



## 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
<b>Anti-money laundering (AML)</b>	A set of laws, regulations, and procedures set to prevent illegally obtained funds as legitimate income. <sup>1</sup>
<b>Automated Clearing House (ACH)</b>	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. <sup>1</sup>
<b>ACH Operator</b>	An entity that processes all ACH transaction flows between financial institutions and serves as the central clearing facility for the network participants. <sup>1</sup>
<b>Acquirer</b>	A bank serving a merchant in an open-loop network. <sup>2</sup>
<b>Address Verification System (AVS)</b>	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. <sup>3</sup>
<b>Addressing</b>	An automated means to route/direct a transaction using a set of data that may employ a directory service. <sup>4</sup>
<b>Adjustments</b>	A transaction that corrects or modifies the amount or details of a payment entry. <sup>1</sup>
<b>Application Program Interface (API)</b>	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. <sup>4</sup>
<b>Association for Payment Clearing Services (APACS)</b>	An organization that manages the main clearing networks which allow UK banks and building societies to exchange payments. <sup>5</sup>
<b>Automatic Teller Machine (ATM)</b>	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. <sup>1</sup>
<b>Authentication</b>	The process that verifies the identity or veracity of a participant, device, payment, or message connected to a payment system. <sup>6</sup>
<b>Authorization</b>	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. <sup>6</sup>
<b>Authorized Participant</b>	Someone who has legal access to a payment Solution, payment network, or payment service. <sup>6</sup>
<b>Automated Clearing House (ACH)</b>	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. <sup>3</sup>
<b>Available Balance</b>	The amount that includes the total funds available. <sup>1</sup>
<b>Business-to-Business Payments (B2B)</b>	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. <sup>3</sup>
<b>Back-End Processor</b>	A core processor that accepts the settlement information and routes the transaction to the final recipient for settlement. <sup>1</sup>
<b>Bank Card</b>	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. <sup>3</sup>



<b>Bank Identification Code (BIC) aka SWIFT Code</b>	A bank code made up of a series of numbers used to identify worldwide banks. The bank BIC codes are made up of specific characters: 1—4 company name, 5—6 country, 7—8 city/town, and 9—11 (optional) department code (e.g. JPMorgan Chase = CHASGB2L). <sup>5</sup>
<b>Bank Routing Number</b>	All Financial Institutions (FIs) are identified by a nine (9) digit routing transit number (RTN) that is often found at the bottom of a check. <sup>1</sup>
<b>Bank Secrecy Act of 1970 (BSA)</b>	Imposes AML program, recordkeeping and reporting requirements on financial institutions, all designed to prevent and detect money laundering and other crimes. <sup>1</sup>
<b>Banks</b>	Financial Institutions (FIs) licensed to hold deposits, provide loans, financial services, and other services. <sup>1</sup>
<b>Batch</b>	Multiple transactions that are processed together. <sup>1</sup>
<b>Batch Processing</b>	Related data that is processed through a communication transmission under the same application. <sup>1</sup>
<b>Batch settlement</b>	The settlement of groups of payments. <sup>7</sup>
<b>Breach</b>	An intentional or unintentional incident of compromised payment-related information. <sup>1</sup>
<b>Business Day</b>	An official business day open to substantially carry out all business functions. <sup>1</sup>
<b>Business to Business (B2B)</b>	A payment transaction between two businesses. <sup>1</sup>
<b>Business to Consumer (B2C)</b>	A payment transaction between a business and a consumer. <sup>1</sup>
<b>Business to Government (B2G)</b>	A payment transaction between a business or private sector, and public organization. <sup>1</sup>
<b>Cancellation of a Payment</b>	The act of causing a payment to no longer be processed as valid in the payment system (e.g., payment is stopped or reversed). <sup>6</sup>
<b>Caps</b>	Quantitative limits on the funds transfer activity of individual participants in a system; limits may be set by each individual participant or may be imposed by the body managing the system; limits can be placed on the net debit position or net credit position of participants in the system. <sup>7</sup>
<b>Card Association</b>	An organization owned by a financial institution that licenses bank credit card programs and performs operational functions for its members such as transaction processing, authorizations, and interchange settlement. <sup>3</sup>
<b>Card Issuer</b>	A financial institution, such as a bank or a credit union, that offers a payment card (credit or debit cards) directly to consumers (or organizations) and is liable for the use of the card. The issuer is also responsible for the billing and collecting of funds for purchases that were made using that card. In the payments value chain, the card issuer pays the acquiring bank for purchases of goods and services that the cardholder makes. The cardholder then repays the issuing bank based on terms of the agreement. <sup>3</sup>
<b>Chargeback</b>	This refers to a demand on behalf of the credit card issuer, on behalf of its cardholder, made to a retailer to reverse a payment based on a disputed transaction or instance of fraud. <sup>3</sup>
<b>Chargeback Period</b>	The number of calendar days (counted from the transaction processing date) during which the card issuing institution has the right to charge the transaction back to the acquirer. The number of days varies from 45 to 180 days, according to the type of transaction. <sup>3</sup>
<b>CHECK 21</b>	Abbreviated term for the Check Clearing for the 21st Century Act which is a federal law that took effect on October 28, 2004 and gives banks and other organizations the ability to create electronic image copies of checks, in a process known as check truncation. The images are then sent to the relevant financial institutions to be processed, where money from a consumer's account is transferred to the receiving party's account. <sup>8</sup>

<b>Chip Cards</b>	A type of credit/debit card with an embedded smart chip designed to make transactions more secure. It's now the global standard for credit and debit cards, also known as EMV® for the founding developers of the technology: Europay, Mastercard, and Visa. <sup>3</sup>
<b>Clearing</b>	The process by which the Payer's and Payee's Depository Institutions or Regulated Non-Bank Account Providers exchange payment information to confirm transactions prior to Settlement, potentially including the netting of transactions and the establishment of final positions for settlement. <sup>6</sup>
<b>Clearing House Interbank Payments System (CHIPS)</b>	An independent bank-owned payments system for clearing large value payments. CHIPS is a real-time, final payments system for U.S. dollars that uses bi-lateral and multi-lateral netting for maximum liquidity efficiency. <sup>5</sup>
<b>Commercial Card</b>	A generic term referring to payment cards issued to businesses for use by employees to cover expenses (e.g., corporate cards, purchasing cards, travel, and entertainment cards). <sup>3</sup>
<b>Consumer</b>	A natural person. <sup>14</sup>
<b>Consumer Alerts</b>	An opt-in communication service offered by card issuers where cardholders receive alerts based on unusual or unauthorized transaction activity. <sup>3</sup>
<b>Consumer Authentication</b>	This refers to tools used to verify that the cardholder making a transaction is actually the individual authorized to make that transaction, for both in-person and card-not-present transactions. <sup>3</sup>
<b>Consumer Financial Protection Bureau (CFPB)</b>	A federal government agency that supervises banks, credit unions, and other financial companies in the enforcement of federal consumer financial laws. <sup>8</sup>
<b>California Consumer Privacy Act (CCPA)</b>	The CCPA requires businesses of certain sizes to have a data tracking system(s) in place that gives consumers the right to request all the data a company has collected on them over the previous 12-months, as well as data protection and deletion rights. <sup>1</sup>
<b>Consumer to Business (C2B)</b>	Payments transaction between a consumer and a business. <sup>1</sup>
<b>Consumer to Government (C2G)</b>	Payments transaction between a consumer and the government (e.g., state and federal, local taxes). <sup>1</sup>
<b>Contactless Payments</b>	Contactless payments refer to a secure method of transaction that leverages mobile devices and payment terminals equipped with radio frequency identification (RFID) or near-field communication (NFC) technologies. <sup>3</sup>
<b>Continuous Linked Settlement (CLS)</b>	A means of settling foreign exchange transactions finally and irrevocably. CLS eliminates settlement risk, improves liquidity management, reduces operational banking costs, and improves operational efficiency and effectiveness. <sup>5</sup>
<b>Correspondent Banking</b>	An arrangement under which one bank provides payment and other services to another bank. Payments through correspondents are often executed through reciprocal accounts (so-called nostro and vostro accounts), to which standing credit lines may be attached. <sup>5</sup>
<b>Cover Payment</b>	In the serial method of funds transfer, there is a single funds transfer consisting of a series of payment orders, each of which is sent to the next party in the chain. A receiving bank gets paid by its sender when it receives final settlement through a funds-transfer system like CHIPS or Fedwire, it debits an account of the sender on its books, it receives a credit to an account it has with the sender, or the sender causes the receiving bank's account at another bank to be credited (i.e., the receiving bank gets cover). <sup>5</sup>
<b>Credential</b>	A verifiable set of data presented by a participant to the payment system as evidence of identity. <sup>6</sup>
<b>Credit Card</b>	A plastic card with a credit limit used to purchase goods and services and to obtain cash advances on credit for which a cardholder is subsequently billed by the issuer (the institution, such as a bank or credit union, which offers the card to the individual) for repayment of the credit extended. <sup>3</sup>

<b>Credit limit</b>	A limit on the credit exposure a party is willing to face. For example, in the context of payment systems, a limit on the credit exposure a participant incurs vis-à-vis another participant (bilateral credit limit) or vis-à-vis all other participants (multilateral credit limit) as a result of receiving payments that have not yet been settled. <sup>7</sup>
<b>Credit risk</b>	The risk that a counterparty, whether a participant or other entity, will be unable to meet fully its financial obligations when due, or at any time in the future. <sup>7</sup>
<b>Credit transfer</b>	A basic multipurpose payment message including remittance information. <sup>9</sup>
<b>Credit Union</b>	Are financial institutions, like banks, except the members own the credit union. They are nonprofit entities that aim to serve their members rather than seeking to earn a profit. <sup>1</sup>
<b>Credited</b>	A status indicating a refunded transaction has been processed successfully. <sup>3</sup>
<b>Cross Border</b>	The ability of a participant to settle a transaction between two different countries' payment schemes. <sup>1</sup>
<b>Cross-Border Settlement</b>	A settlement that takes place in a country other than the country in which one trade counter party or both are located. The direct clearer is a financial institution, usually a bank, that directly clears checks or other payment instruments with other institutions in the domestic payment systems. <sup>5</sup>
<b>Cross-Border Payment</b>	A payment in which the financial institutions of the payer and the payee are located in different jurisdictions. <sup>7</sup>
<b>Cryptocurrency</b>	A digital or virtual currency where encryption technology, operating independently of a central bank, is used to facilitate a generation of units of currency and verify the transfer of funds. <sup>3</sup>
<b>CVV2 (Card Verification Values, version 2)</b>	A three or four-digit code on a credit card that enhances fraud protection, also known as CVN, CVV, CSC, Card Security Code, or Card Verification Number. <sup>10</sup>
<b>Data Breach</b>	An incident when sensitive, confidential data, such as credit card or personal health information, is viewed, stolen, or used by an unauthorized, untrusted individual. <sup>3</sup>
<b>Data Encryption</b>	The process of securing sensitive data, such as credit card information, by transforming that data using an algorithm to create a key and make it unusable to anyone except those possessing special knowledge. <sup>3</sup>
<b>Data Security Standard (DSS)</b>	Also referred to as the Payment Card Industry Data Security Standard (PCI DSS), a common set of information security policies and procedures for use by entities that handle credit card data (any organization that accepts, processes, stores, or transmits credit card information) to protect that data and prevent misuse of cardholders' personal information. <sup>3</sup>
<b>Database</b>	A large collection of data that is stored digitally and organized and designed for easy access and retrieval (e.g., a collection of customer names and addresses). <sup>3</sup>
<b>Debit</b>	A charge to a customer's deposit account. <sup>3</sup>
<b>Debit Card</b>	Any card that primarily accesses a deposit account. <sup>3</sup>
<b>Debit Network</b>	An electronic system used for debit card transactions to withdraw cash from automated teller machines (ATMs), reconcile bills online, and make purchases. <sup>3</sup>
<b>Demand Deposit Account (DDA)</b>	A checking, savings, or money market account where the customer has easy access to the funds in the account. <sup>3</sup>
<b>Deposit Account</b>	A bank account where money can be deposited and withdrawn by the accountholder. Deposit accounts include checking, NOW, savings, share draft, and such other depository accounts as are legal under applicable law. <sup>3</sup>
<b>Dodd-Frank Act (DFA)</b>	Is a law that places strict regulations on lenders and banks in an effort to protect consumers. Section 1031(a) authorizes the Consumer Financial Protection Bureau (CFPB) to use its regulatory, supervisory, and enforcement authority to prevent financial service providers from committing or engaging in unfair, deceptive, or abusive acts or practices (UDAAP) in

	connection with consumer financial products or services. Criteria for determining whether an act or practice is unfair, deceptive, or abusive vary depending on the term. <sup>1</sup>
<b>Depository Institutions</b>	A bank or savings association that is allowed to accept deposits. <sup>1</sup>
<b>Digital Currency</b>	An alternate, electronic currency that usually involves the internet or other computer network. <sup>8</sup>
<b>Digital Wallet</b>	An electronic service that securely stores users' payment information and enables payment transactions online, in person, or through a smartphone or mobile device. <sup>1</sup>
<b>Direct Deposit</b>	A payment method in which funds are automatically transferred from the account that owes the funds to the account of the payee. The method is often used in payroll situations where a "paycheck" is directly deposited into an employee's account. <sup>8</sup>
<b>Direct Mobile Billing (DMB)</b>	A method of paying by charging the purchase to the user's cell phone account. <sup>8</sup>
<b>Distributed Ledger</b>	Technology that uses a consensus of replicated, shared, and synchronized digital data geographically spread across multiple sites, countries or institutions with no central administrator or centralized data storage. <sup>4</sup>
<b>Electronic Banking</b>	A form of banking in which the funds of financial transactions are transferred through an exchange of electronic signals between financial institutions (e.g., online banking, direct deposit, pay-by-phone systems, debit/credit card transactions, electronic check conversion). <sup>1</sup>
<b>Electronic Fund Transfer Act (EFTA)</b>	The Act is intended to protect individual consumers engaging in electronic fund transfers (EFTs). EFT services include transfers through automated teller machines, point-of-sale (POS) terminals, automated clearinghouse systems, telephone bill payment plans in which periodic or recurring transfers are contemplated, and remote banking programs. The Federal Reserve Board (Board) implements EFTA through Regulation E, which includes an official staff commentary. <sup>11</sup>
<b>Expedited Funds Availability Act (EFAA)</b>	To ensure that Recipients have prompt access to funds deposited into their bank accounts and help reduce the associated fraud risk to FIs. The law covers checks, wire transfers, ACH credits and cash deposits. Wire transfers and ACH credits are push payments and therefore similar to funds transfers through a faster payments system. <sup>1</sup>
<b>Electronic Funds Transfer (EFT)</b>	A transfer of funds that is initiated through an electronic terminal, telephone, computer (including on-line banking), or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit a consumer's account. EFTs include, but are not limited to point-of-sale (POS) transfers, automated teller machine (ATM) transfers, direct deposits or withdrawals of funds, transfers initiated by telephone, and transfers resulting from debit card transactions, whether or not initiated through an electronic terminal (Reg E). <sup>11</sup>
<b>Encryption</b>	The technique of scrambling sensitive data automatically in the terminal or computer before data is transmitted for security/antifraud purposes. <sup>3</sup>
<b>End User</b>	An entity that uses a payment solution, payment network, or payment service for the purpose of sending or receiving payments, such as a business or a consumer. <sup>6</sup>
<b>Error Resolution</b>	The process of an investigation to determine whether or not an erroneous, unauthorized, or fraudulent transaction has occurred and if so, the corrective measures to be taken by the end user and/or provider. <sup>4</sup>
<b>Federal Deposit Insurance Corporation (FDIC)</b>	A United States government corporation operating as an independent agency created by the Glass-Steagall Act of 1933 during the Great Depression. It provides deposit insurance, which guarantees the security of deposits in member banks, up to \$250,000 per deposit or per bank, as of January 2012. <sup>1</sup>
<b>Faster Payments</b>	A payment in which the transmission of the payment message and the availability of final funds to the payee occur in real time or near-real time on a 24-hour and seven-day (24/7) basis as possible. <sup>7</sup>

<b>Fedwire</b>	A real-time gross settlement funds transfer system operated by the United States Federal Reserve Banks, allowing financial institutions to electronically transfer funds between participants. <sup>12</sup>
<b>Financial Institution (FI)</b>	A banking institution that provides services to intermediary financial markets. <sup>1</sup>
<b>FinCEN - Financial Crimes Enforcement Network (FinCEN)</b>	A network that brings people and information together to fight the complex problem of money International ACH Transactions. It encourages cost-effective and efficient measures to combat money laundering domestically and internationally. <sup>1</sup>
<b>Federal Financial Institutions Examination Council (FFIEC)</b>	A formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the Consumer Financial Protection Bureau (CFPB) and to make recommendations to promote uniformity in the supervision of financial institutions. <sup>13</sup>
<b>FinTech</b>	Emerging technologies that are applied to enable banking and financial services functions. <sup>1</sup>
<b>Federal Trade Commission (FTC)</b>	Promulgated regulations pursuant to the Gramm-Leach -Bliley Act that apply to non-bank financial institutions to protect the data they collect (extends to essentially any business offering payment services). <sup>1</sup>
<b>First-Party Fraud</b>	Fraud committed by an accountholder against another Entity. For example, a legitimate customer may dishonestly request a chargeback on a purchase after receiving the merchandise as agreed, or an individual may set up an Account (either using his or her own identity or a synthetic identity) to purchase items on credit without intending to pay the bill in full. <sup>6</sup>
<b>Fraud</b>	In the payments industry, this refers to dishonest means used to perpetrate false or illegal transactions including account takeovers, identity theft, card counterfeiting, and other illicit schemes. <sup>3</sup>
<b>Fraud in the Inducement</b>	The action of misleading the participant into making a purchase, transfer, or withdrawal that is to his or her disadvantage. <sup>6</sup>
<b>Fraudulent</b>	An unauthorized transaction that has occurred. <sup>6</sup>
<b>Freeze</b>	An action taken by a bank, financial institution or fintech that prevents any transaction from occurring in the account. <sup>1</sup>
<b>Front-End Processor</b>	A core processor that initiates the transaction through the payments process. <sup>1</sup>
<b>Funding Agent</b>	A depository institution that has become a party to the Prefunded Balance Account Agreement and is either a funding manager or a funding provider. <sup>14</sup>
<b>Funds Available</b>	The funds or a portion of funds are available for use. <sup>15</sup>
<b>Funds transfer</b>	The series of transactions, beginning with the originator's payment order, made for the purpose of making payment to the beneficiary, including any payment order issued by the originator's bank or an intermediary bank. A funds transfer is completed by the acceptance of a payment order for the benefit of the beneficiary by the beneficiary's bank. <sup>5</sup>
<b>Gramm-Leach-Bliley-Act (GLBA)</b>	Requires covered businesses to: (1) ensure the security and confidentiality of customer information; (2) protect against any anticipated threats or hazards to the security or integrity of such information; and (3) protect against unauthorized access to or use of customer information that could result in substantial harm or inconvenience to any customer. <sup>1</sup>
<b>Gateway Processor</b>	A gateway for transactions to flow in-and-out and connects payment processor and participants. <sup>4</sup>
<b>Good Funds</b>	The funds that are unconditionally available to the owner of the receiving account and usable immediately by the owner of the account. <sup>4</sup>
<b>Governance</b>	The process whereby organizations create policies, decisions, and authority at the highest level. <sup>1</sup>
<b>Government to Business (G2B)</b>	A payment transaction between the government and a business. <sup>1</sup>
<b>Government to Consumer (G2C)</b>	A payment transaction between the government and a consumer. <sup>1</sup>

<b>Government to Government (G2G)</b>	A transaction between a government and another government. <sup>1</sup>
<b>In-App Payments</b>	The purchase of goods or services from within a mobile application. <sup>3</sup>
<b>Initiation of a Payment</b>	A process that is triggered when either the payer or payee in a payment transaction, or a third party, sends an instruction to another entity that ultimately leading to a payment. The initiation ends at the point when the payer authorizes a payment order, or in the case of pre-authorization, when the provider confirms that pre-authorization exists for a given payment. <sup>6</sup>
<b>International ACH Payment (IAT)</b>	IAT is a Standard Entry Class Code for an ACH International Payment. IAT payment transactions may be ACH debit or credit entries involving a financial agency's office that is not located in the territorial jurisdiction of the United States. <sup>5</sup>
<b>International Bank Account Number (IBAN)</b>	A standard international numbering system developed to identify an overseas bank account. IBAN does not replace a bank's own account number, as it's only meant to provide additional information that helps in identifying overseas payments. <sup>5</sup>
<b>Interoperability</b>	A process that enables solutions to transmit and receive payment instructions across various payment systems or platforms. It requires the use of common applied technical standards, coordinated digital identities, alias directories, and broad access to settlement mechanisms compatible between systems. <sup>1</sup>
<b>Irrevocability</b>	The legal inability of the payer's financial institution or agent to revoke a transfer of funds that is authorized by the payer. <sup>6</sup>
<b>ISO 20022 (message standards)</b>	The global messaging standard for financial business transactions, including payments, that was developed by the International Organization for Standardization (ISO). <sup>15</sup>
<b>Issuer</b>	A bank or financial institution that issues credit and debit cards to consumers on behalf of card networks. The entities extend lines of credit to consumers, responsible for providing financial details of each transaction, assume the responsibility for a cardholder's ability to pay, and responsible for account data, card maintenance, and status. <sup>1</sup>
<b>Legal Framework</b>	All legal sources that are applicable to a payment system including all public sector laws, regulations, other regulatory interpretations or rulings, court decisions, and the payment system rules applicable to the payment system. <sup>6</sup>
<b>Message Standards</b>	The standards that provide consistent messaging for interoperability. <sup>1</sup>
<b>Mobile Payments Service (MPS)</b>	A service that enables transactions through a portable device. <sup>1</sup>
<b>Mobile Wallet</b>	A digital wallet that needs to be linked to a user's bank or credit card account. <sup>3</sup>
<b>Multi-Currency</b>	The ability of a transaction to be processed in more than one currency. <sup>6</sup>
<b>Multi-Factor Authentication</b>	The use and validation of two or more authentication mechanisms. <sup>6</sup>
<b>Nacha</b>	The National Automated Clearing House Association which manages the development, administration, and governance of the ACH Network. <sup>1</sup>
<b>Nacha Rules</b>	The rules adopted by the National Automated Clearing House Association that apply to all entries transmitted through one or more ACH operators. <sup>14</sup>
<b>Near Real-Time</b>	A timeframe that occurs close to the act of initiating a payment order or authorizing a payment, but not necessarily immediately thereafter. <sup>6</sup>
<b>Non-Bank</b>	An entity that provides some financial services but does not offer a full array of retail banking services and does not have the legal status of a bank. <sup>1</sup>
<b>Office of Foreign Assets Control (OFAC)</b>	An organization that administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries, terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction. OFAC acts under Presidential wartime and national

	emergency powers as well as authority granted by specific legislation to impose controls on transactions and freeze foreign assets under US jurisdiction. <sup>5</sup>
<b>Office of the Comptroller of the Currency (OCC)</b>	A federal agency that oversees the execution of laws relating to national banks, and federal branches and agencies of foreign banks. The OCC supervises the capital adequacy of national banks and federal branches of foreign banking organizations. <sup>1</sup>
<b>Online Debit</b>	Also known as PIN debit during an online debit card transaction, a process when a card is inserted/swiped at the point-of-sale, the cardholder is required to enter a Personal Identification Number (PIN), and funds for the transaction are deducted from the cardholder's bank account. The transaction is processed on the ATM network of the cardholder's bank. <sup>3</sup>
<b>Original Credit Transaction (OCT)</b>	A payment method for fast and convenient fund transfers. OCT credits (pushes) funds to a recipient's account. <sup>1</sup>
<b>Originating Depository Financial Institution (ODFI)</b>	A financial institution that confirms a transaction is in compliance with regulations and thus can proceed. <sup>8</sup>
<b>Payee</b>	The intended recipient of a payment. <sup>6</sup>
<b>Payer</b>	The sender of funds in a payment transaction; particularly the Entity that, prior to Settlement, owns the funds to be sent to the Payee. <sup>6</sup>
<b>Payment Amount</b>	The total amount of a transaction submitted for authorization for payment. <sup>1</sup>
<b>Payment Card Industry (PCI) Compliance</b>	The Payment Card Industry Data Security Standard (PCI DSS) applies to companies of any size that accept credit card payments. If a company intends to accept card payment, and store, process, and transmit cardholder data, it needs to host customer data securely with a PCI compliant hosting provider. <sup>16</sup>
<b>Payment Message</b>	A communication that typically contains information related to the payment, such as the identities of the parties involved, relevant account information, and the payment amount. <sup>15</sup>
<b>Payment Provider</b>	An entity that enables instant transactions between parties in the network through mobile or email. <sup>1</sup>
<b>Payment System Rules</b>	The rules, standards/protocols, and procedures specific to and adopted by or for a payment system that also includes any bilateral or multi-lateral agreements executed by the entities. <sup>1</sup>
<b>Payment-Related Information</b>	Information that flows directly with a payment to describe its purpose and/or instruct the receiving party how to apply the funds. <sup>4</sup>
<b>Personally Identifiable Information (PII) Information</b>	The personal information used to distinguish or trace an individual associated with a transaction (e.g., social security, fingerprints, biometrics). <sup>6</sup>
<b>Person-to-Person (P2P)</b>	A peer-to-peer or person-to-person transaction such as payments by individuals to friends, family members, and other individuals for goods and services. <sup>8</sup>
<b>Point-of-Sale (POS)</b>	An electronic device where a customer makes a payment for products or services. <sup>1</sup>
<b>Posting</b>	The posting of a transaction by the receiving institution. <sup>1</sup>
<b>Processor</b>	A core processor that facilitates both back and front-end processing of transactions. <sup>1</sup>
<b>Pull Payment</b>	A payment made after prior authorization by the payer. The payee sends the payment instruction to the payee's account to draw on funds from the payer. <sup>6</sup>
<b>Push Payment</b>	A payment made when the payer sends the payment instruction to the payer's account to transfer the payer's funds to the payee. <sup>6</sup>



<b>Real-Time Payments</b>	A real-time payment includes the transmission of the payment message and the availability of final funds to the payee, occurring in real time or near real time, and on as near to 24-hour and seven (7) days basis as possible. <sup>1</sup>
<b>Real-Time Gross Settlement (RTGS)</b>	The settlement of payments, transfer instructions, or other obligations individually on a transaction-by-transaction basis. <sup>1</sup>
<b>Receiving Depository Financial Institution (RDFI)</b>	An entity that manages ACH transactions by taking credits or debits from relevant parties. <sup>8</sup>
<b>Reconciliation</b>	A procedure to verify that two sets of records issued by two different entities or two different systems involved in a transaction match. <sup>6</sup>
<b>Regulated non-Bank Account Provider</b>	An entity that is classified as money services business, money transmitter, or broker-dealers, and is subject to federal and/or state regulation. <sup>6</sup>
<b>Regulated Non-Bank Provider</b>	A non-bank participant, such as a money services business, money transmitter, or broker-dealer, that sends and receives payments on behalf of payers and payees and is subject to federal and/or state regulation. <sup>6</sup>
<b>Regulation E</b>	A regulation that includes the rules governing electronic fund transfers (EFTs) and also provides guidance to banks and other institutions that issue electronic debit cards. Reg E is in place for banks, financial institutions, and consumer protection. With the passage of Dodd Frank rulemaking authority is with the CFPB. <sup>1</sup>
<b>Remittance</b>	Money transfer made by an individual to another party, can be made to satisfy an obligation or invoice. <sup>1</sup>
<b>Remittance Data</b>	The information that ties the payment transaction to the details of a product or service (e.g., invoices or billing information). <sup>1</sup>
<b>Request for Payment (RFP)</b>	A transaction initiated by a business to a consumer requesting payment (e.g., business initiates RFP, client replies to text and \$ RTP) and is posted instantly to clients account. <sup>1</sup>
<b>Resiliency</b>	The ability to prepare for and adapt to changing conditions and withstand and recover rapidly from disruptions including deliberate attacks, accidents, or naturally occurring threats or incidents <sup>6</sup>
<b>Suspicious Activity Report (SAR)</b>	Requires banks to file SARs when suspicious activity is detected. <sup>1</sup>
<b>Same Day</b>	The origination, receipt, and settlement of a payment on the same day. <sup>4</sup>
<b>Specially Designated Nationals (SDN) &amp; Blocked Persons</b>	Requires screening for and blocking Specially Designated Nationals & Blocked Persons (“SDN”) – determined by the U.S. government. <sup>1</sup>
<b>Seconds</b>	The immediate transaction transfer between a sender's bank account to a recipient's bank account whereby the recipient receives funds within seconds. <sup>1</sup>
<b>Sender</b>	A consumer or business who sends (push) payment instructions through a sending participant. <sup>1</sup>
<b>Sender Limit</b>	A limit set to reduce real-time payments per transaction exposure. <sup>1</sup>
<b>Settlement</b>	The obligation of a financial data transaction has been satisfied in accordance with terms & conditions between two or more parties and payment complete. <sup>1</sup>
<b>Settlement Error</b>	An error that prevents a transaction from settling. <sup>1</sup>
<b>SWIFT</b>	The Society for Worldwide Interbank Financial Telecommunications is owned and operated by financial industry participants who through a unique standardized messaging service, enable the interlink of a worldwide community to process transactions. <sup>1</sup>
<b>Third-Party Fraud</b>	An unknown authorized attempt to access an accountholder funds to conduct fraudulent transactions. <sup>1</sup>
<b>Transaction Limits</b>	A limit set for a transaction according to the accountholders guidelines and participation in faster payments. <sup>1</sup>



<b>Travel Rule - Bank Secrecy Act's (BSA) "Travel Rule" is part of 31 C.F.R. 103.33(g)</b>	A rule that requires the financial institution of the originator of a wire transfer or other transaction to include the name, physical address, and account number of the originator; the name of the originating financial institution, amount and execution date of the transaction; and the name, physical address, and account number of the beneficiary and the beneficiary's financial institution. <sup>5</sup>
<b>Uniform Commercial Code (UCC)</b>	A set of laws governing all commercial transactions in the United States. It is not a federal law, but a uniformly adopted state law. Uniformity of law is essential in this area for the interstate transaction of business. <sup>1</sup>
<b>Ubiquitous</b>	A payment system that can reach all receiving accounts to ensure that a payer has the ability to pay any entity. <sup>4</sup>
<b>Unfair, Deceptive of Abusive Acts or Practices (UDAAP)</b>	Seeks to eliminate any unfair, deceptive, or abusive acts or practices. The CFPB has broad authority to enforce UDAAP to prevent any acts and practices that may cause financial injury to consumers, erode consumer confidence, and undermine the financial marketplace. <sup>1</sup>
<b>Use Case</b>	A specific situation in which a faster payments service could be used. <sup>1</sup>
<b>Void</b>	The ability to null a transaction before it impacts the customer's account. <sup>1</sup>
<b>XML (message standards)</b>	A markup language that defines a set of rules for encoding documents in a format that is readable by both humans and machines. <sup>15</sup>
<b>Zero-Hour Rule</b>	A provision in the insolvency law of some countries whereby the transactions conducted by an insolvent institution after midnight on the date the institution is declared insolvent is automatically ineffective by operation of law. <sup>7</sup>

**Sources:**

<sup>1</sup>FPC Education & Awareness Work Group, Glossary Terms Team

<sup>2</sup>Glenbrook Partners

<sup>3</sup>FirstData.com, Payments 101 Glossary

<sup>4</sup>Epcor.org, sourced from Fed FP Task Force

<sup>5</sup>Nacha, Glossary of International ACH Terms

<sup>6</sup>Fed Payments Improvements

<sup>7</sup>Bank for International Settlements

<sup>8</sup>PYMNTS.com, Pay-Ology Glossary

<sup>9</sup>Mastercard RTP Message

<sup>10</sup>Paypal.com

<sup>11</sup>Federal Reserve

<sup>12</sup>Fedwire Funds Services

<sup>13</sup>Federal Financial Institutions Examination Council

<sup>14</sup>The Clearing House RTP System Operating Rules

<sup>15</sup>FasterPaymentsPlaybook.org

<sup>16</sup>Otava.com