

Instant Payments

A CU*Answers Collaboration Group

Sending Instant Payments via Online Banking

October 17, 2024

Today's Topic

- Brainstorming on a module for members to send payments from online banking via an instant payments rail
 - ■RTP®
 - ■The FedNow® service





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PayPal

What members get with RTP®

But first...let's talk

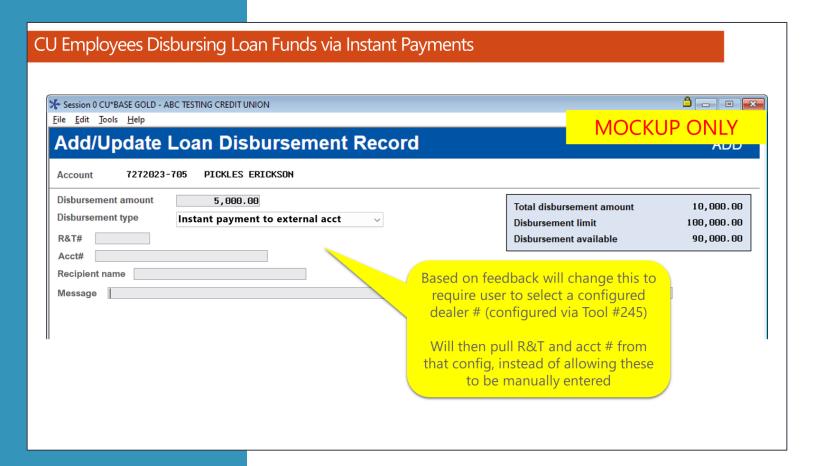
- •Have you studied the requirements for sending via these new rails?
- •Have you done your due diligence? Do you understand the risk?
- Is allowing members to send really your most important use case for these new rails?

Would you allow your members to initiate wires in online banking?

If not, are you sure you want to give them free rein to these new rails?

Remember...

- Our first use case is still allowing your employees to disburse loan funds to pre-configured dealers
 - No ability to add an R&T and account number on the fly



What's YOUR next use case?

- Should our second use case be to go directly to your members?
- Do your members really need to be able to initiate this via online banking?
 - Or can they already do what they want, now that you're on the rail for receive?
- •And should they be getting this very risky service for free?

Ideas for a new Online Banking Module

Step 1: Setting up recipients



Instant Payments using RTP

Instant Payments offer an advanced solution for transferring funds to external financial that support Real-Time Payments (RTP). Funds are transferred immediately, ensuring processing with no delays. Whether paying bills, making transfers, or sending money and family, transactions are completed instantly, providing both speed and security. It to note that these payments are non-reversible

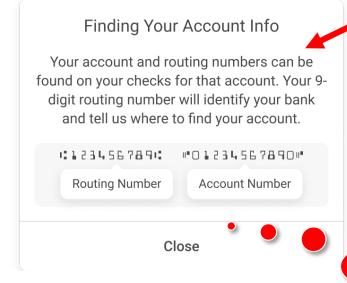
Here's where we could add details about any fees

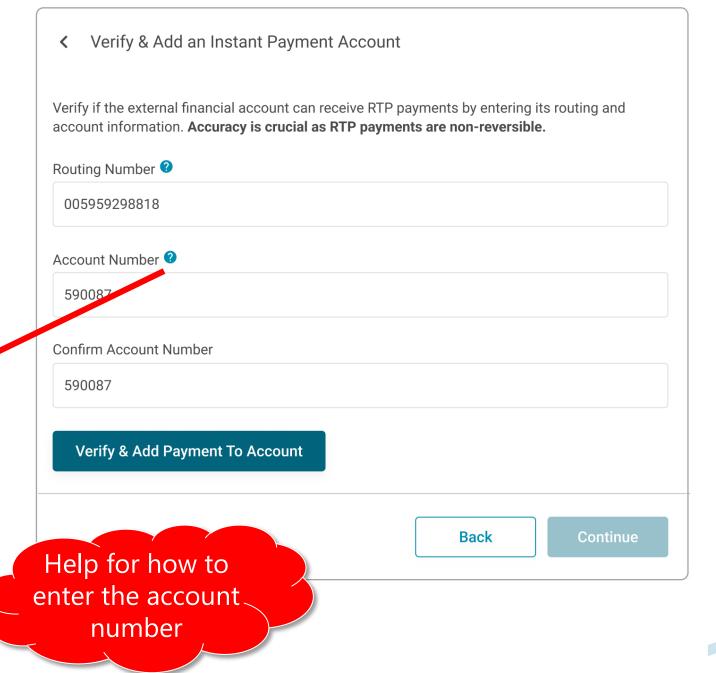




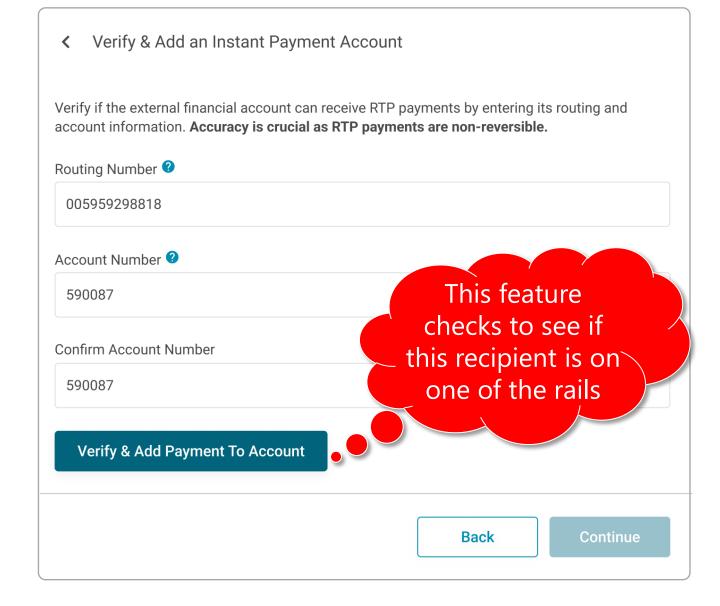
Start by easily verifying and adding a financial account to ensure the capability of receiving RTP payments.

Add a Pay To Account

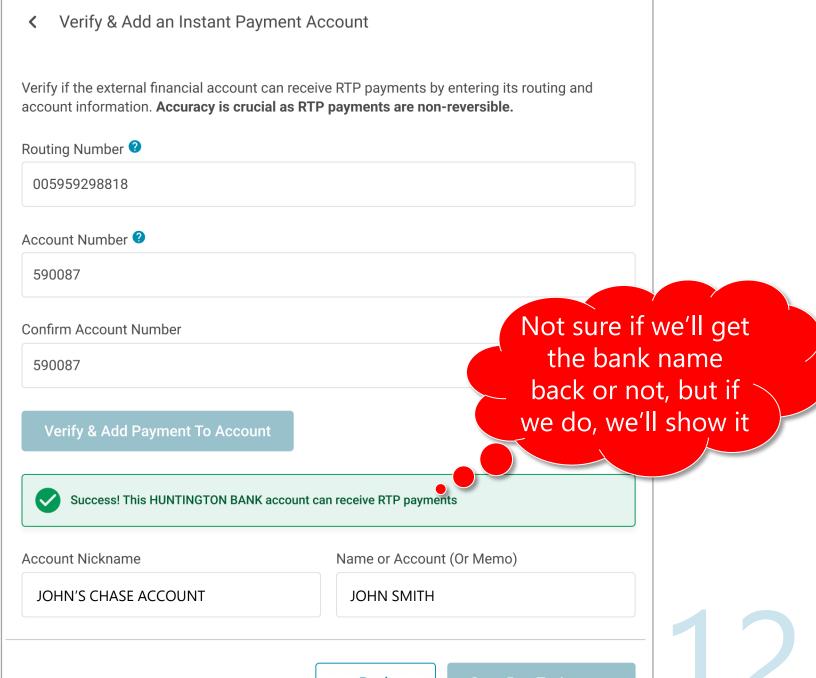




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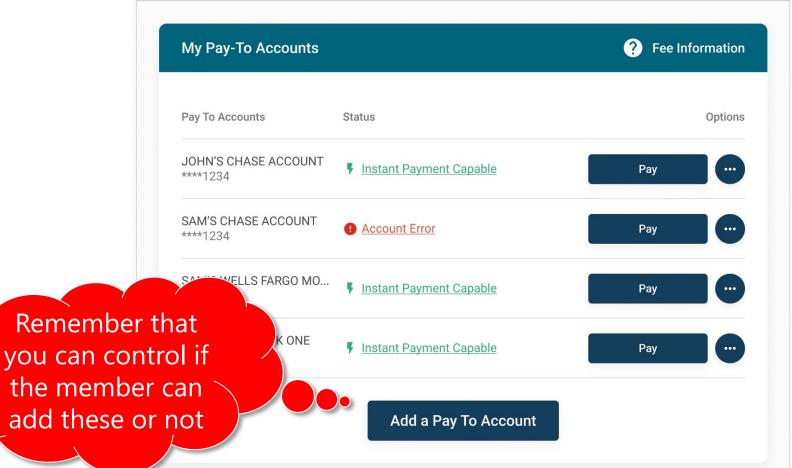
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Save Pay-To Account

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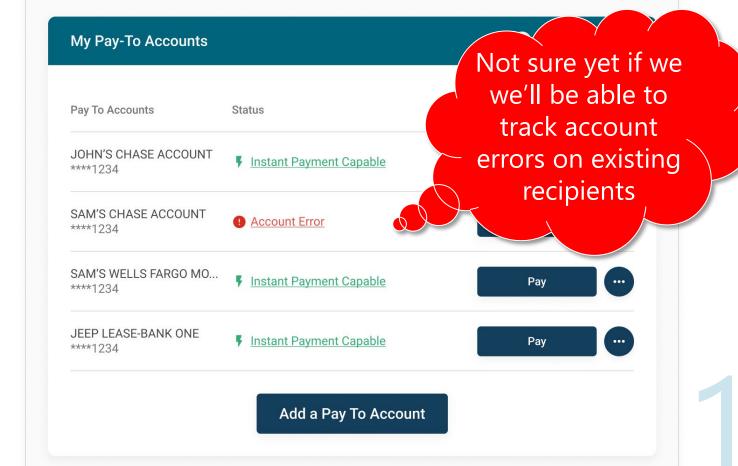


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Instant Payments using RTP

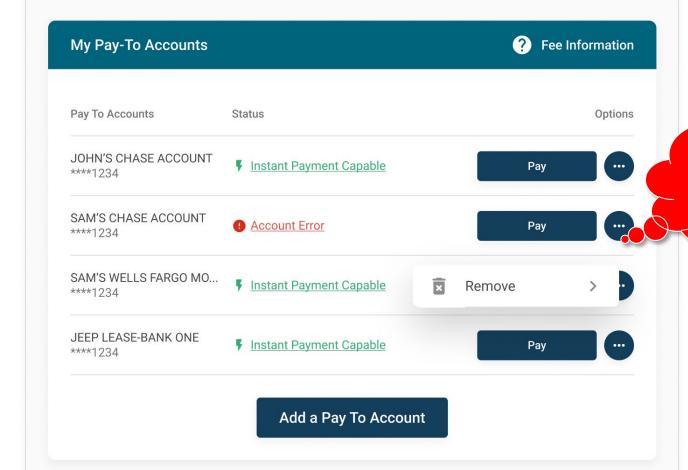
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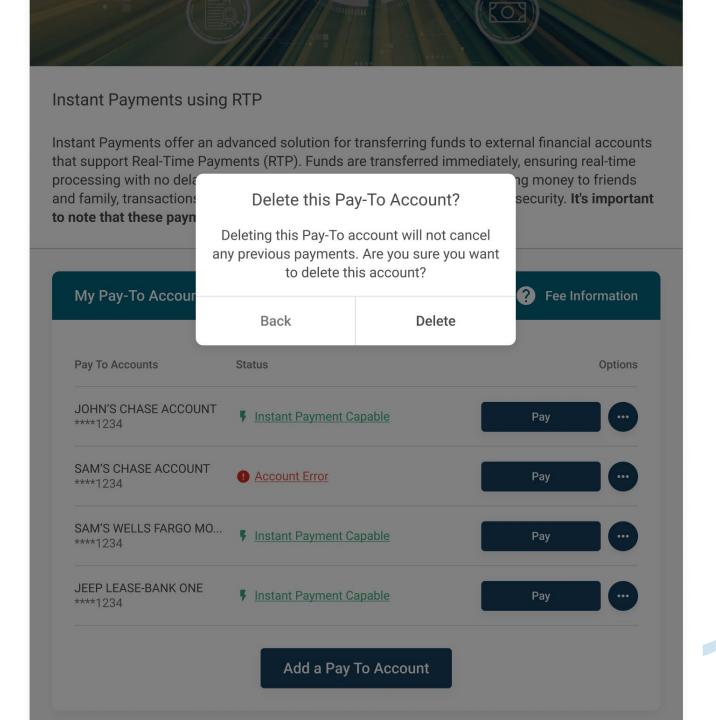
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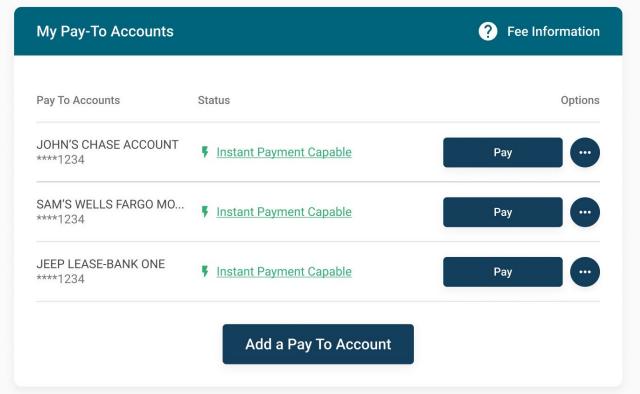
Members can also delete recipients

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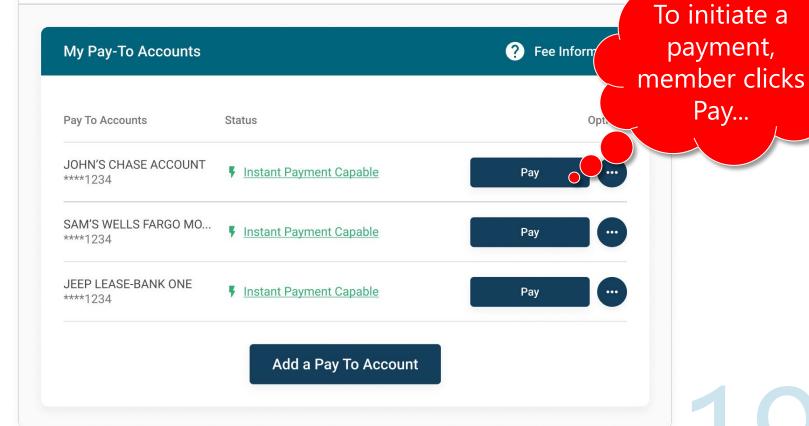


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Step 2: Initiating payments

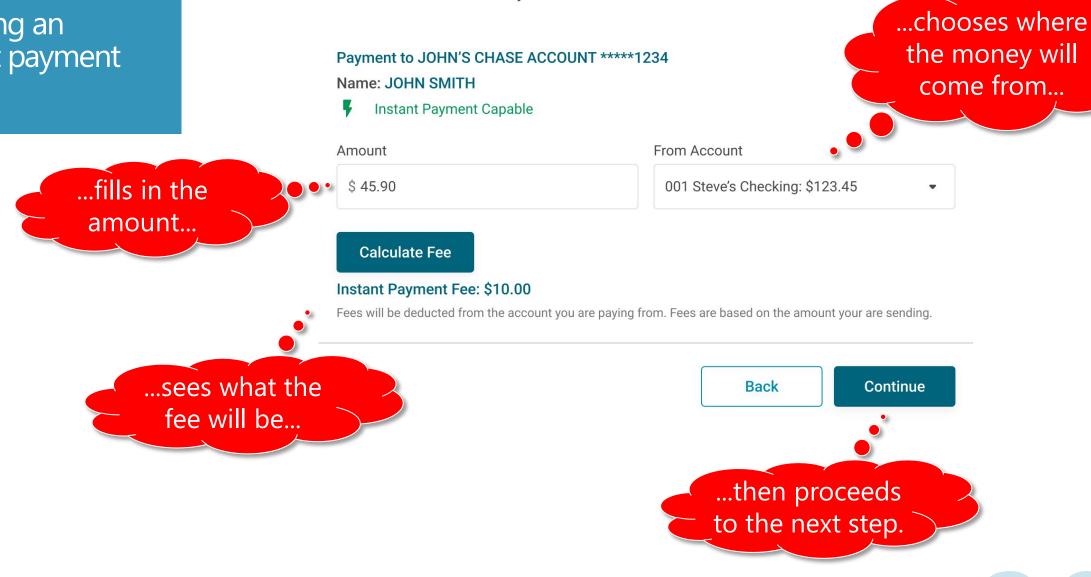
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Pay...

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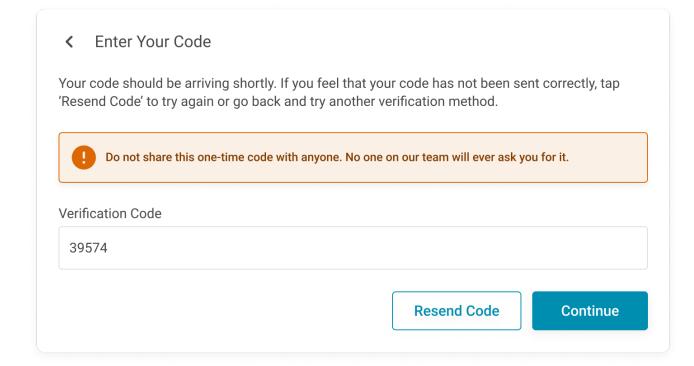
Send an Instant Payment

Let's Verify Your Identity Since protecting your information is our top priority, we must verify it's you. Select a contact method to receive a one-time verification code to continue. Text code to (***) ***-7501 Text code to (***) ***-2235

Email code to nat******3@gmail.com

Send Code

MFA will be an automatic requirement for all instant payments





Review Instant Payments Withdraw From 001 MY CHECKING: \$4039.36 Payment To KEN'S CHASE ACCOUNT (Checking) Amount \$576.44 Instant Payment Fee \$10.00

TOTAL WITHDRAWAL \$586.44

Terms & Conditions for Instant Transfers

Thank you for choosing Success Credit Union for real-time payments. Before powith your transaction, please review the following information regarding fees, chothe irreversibility of transactions:

You'll be able to customize this content

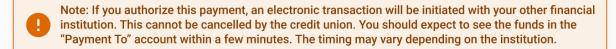
- 1. Real-Time Payment Fee: A fee of [insert amount] will be charged for each real-payment transaction initiated through our platform.
- Additional Bank Charges: Please note that your bank may also impose additional charges for real-time payments. These charges are separate from our fees and are determined by your bank's policies.
- **3. Transaction Limits:** There may be limits on the amount you can send via real-time payments. Please refer to our platform's terms of service or contact customer support for more information on transaction limits.
- **5. Irreversible Transactions:** Real-time payments are irreversible once initiated. Once the transaction is completed, it cannot be undone. Please ensure that you verify all transaction details, including recipient information, before confirming your payment.

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- **6. Confirmation of Payment:** Real-time payments are processed instantly, and you will receive confirmation of the transaction upon completion. Please ensure that you provide accurate recipient information to avoid delays or errors in processing.

By proceeding with your real-time payment transaction (Instant Transfers), you acknowledge and accept the associated fees and charges outlined above.

If you have any questions or require further clarification, please don't hesitate to contact our member support team.



I have read & agree to the Terms & Conditions for Instant Transfers.

Back

Send Now

Instant Payment Fee \$10.00

TOTAL \$586.44

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- 3. Transaction Lim payments. Pleas for more information and the payments and the payments cannot be reversed.

 Are you sure you want to send this payment?

 Instant payments cannot be reversed.

 customer support

5. Irreversible Tran
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confirmation!

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- 1. Real-Time Payment Foo: A fee of lineart amount will be charged for each real-time payment transact
- 2. Additional Bank se additional ur fees and are determined by yo Confirmation Code Required

Enter Code Here...

3. Transaction Lim
payments. Pleas
Code for transferring funds.

your PIB profile requires your Confirmation
Code for transferring funds.

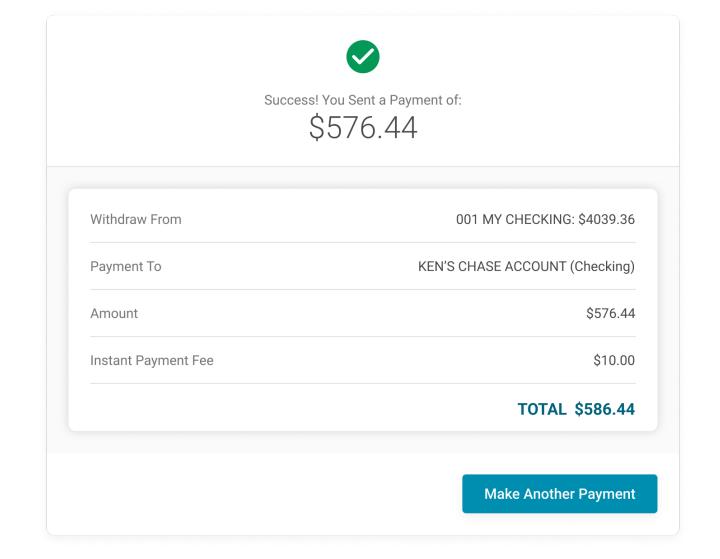
(may also appear based on the member's PIB profile settings)

Cancel Submit

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We need your feedback!

•If we build a fee structure, how should it work?

•Are there other Send use cases we should be exploring before we move to members?

•What other ideas do you have for these new payment rails?

In the Kitchen: Learning about FedNow®

Learning about FedNow®

The Research Project

Starting in the fall of 2022, CU*Answers began processing, specifically the RTP® Network (The Reserve) programs, and third-party partners w these systems in order to receive funds for our bers. Our goal was to understand the scope of with to connect, technical details about how th tions for fraud management.

For details about our RTP project, review the s

Remember that these are payment options in a with these new payment channels will have no and functionality.

Status update as of December 2023: Starting in Sability for us to start working with them on the detween CU*BASE and the Fed. After agreements we we are now meeting regularly for both the technic learning the Fed's onboarding process. We are cunical specifications and working on our own design do. Our champion credit union is Frankenmuth C

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Read an overview of instant payments and the different

FAQs

Q: Will this project be in phases, like what y



In the Kitchen: Learning about RTP®

Learning about RTP®

The Research Project

Starting in the fall of 2022, CU*Answers began studying the evolving world of payment processing, specifically the RTP® Network (The ClearingHouse) and FedNow® (Federal Reserve) programs, and third-party partners who may be able to help us hook into these systems in order to receive funds for our credit unions on behalf of their members. Our goal was to understand the scope of potential projects, who we could partner with to

connect, technical details about how the process works, a fraud management.

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WE NEED YOUR INPUT! LEARN MORE
ABOUT WHAT WE'RE DOING AND LEND
YOUR VOICE TO OUR EFFORTS BY JOINING THE CONVERSATIONS ON INSTANT
PAYMENTS GROUP!

Conversations on 🛠

Remember that we're all learning together...

stay in touch!

open.cuanswers.com/FedNow

Also see the FedNow® Kitchen recipe for details on that separate project.

Remember that these are payment options in addition to regular ACH. Whateveith these new payment channels will have no effect on our current ACH proces and functionality.

open.cuanswers.com/RTP

What We've Learned

In September and October we met with representatives from both Corp One and Vizo

Thanks for your feedback!

Post any additional comments in the Kitchen

Conversations on S
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