- Stakeholder or ecosystem participant mapping
- FPC website visibility, industry event presence, materials that are easy to consume
- Create a “speakers bureau” from FPC membership, Create an FPC fact sheet
- High-level campaign to educate about benefits and use cases of faster payments
- Focus on what already exists, how to improve processes



- What is important to YOU THE MEMBER in the way of Education?
- What additional Town Hall meeting topics are valuable to YOU
- How can we raise AWARENESS in YOUR industry?
- JOIN our Center of Excellence !!!



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