US Faster Payments Council

FPC FALL MEMBER MEETING 2026



US Faster Payments Council

What Do You Do When Wires Go Down?



US Faster Payments Council



Matthew Friend

MD, Head of New Payments Rails

JPMorganChase



Steve Kenneally

Senior VP, Payments

American Banking Association

FPC FALL MEMBER MEETING 2026

Disclaimer

The views presented here are those of the individual speakers and are not necessarily the views of their respective companies.

Although this presentation includes examples, it is not intended to be relied upon for any purpose. If you or your organization recognize anything in this presentation as applying to your specific situation, you may want to consult with your own company and it does not carry any right of publication or disclosure, in whole or in part, to any other party. This presentation is for information purposes only and may be incomplete without reference to, and should be viewed solely in conjunction with, any oral briefing provided by or other discussions with the speakers. Neither this presentation nor any of its contents may be duplicated, published or disclosed (in whole or in part) or used for any other purpose without the prior written consent of the speakers.



The Case for Fedwire Funds Resilience

Today's Environment



Emerging threats are shaping the need to protect national payments infrastructure

- An average of **$4.6 trillion** of payments every day **would be at risk of failure** in the event of a prolonged Fedwire Funds outage
- **Without effective mitigation**, a failure of this magnitude would have **significant systemic impact** to the US and Global economy

The ARC Wholesale Payments Joint Resilience Plan focused on three key areas of work:

1. **Flip to CHIPS*** – Ability of CHIPS participants to flip payments from Fedwire to The Clearing House's CHIPS system
2. **EPO** – Development and implementation of The Federal Reserve's Enhanced Protracted Outage
3. **Long Tail Risk Assessment –** evaluation of risk mitigation strategies for the remaining Fedwire payments(<$50 million)

US Faster Payments Council

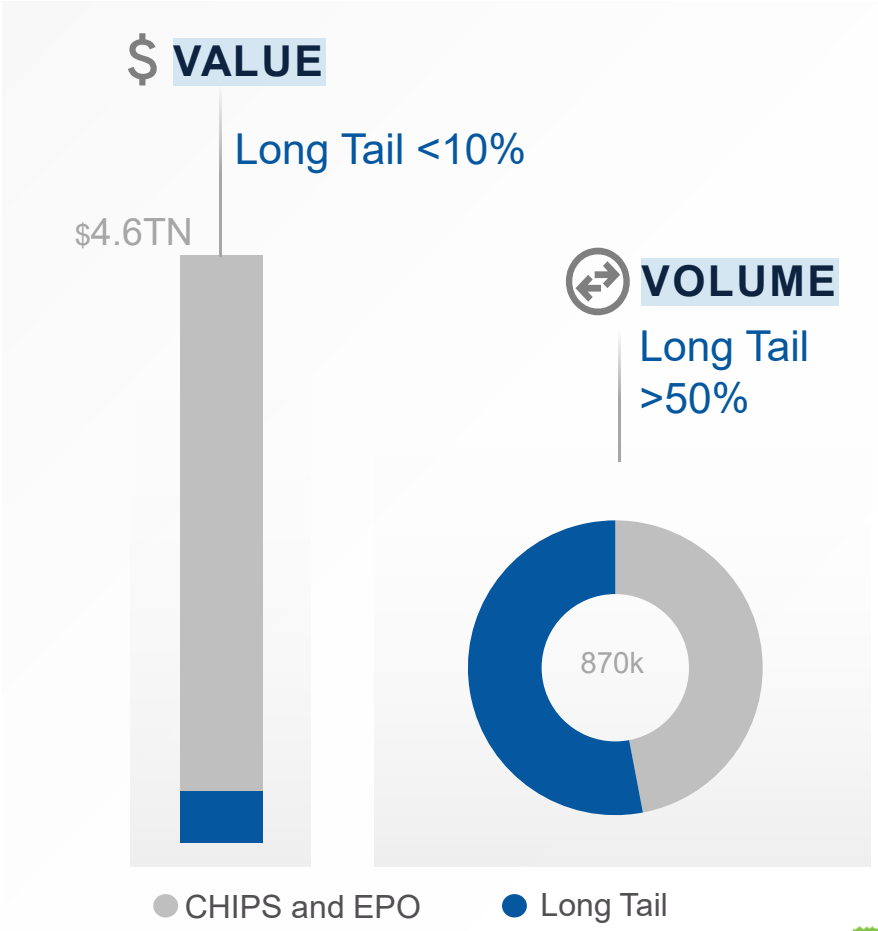
*A prolonged Fed disruption could exhaust CHIPS prefunded balances, which would limit its effectiveness even while it remains operational

Why the Long Tail Needs Further Review

- CHIPS and EPO solution for more than 90% of the daily average Fedwire value during a prolonged outage scenario
- The remaining high-volume “long tail” of lower-value, consumer-impacting payments would not be resolved by these resilience solutions
- The Long Tail Risk Assessment identified and assessed solutions for these payments

Assessment Outline

- Identified existing alternative payment rails, such as FedNow, RTP, ACH, & Same-Day ACH
- Assessed their potential to settle the high-volume, lower-value Fedwire Funds payments not covered by CHIPS or EPO during an extended Fedwire outage



US Faster Payments Council

No alternative rail delivers the full capability of Fedwire

(Preliminary Analysis)

Rail	Operational Profile	Contingency Role
ACH	Cost-effective, batch-based processing for low-value transactions with settlement typically within 1–2 business days	◑ **Limited utility during a Fedwire outage** due to delayed settlement and lack of real-time capabilities
Same Day ACH	Accelerated ACH processing with same-day settlement for eligible transactions, enhancing liquidity management within business hours.	◕ **Offers moderate resilience for time-sensitive payments**, though constrained by cutoff times and transaction limits
Instant (FedNow & RTP)	Real-time, 24/7/365 settlement with immediate funds availability and rich messaging capabilities; supports transactions up to $10 million.	◕ **Strong alternative for retail and commercial payments** during Fedwire disruptions, though limited in handling high-value transfers, reachability, and ubiquity

●	Meets capability
◕	Substantially meets capability
◑	Meaningful gaps
○	Does not meet capability

LET'S DISCUSS: Do you agree with this analysis? What would you add or change?



Takeaways & Next Steps

Phase 1: Long Tail Assessment

Findings:

- The Alternative Rails offer varying levels of capabilities to support payments and could be collectively utilized as effective resilience solutions
- Majority of Long Tail retail payments fall below the $10 million transaction limit, suggesting alternative rails can adequately support during an outage

Phase 2: Long Tail Industry Working Group

Purpose:

- Establish an industry-wide strategy to mitigate Long Tail payment resilience risk

Participants:

- Financial Institutions, Payments Infrastructure and Payments Service Providers

Goals:

- Develop FI readiness plan
- Discuss legal, compliance, and regulatory gaps
- Define near and long-term rail/network solutions for full coverage

Relevant Questions we need to start asking

Financial Institution

1. Do your disclosures and customer agreements let you switch a customer's payment to another rail?
2. What is your communication plan with customers during a network outage?
3. Are you ready to re-route via another rail, both technically and operationally?

Industry

1. How do we close the coverage gap for payments that cannot currently move over alternative rails?
2. How can industry coordinate faster during a prolonged Fedwire outage?
3. What data, governance, and decision-making protocols are needed to coordinate a rapid industry response during a Fedwire outage?

US Faster Payments Council

Caveat: U.S. regulatory, legal and compliance considerations must be evaluated when switching rails

Call to Action

- Interested in helping build momentum? We want to hear from:
  - Financial Institutions (of any size)
  - Core Processors/ Payments Service Providers

- With your partnership, we can help ensure our industry remains resilient

