

## FPC Member News

### *FedNow<sup>®</sup> is Here, But Our Work Is Far From Over*

## Letter from the Executive Director



What a historic month for faster payments in the United States! The second real-time payments system, FedNow<sup>®</sup>, formally launched, enabling new opportunity and innovation for financial institutions, payments providers, businesses, and consumers.

While this launch offers a significant industry milestone, our work is far from complete. In an exclusive, members-only [Town Hall session last month](#), we took a deeper dive into the [2023 Faster Payments Barometer](#) findings, which revealed that while we have traction in real-time and instant payments, adoption still needs to build. In fact, nearly 80 percent of organizations have or plan to implement RTP<sup>®</sup>. We also learned that almost 70 percent of organizations plan on making use of FedNow (and side note, [23 FPC Members](#) are already ready to support the Service.) Yet, on the positive side, of those that haven't implemented the systems, turnaround time to do so is fast: 46 percent of organizations plan to implement FedNow in 1-2 years and 40 percent have the same timeframe for RTP.

Though this is promising, the Barometer also revealed some pain points. Overall, it pointed to waning enthusiasm from businesses around faster payments. In the previous Barometer, 84 percent of organizations considered faster payments a “must have.” In the latest Barometer, that number decreased to 78 percent, with business a significant contributing factor to the decline. According to Elizabeth McQuerry, Partner at Glenbrook Partners, LLC, the firm who facilitated the study and led the Town Hall, this could be “an indicator that we haven't proved our value proposition completely. Maybe, we haven't fully demonstrated the value to all end parties, including businesses.”

It could also very well be that we haven't made enough progress around barriers to adoption. One of the biggest issues remains interoperability. Organizations want systems to interoperate and want to get to ubiquity. Fifty-eight percent of financial institutions and 56 percent of businesses want to see this. In addition, high upfront costs/complexity and lack of common rules and standards still remain as challenges.

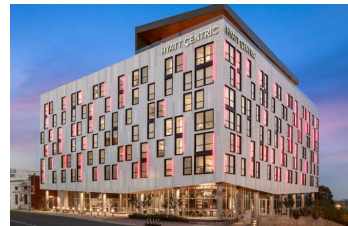
For me, the takeaway from these new findings is clear: While we are making great progress, there is more for us to do. So, why we should celebrate that we now have two real-time payments systems in the United States, we can't lose sight of the long-term goal: ubiquitous faster payments. We must continue the work and activities we are tackling to get us there. Fortunately, we have you, our members, charting the course ahead.

Reed

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# Don't Miss Out! Register for the FPC's Fall Member Meeting

If you've not already, [register](#) to attend the FPC Fall Member Meeting taking place on **September 26-27 at the Hyatt Centric Beale Street Memphis!** A room block with a reduced rate of \$259/night is also available to attendees – make your [reservation online](#) by **September 4** or by calling 901-444-3232 and mentioning Group Code G-SJIU.



As always, we're also including networking opportunities through breaks, meals, and a fun evening event at [Silky O'Sullivan's](#), so you have more time to build relationships with your fellow FPC members. With expectations for another large turnout, the Fall Meeting serves as a great [sponsorship opportunity](#) – it's not too late to sign up to be recognized as the exclusive sponsor of one of our networking breaks, breakfast or lunch, and more.

Our members sent us an impressive group of session proposals and we're in the process of finalizing the agenda for the meeting. Check back on our [Fall Member Meeting event page](#) in the coming week for the full schedule, session descriptions, and speaker line-up. Please note our meeting will kick off on September 26 at **12:30pmCT** and wrap up on September 27 by **3:30pmCT**.

We look forward to seeing you there!

[Event Registration](#)

[Book Your Hotel!](#)

[Sponsorships](#)

## Request for Input: 2<sup>nd</sup> Annual Blockchain and Crypto in Payments Survey



The FPC, in collaboration with Ripple, is thrilled to launch a [second annual industry survey](#) designed to gauge industry perspectives on the use of blockchain and cryptocurrencies in payments. The survey, linked below, will take less than five minutes to complete with no person or company individually represented.

As members of the FPC, we believe broad and diverse participation across key industry stakeholders is vital to the success of the survey. The more input received from payments professionals such as yourselves, the greater relevance of results.

Early insights will be shared with FPC members during the Fall Member Meeting and full results of the study will be published later this year. Thank you in advance for participating in this important piece of industry research!

[Access Survey](#)



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# New Resource Alert: Faster Payments Glossary of Terms Published

Hot off the presses! The FPC Education and Awareness Work Group (EAWG) recently published an updated version of the [Faster Payments Glossary of Terms](#). The original Glossary of Terms was first published in 2021 as a members-only resource and this new version is now publicly available in the Faster Payments Knowledge Center.



The EAWG combed through hundreds of industry terms and definitions to determine the ones most relevant to faster payments. This deliverable includes over 180 well-defined terms combined in one resource. The Group will next work on a phase 2 of the updated glossary which will be a dynamic web display of the terms. There are many more terms currently under review and the EAWG welcomes members to suggest new terms and definitions. Consider joining the EAWG Glossary Subgroup to further develop the enhanced glossary.

Congratulations to the EAWG on another great achievement!

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## New FPC “Off the Rails” Podcast Episodes Published!



Listen to the latest episode of “Off the Rails from the U.S. Faster Payments Council” podcast, sponsored by [Volante Technologies!](#)

In this season’s episode 13, FPC Executive Director Reed Luhtanen goes Off the Rails with **Dr. Angela Murphy** of **Photon Commerce**. Angela and Reed talk about faster payments, data, and the use of AI to enhance payments experiences. They also talk about Angela’s past in musical theater.

Reed catches up with **Jim Colassano** of **The Clearing House** in episode 14. Jim and Reed talk about what’s going on with the RTP network, Jim's view on faster payments use cases, the trajectory of usage and adoption, and they give their reviews of Indiana Jones and the Dial of Destiny.

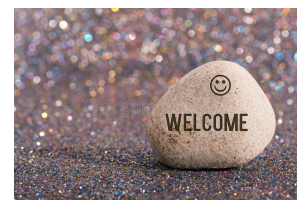
The podcast is accessible from your favorite apps including [Apple Podcasts](#), [Spotify](#), [Audible from Amazon](#), [Podcast Addict](#), among others. It’s also on the [FPC website](#). Please take a listen and subscribe to stay up to date with future episodes featuring FPC members.

New episodes go live the second and fourth Thursdays of each month. If you enjoy the show, please share it with your industry friends and colleagues!

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## FPC Welcomes New Members

The FPC is excited to welcome its newest business members: **Boku, Inc.** and **Northeast Credit Union.**



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. We thank you for making the commitment to the Faster Payments Council and helping make our vision a reality.

Please note the current [list of FPC Members](#) is available for review on our website at any time.

## FPC Work Groups Advance Efforts



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

***Cross-Border Payments Work Group*** – The Group has started development of its next deliverable which will focus on new initiatives impacting the cross-border faster payments space. As part of the process, the Group has outlined the approach that will build on the principles from the 2021 “Cross-Border Faster Payments” white paper, and explore the practicalities and realities of cross-border payments in a faster payments’ world. The Group is also refreshing the deliverable section of its charter and will present it to the Operations Committee in August.

***Digital Assets in the Financial Industry Work Group*** – The Group has continued to work on a series of digital asset definitions/taxonomy and review of the overlap with digital assets and the faster payments lifecycle stages. The Group’s first deliverable will be a paper summarizing research findings that explore disrupters and maturity, and considerations for the financial industry as they scale the adoption of digital assets for faster payments. The Group is also planning to present a session at the FPC’s Fall Meeting on the topic “Digital Assets & Faster Payments: Coming of Age.”

***Directory Models Work Group*** – The Group conducted interviews of U.S. companies that use a directory within their business and will be presenting their findings to the Operations Committee next month. The Group has kicked off its next project and will be exploring the role of “directory of directories” in the U.S. faster payments landscape for a future deliverable. The Group is also planning a session for the Fall Member Meeting on the topic “Decoding a Complex Directory Landscape.”

***Education and Awareness Work Group*** – The Group has published the latest version of its Faster Payments Glossary of Terms in the FPC’s Knowledge Center. The next phase of the deliverable will be to create a dynamic web display of the terms. The Group’s FAQs subgroup has built out the content for the Faster Payments FAQs Repository and will be presenting it to the Operations Committee in Q3. The Group will also be presenting the session “Careful what you ask for, you just might get it: Faster Payments Use Cases!” at the Fall Meeting.

***Financial Inclusion Work Group*** – The Group’s Survey subgroup has developed a market

survey that will gauge the status of financial inclusion efforts in the financial industry. The next step will be to present the survey draft to the Operations Committee. The Group has been collaborating with the Cross-Border Payments Work Group on a joint bulletin on bill pay and remittances to family members. The Groups have drafted an outline of the bulletin for review by the Operations Committee this quarter.

***Fraud Work Group*** – The Group is developing a series of reports for financial institutions, operators, processors, and end-users that summarizes the findings on faster payments fraud and perception of fraud. The Group’s subgroups are drafting the content for the main sections of the deliverable including a summary of prior fraud deliverables, current trends, mitigation techniques, and identifying gaps. The Group will also be presenting at the Fall Member Meeting on the topic “Managing Account Opening Risks and Screening Inbound Transactions.”

***Operational Considerations for Instant & Immediate Payments Work Group*** – The Group is producing a series of reports for financial institutions that contain guidelines for immediate and instant payments and key considerations to inform and complement their business operations. The Group plans to share the draft with the Operations Committee in August for review and feedback. The Group will also be presenting a session on the topic of Operational Considerations at the Fall Meeting.

***QR Code Interface Work Group*** – The Group is planning to publish a paper on the topic “How QR Codes Address ‘the Last Mile’ of Adoption – Especially at POS.” The deliverable will examine the transactional processes and experiences for end-to-end processing, and present what capabilities (including options) might best suit the U.S. market. The Group will be presenting the draft of the paper to the Operations Committee in 4Q.

***Real-Time Recurring Work Group*** – The Group is drafting an opinion piece that will address fraud and risk concerns around real-time recurring payments for merchants as well as large and small financial institutions. The Group’s three subgroups—Standards, Direct Impact to Consumer, and Indirect Impact on Consumer—conducted research on similarities, differences, and authentication flows. The Group will be sharing the draft with the Operations Committee in 4Q for review.

***Secure Instant & Immediate Payments APIs Work Group*** – The Group advanced the draft of its first deliverable, a white paper titled “Real-Time Payment Application Program Interfaces (APIs),” to the Operations Committee for review last month. The Group will share the draft with the FPC Board for review in September with plans to publish the paper in the online Knowledge Center by early Q4.

Member contributions in our FPC Work Groups are key to our progress. If you haven’t joined one of our 10 Work Groups, we encourage you to do so. Also, remember that anyone from your organization can join work groups and contribute, so spread the word within your organization. Also, please feel free to share public-facing FPC deliverables with others in the industry. The more we all share knowledge, the more we will be able to advance the adoption and usage of faster payments.

You can find more information about the FPC’s Work Groups and [join here](#). We are also always looking for new work group ideas! If there is something happening in the industry that the FPC can help with – an FPC Work Group is the way to make that happen.

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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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