“Faster Payments Knowledge Center"

Presented by

Education & Awareness Workgroup

September 15, 2020
Education & Awareness Work Group

Presenters

Charles Harkness
SVP, Strategic Operations Officer, Corporate One FCU
EAWG - Chair

Beatriz Saldivar
Director, Treasury & Payments, AxleTree Solutions
EAWG – Subgroup Lead

Glenn Wheeler
Director, Item Processing Operations, Catalyst Corporate Federal Credit Union
EAWG – Subgroup Lead

Steve Wasserman
CEO/Founder/Architect, Vments
EAWG – Vice Chair & Subgroup Lead
WELCOME!

1) Introduction to Education & Awareness Workgroup
2) Knowledge Center – Suite of Resources, Tools, News & Research
3) Insights from our Workgroup Members
   - Knowledge Center – Content Development
     - Glossary of Terms
     - Solution Provider Resource
     - Faster Payment Use Cases
4) Q&A
Education & Awareness Overview
Charles Harkness

Education & Awareness Workgroup

Mission - Develop an educational and awareness program to foster better understanding of faster payments

Objective and Goals - Develop a cross-solution education and awareness program that aligns with the FPC's higher level strategies and priorities.

2020 Deliverables - Identify existing faster payments educational materials, industry guides, and other resources

- Phase 1: Faster payments knowledge center
- Develop topic ideas and identify speakers for 2020 Town Hall Series
- Determine additional educational and awareness materials to be developed by the work group to drive adoption of faster payments.
Content that would be most relevant for KC

<table>
<thead>
<tr>
<th>Topic</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAQs</td>
<td>4.8</td>
</tr>
<tr>
<td>Regulatory updates</td>
<td>4.1</td>
</tr>
<tr>
<td>White papers</td>
<td>4</td>
</tr>
<tr>
<td>Industry reports</td>
<td>3.9</td>
</tr>
<tr>
<td>Case studies</td>
<td>3.8</td>
</tr>
<tr>
<td>Technical guides/templates</td>
<td>3.8</td>
</tr>
<tr>
<td>Infographics</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Support Town Halls open to the public and some just for FPC Members only?

Yes (56%), No (33%), No response (11%)

Knowledge Center
Made available to the public
Yes (78%) No (22%)

Topics / Speakers for Town Hall Series

- Federal Reserve update on FedNow: 100%
- Faster payments offerings beyond FedNow and RTP: 87%
- Legislative update on faster payments conversations: 87%
- The Clearing House update on RTP: 75%
White Papers:
• Leveraging ISO 20022 – Models for Early Adopters (20022 Labs)
• Faster Payments and the Potential to Transform Bill Pay (Glenbrook Partners)
• Examining Faster Payments Fraud Prevention (Fraud Information Sharing WG)

Resources by EAWG:
• Faster Payments Glossary of Terms
• Faster Payments Use Cases
• Development of Solution Provider Resource

Where to find the resources?
- Knowledge Center Resources can be accessed at: https://fasterpaymentscouncil.org/Guides-Research
- Members Area Resources can be accessed under Work Group Deliverables by logging in at: https://fasterpaymentscouncil.org/members
- *Please contact memberservices@fasterpaymentscouncil.org if you need access to the Members portal.
Welcome to the Faster Payments Knowledge Center – a comprehensive suite of resources, tools, news, and research to further faster payments learning. The Knowledge Center is a one-stop repository of all things faster payments designed for anyone seeking more information as they consider implementation.

### Faster Payments Industry News

- **Demand for Real-Time Payments Rises Amid COVID-19 Pressure**
  - MobilePaymentsToday.com, 04/09/2020

- **Real-Time Payments Are Here. And Many Banks Aren’t Ready**
  - PaymentsJournal.com, 03/30/2020

- **How Many Billions Will Be Transacted in the U.S. via Faster Payments in 2020**
  - PaymentsJournal.com, 02/10/2020

- **Will Faster Payments Lead to Faster Fraud?**
  - EFTSource.com, 04/10/2020

- **Real-Time Payments Are Taking Off, and Card Users Could Benefit**
  - CreditCards.com, 01/17/2020

- **Fed’s Faster Payments Network Likely Ahead of Schedule: Powell**
  - AmericanBanker.com, 11/14/2019

- **2019 Will Be Remembered as a Pivotal Year in US Faster Payments**
  - PaymentsJournal.com, 11/06/2019

### Fast Payments Industry News

- **Examining Faster Payments Fraud Prevention**
  - Jul 29, 2020
  - Developed by the FPC Fraud Information Sharing Work Group, this research white paper takes a fresh look at the current fraud themes and trends, and approaches for mitigating these risks in a faster payments environment.

- **Faster Payments and the Potential to Transform Consumer Bill Pay**
  - Jul 21, 2020
  - Developed in partnership with Glenbrook, this research white paper takes a close look at the two main models that serve the consumer bill pay industry today: biller direct model and bank bill pay model. The paper also explores how Request for Payment...

### FPC Confidential

- **Leveraging ISO 20022: Models for Early Adopters**
  - Jul 13, 2020
  - Our friends at 20022 Lab recently released a free discussion paper titled “Leveraging ISO 20022: An early-adopters’ guide to data-rich payments.” It’s a great resource to help any FPC member think through how they can capture the benefits of ISO 20022.

- **Introducing the Faster Payments Playbook**
  - Mar 20, 2020
  - Developed by the FPC Safety & Security Work Group, the Financial Institution FAQs: NACs provide key terms and definitions to support faster payments understanding. In addition, it provides information to help FIs understand the safety and security guidelines for NACs and NAC use cases.

- **Faster Payments Playbook**
  - Mar 20, 2020
  - The Faster Payments Playbook is an online educational and decisioning platform to assist banks and credit unions develop a faster payments strategy, from concept to reality.
Faster Payments
Glossary Subgroup

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>TERM</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glossary Terms team</td>
<td>Anti-money laundering (AML)</td>
<td>Set of laws, regulations and procedures set to prevent illegally obtained funds as legitimate income.</td>
</tr>
<tr>
<td>Glossary Terms team</td>
<td>ACH Operator</td>
<td>Processes all ACH transactions, which flow between financial institutions and serve as a central clearing facility for the network participants.</td>
</tr>
<tr>
<td>Glenbrook</td>
<td>Acquirer</td>
<td>Bank serving merchant in an open-loop network.</td>
</tr>
<tr>
<td>First Data.com – Payments JOI</td>
<td>Address Verification System (AVS)</td>
<td>A security system requiring merchants to supply address information for a cardholder to the institution that issues the credit card to verify present transactions, including online purchases.</td>
</tr>
<tr>
<td>Forex.org, issued from Fed FF Task</td>
<td>Addressing</td>
<td>Automated means to route/direct a transaction using a set of data that may employ directory service.</td>
</tr>
<tr>
<td>Forex.org, issued from Fed FF Task</td>
<td>Adjustments</td>
<td>A transaction that corrects or modifies the amount or details of a payment entry.</td>
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Faster Payments
Solutions Subgroup

Solution Provider Categories:
- Network Solutions for FIs
- Core Banking Provider Solutions
- FI’s Ecosystem Solutions
- Other Non-Bank Solutions
- International Cross Border Specific Solution
Glossary of Terms

Beatriz Saldivar

Phase I: Research
Weekly Meetings
Resources
Over 2,000+ terms

Phase II: Draft
Phase III: Socialize
Phase IV: US FPC & Fed team
Phase V: Revisions
Phase VI: Final

Glossary of Terms – EAWG Subgroup Members
Susan Doyle, EPCOR
Korlin Scott, First Commonwealth Bank
Glenn Wheeler, Catalyst Corporate Federal Credit Union
Kathy Feringa, Alloya Corporate FCU
Michele Barlow, Wisconsin Automated Clearing House (WACHA)
Kellis Lewis, Ceridian HCM
Faster Payments Knowledge Center – Faster Payments Glossary of Terms

This new resource within the Knowledge Center will help build awareness and continue to position the FPC as the go-to resource for all things faster payments.

FPC Members Only (Phase 1)

Provide an industry-wide resource on faster payments topics to help position the FPC as the go-to resource for all things faster payments.

New page within the Faster Payments Knowledge Center - FPC.org. List of terms specifically tied to the faster payments industry

The glossary will be updated as needed when new terms are identified that are relevant to the faster payments landscape.

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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.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Anti-money laundering (AML)</td>
<td>A set of laws, regulations, and procedures set to prevent illegally obtained funds as legitimate income.¹</td>
</tr>
<tr>
<td>Automated Clearing House (ACH)</td>
<td>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</td>
</tr>
<tr>
<td>ACH Operator</td>
<td>An entity that processes all ACH transaction flows between financial institutions and serves as the central clearing facility for the network participants.¹</td>
</tr>
<tr>
<td>Acquirer</td>
<td>A bank serving a merchant in an open-loop network.²</td>
</tr>
<tr>
<td>Address Verification System (AVS)</td>
<td>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</td>
</tr>
<tr>
<td>Addressing</td>
<td>An automated means to route/direct a transaction using a set of data that may employ a directory service.⁴</td>
</tr>
<tr>
<td>Adjustments</td>
<td>A transaction that corrects or modifies the amount or details of a payment entry.¹</td>
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</table>
Knowledge Center – Resources in Development
Payment Solutions Provider Subgroup – Glenn Wheeler

• Payment Solutions Provider Sub-Group Volunteers:
  • Glenn Wheeler, Charles Harkness, Steven Wasserman, Beatriz Saldivar, Korlin Scott, Liana Muller, Orlando Santos

• Education – Provide members a better understanding of existing Faster Payments solution providers and associated attributes.

• Awareness – Aligns with Faster Payments Task Force (FPTF) to build awareness to assist in core ecosystem goal of broad adoption.

• Sub-Group developed content including a Request for Information (RFI) Document, Master Grid Document, Introductory Cover Letter and an Online Survey.

• Publishing in FPC Knowledge Center Once Approved and Completed.
Phase 1: Engage Solution Providers

Phase 2: Inventory Matrix Build in Knowledge Center

Mark your calendars!
3Q - Survey
4Q - Results
Faster Payments Use Cases Subgroup Objectives and Members

Steve Wasserman

- **Objectives**
  - Identify use cases for faster payments
  - Create templates for consistent use case stories/studies and concepts
  - Document sample use cases and enable member contributions

- **Sub-Group Members**
  - Steven Wasserman – Vments
  - William DiSenso – Vments Advisor
  - Ana Garcia – JPMorgan Chase
  - Beatriz Saldivar – Axeltree Solutions
  - Leilani Doyle – U.S. Dataworks
Faster Payments Use Case Subgroup
Activities & Timeline
Steve Wasserman

- **Winter/Spring 2020**
  - Collaborated list of use cases initiated from original EAWG meetings in 2019
  - Created a template for use case studies/stories

- **June/July 2020**
  - Reviewed sample stories submitted by Ana from Chase
  - Presented to EAWG and asked for additional use case story volunteers

- **August 2020**
  - Refined list of use cases
  - Created template for use case concept submissions
  - Reviewed a sample use case concept written up by Steve
  - Presented subgroup updates and call for story/study and/or concept submissions

- **Balance of 2020**
  - Member meeting presentation
  - Prepare deliverables for ops committee review as KC additions
  - Review members submitted use cases and prepare for KC content
Uses Cases – Glenbrook Study

Bill Payment is Viewed as the Top Use Case for Faster Payments

Use case driven implementation is crucial to spur adoption

<table>
<thead>
<tr>
<th>Use Case</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill payment</td>
<td>55%</td>
</tr>
<tr>
<td>Person-to-person payments</td>
<td>39%</td>
</tr>
<tr>
<td>eCommerce</td>
<td>47%</td>
</tr>
<tr>
<td>Invoicing / supplier payments</td>
<td>44%</td>
</tr>
<tr>
<td>Transfers between accounts at different FIs</td>
<td>44%</td>
</tr>
<tr>
<td>Merchant settlement</td>
<td>39%</td>
</tr>
<tr>
<td>Payroll / income</td>
<td>39%</td>
</tr>
<tr>
<td>Point of sale (POS) commerce</td>
<td>35%</td>
</tr>
<tr>
<td>Payouts</td>
<td>30%</td>
</tr>
<tr>
<td>Treasury management</td>
<td>29%</td>
</tr>
<tr>
<td>Refunds</td>
<td>23%</td>
</tr>
<tr>
<td>Loan disbursements</td>
<td>22%</td>
</tr>
<tr>
<td>Emergency aid / disaster relief</td>
<td>17%</td>
</tr>
<tr>
<td>Rebates</td>
<td>15%</td>
</tr>
<tr>
<td>Immediate investment</td>
<td>14%</td>
</tr>
<tr>
<td>Social benefits / taxes</td>
<td>13%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>

Findings previously presented at the FPC Member Meeting October 2019

Question: For which use cases is your organization currently most interested in leveraging faster payments? Select all that apply.

80% are paid biller direct; 20% is paid via bank bill pay; ripe for transformation
Thank you!

- Closing Remarks
- Q&A