

**Conversations on\***

# 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<sup>®</sup>  
or
  - The FedNow<sup>®</sup> service



***venmo***



**ESPN BET**



**mazooma.**

**PayPal**

What  
members  
get with  
RTP<sup>®</sup>  
receive

# 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

## CU Employees Disbursing Loan Funds via Instant Payments

Session 0 CU\*BASE GOLD - ABC TESTING CREDIT UNION

File Edit Tools Help

### Add/Update Loan Disbursement Record

Account 7272023-705 PICKLES ERICKSON

Disbursement amount

Disbursement type

R&T#

Acct#

Recipient name

Message

Total disbursement amount	10,000.00
Disbursement limit	100,000.00
Disbursement available	90,000.00

**MOCKUP ONLY**

Based on feedback will change this to require user to select a configured dealer # (configured via Tool #245)

Will then pull R&T and acct # from that config, instead of allowing these to be manually entered

# 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

DESIGN MOCKUPS ONLY; SUBJECT TO CHANGE

7

# Step 1: Setting up recipients





### Instant Payments using RTP

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

Here's where we could add details about any fees

#### My Pay-To Accounts Fee Information

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

Add a Pay To Account

# Setting up recipients

## < Verify & Add an Instant Payment Account

Verify if the external financial account can receive RTP payments by entering its routing and account information. **Accuracy is crucial as RTP payments are non-reversible.**

Routing Number ?

005959298818

Account Number ?

590087

Confirm Account Number

590087

Verify & Add Payment To Account

Back

Continue

### Finding Your Account Info

Your account and routing numbers can be found on your checks for that account. Your 9-digit routing number will identify your bank and tell us where to find your account.

⌚ 2 3 4 5 6 7 8 9 ⌚    ⌚ 0 1 2 3 4 5 6 7 8 9 0 ⌚

Routing Number

Account Number

Close

Help for how to enter the account number

DESIGN MOCKUP ONLY


10

# Setting up recipients

## < Verify & Add an Instant Payment Account

Verify if the external financial account can receive RTP payments by entering its routing and account information. **Accuracy is crucial as RTP payments are non-reversible.**

Routing Number 

Account Number 

Confirm Account Number

Verify & Add Payment To Account

This feature checks to see if this recipient is on one of the rails

Back

Continue

# Setting up recipients

## < Verify & Add an Instant Payment Account

Verify if the external financial account can receive RTP payments by entering its routing and account information. **Accuracy is crucial as RTP payments are non-reversible.**

Routing Number 

005959298818

Account Number 

590087

Confirm Account Number

590087

Verify & Add Payment To Account



Success! This HUNTINGTON BANK account can receive RTP payments

Account Nickname

JOHN'S CHASE ACCOUNT

Name or Account (Or Memo)

JOHN SMITH

Back

Save Pay-To Account

Not sure if we'll get the bank name back or not, but if we do, we'll show it

DESIGN MOCKUP ONLY

12

# Setting up recipients

## Instant Payments using RTP

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

### My Pay-To Accounts Fee Information

Pay To Accounts	Status	Options
JOHN'S CHASE ACCOUNT ****1234	<a href="#">Instant Payment Capable</a>	<span>Pay</span> <span>⋮</span>
SAM'S CHASE ACCOUNT ****1234	<a href="#">Account Error</a>	<span>Pay</span> <span>⋮</span>
SAM'S WELLS FARGO MO...	<a href="#">Instant Payment Capable</a>	<span>Pay</span> <span>⋮</span>
...K ONE	<a href="#">Instant Payment Capable</a>	<span>Pay</span> <span>⋮</span>

Add a Pay To Account

Remember that you can control if the member can add these or not





DESIGN MOCKUP ONLY

# Setting up recipients

## Instant Payments using RTP

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

### My Pay-To Accounts

Pay To Accounts	Status
JOHN'S CHASE ACCOUNT ****1234	 <a href="#">Instant Payment Capable</a>
SAM'S CHASE ACCOUNT ****1234	 <a href="#">Account Error</a>
SAM'S WELLS FARGO MO... ****1234	 <a href="#">Instant Payment Capable</a>
JEEP LEASE-BANK ONE ****1234	 <a href="#">Instant Payment Capable</a>

Not sure yet if we we'll be able to track account errors on existing recipients

Add a Pay To Account

DESIGN MOCKUP ONLY



# Removing recipients

## Instant Payments using RTP

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

### My Pay-To Accounts Fee Information

Pay To Accounts	Status	Options
JOHN'S CHASE ACCOUNT ****1234	<a href="#">Instant Payment Capable</a>	<span>Pay</span> <span>⋮</span>
SAM'S CHASE ACCOUNT ****1234	<a href="#">Account Error</a>	<span>Pay</span> <span>⋮</span>
SAM'S WELLS FARGO MO... ****1234	<a href="#">Instant Payment Capable</a>	<span>Remove</span> <span>&gt;</span> <span>⋮</span>
JEEP LEASE-BANK ONE ****1234	<a href="#">Instant Payment Capable</a>	<span>Pay</span> <span>⋮</span>

Add a Pay To Account

Members can also delete recipients

DESIGN MOCKUP ONLY

# Removing recipients

## Instant Payments using RTP

Instant Payments offer an advanced solution for transferring funds to external financial accounts that support Real-Time Payments (RTP). Funds are transferred immediately, ensuring real-time processing with no delay. You can use Instant Payments to send money to friends and family, transactions that are secure and easy to manage. **It's important to note that these payments are irreversible.**

**Delete this Pay-To Account?**

Deleting this Pay-To account will not cancel any previous payments. Are you sure you want to delete this account?

Back Delete

My Pay-To Accounts Fee Information

Pay To Accounts	Status	Options
JOHN'S CHASE ACCOUNT ****1234	<a href="#">Instant Payment Capable</a>	Pay
SAM'S CHASE ACCOUNT ****1234	<a href="#">Account Error</a>	Pay
SAM'S WELLS FARGO MO... ****1234	<a href="#">Instant Payment Capable</a>	Pay
JEEP LEASE-BANK ONE ****1234	<a href="#">Instant Payment Capable</a>	Pay

Add a Pay To Account

DESIGN MOCKUP ONLY









# Removing recipients

## Instant Payments using RTP

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

### My Pay-To Accounts

[? Fee Information](#)

Pay To Accounts	Status	Options
JOHN'S CHASE ACCOUNT ****1234	 <a href="#">Instant Payment Capable</a>	<a href="#">Pay</a> 
SAM'S WELLS FARGO MO... ****1234	 <a href="#">Instant Payment Capable</a>	<a href="#">Pay</a> 
JEEP LEASE-BANK ONE ****1234	 <a href="#">Instant Payment Capable</a>	<a href="#">Pay</a> 

[Add a Pay To Account](#)

## Step 2: Initiating payments

# Removing recipients

## Instant Payments using RTP

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

### My Pay-To Accounts Fee Inform

Pay To Accounts	Status	Opt
JOHN'S CHASE ACCOUNT ****1234	<a href="#">Instant Payment Capable</a>	<span>Pay</span> <span>⋮</span>
SAM'S WELLS FARGO MO... ****1234	<a href="#">Instant Payment Capable</a>	<span>Pay</span> <span>⋮</span>
JEEP LEASE-BANK ONE ****1234	<a href="#">Instant Payment Capable</a>	<span>Pay</span> <span>⋮</span>

Add a Pay To Account

To initiate a payment, member clicks Pay...

# Initiating an instant payment

< Send an Instant Payment

Payment to JOHN'S CHASE ACCOUNT \*\*\*\*\*1234

Name: JOHN SMITH

 Instant Payment Capable

...chooses where the money will come from...

Amount

...fills in the amount...

From Account

Calculate Fee

Instant Payment Fee: \$10.00

...sees what the fee will be...

Fees will be deducted from the account you are paying from. Fees are based on the amount your are sending.

Back

Continue

...then proceeds to the next step.

# Initiating 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

# Initiating an instant payment

< Enter Your Code

Your code should be arriving shortly. If you feel that your code has not been sent correctly, tap 'Resend Code' to try again or go back and try another verification method.



Do not share this one-time code with anyone. No one on our team will ever ask you for it.

Verification Code

39574

Resend Code

Continue

# Initiating an instant payment

## 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 proceeding with your transaction, please review the following information regarding fees, charges, and the irreversibility of transactions:

- 1. Real-Time Payment Fee:** A fee of [insert amount] will be charged for each real-time payment transaction initiated through our platform.
- 2. 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.

There are several confirmation steps!

You'll be able to customize this content

# Initiating an instant payment

- 2. 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.
- 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.



**Note:** If you authorize this payment, an electronic transaction will be initiated with your other financial institution. This cannot be cancelled by the credit union. You should expect to see the funds in the "Payment To" account within a few minutes. The timing may vary depending on the institution.



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

Back

Send Now



# Initiating an instant payment

Instant Payment Fee

\$10.00

**TOTAL \$586.44**

### Terms & Conditions for Instant Transfers

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

- 1. Real-Time Payment Fee:** A fee of [insert amount] will be charged for each real-time payment transaction initiated through our platform.
- 2. Additional Bank Charges:** Please note that your bank may also impose additional charges for real-time payments. These charges and fees are determined by your bank.
- 3. Transaction Limit:** Real-time payments are processed instantly. Please review the transaction limit for more information.
- 4. Irreversible Transaction:** Once a real-time payment transaction is completed, it cannot be undone. Please ensure that you review transaction details, including recipient information, before confirming your payment.
- 5. Irreversible Transaction:** Once a real-time payment transaction is completed, it cannot be undone. Please ensure that you review transaction details, including recipient information, before confirming your payment.
- 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.

Are you sure?

Are you sure you want to send this payment?  
Instant payments cannot be reversed.

Go Back      Send Now

One more confirmation!

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.

DESIGN MOCKUP ONLY

# Initiating an instant payment

Instant Payment Fee \$10.00


**TOTAL \$586.44**

### Terms & Conditions for Instant Transfers

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

- 1. Real-Time Payment Fee:** A fee of [insert amount] will be charged for each real-time payment transaction.
- 2. Additional Bank Charges:** There may be additional charges for real-time payments, which are determined by your bank.
- 3. Transaction Limit:** There may be limits on the amount of real-time payments. Please refer to your account information for more information.

Your PIB profile requires your Confirmation Code for transferring funds.

Enter Code Here... 

Cancel Submit

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.

Note: If you authorize this payment, an electronic transaction will be initiated with your other financial

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

DESIGN MOCKUP ONLY

# Initiating an instant payment



Success! You Sent a Payment of:

\$576.44

Withdraw From

001 MY CHECKING: \$4039.36

Payment To

KEN'S CHASE ACCOUNT (Checking)

Amount

\$576.44

Instant Payment Fee

\$10.00

**TOTAL \$586.44**

Make Another Payment

# 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 with these systems in order to receive funds for our members. Our goal was to understand the scope of what we would need to connect, technical details about how the systems work, and options for fraud management.

For details about our RTP project, [review the summary](#).

Remember that these are payment options *in addition to* regular ACH. Whatever you do with these new payment channels will have no effect on our current ACH processing and functionality.

*Status update as of December 2023: Starting in September, we have the ability for us to start working with them on the details of the RTP between CU\*BASE and the Fed. After agreements were reached, we are now meeting regularly for both the technical and business learning the Fed's onboarding process. We are currently working on our own design specifications and working on our own design. Our champion credit union is Frankenmuth CU.*

[Read an overview of instant payments and the differences between FedNow and RTP.](#)

#### FAQs

**Q: Will this project be in phases, like what you did with RTP?**

## 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, and options for fraud management.

Also see the [FedNow® Kitchen recipe](#) for details on that separate project.

Remember that these are payment options *in addition to* regular ACH. Whatever you do with these new payment channels will have no effect on our current ACH processing and functionality.

#### What We've Learned

In September and October we met with representatives from both Corp One and Vizo to get a brain dump on what they know about both FedNow® and RTP® and what their

Conversations on\*  
Instant Payments  
A CU\*Answers Collaboration Group

**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!**

Remember that we're all learning together...

stay in touch!

[open.cuanswers.com/FedNow](https://open.cuanswers.com/FedNow)

[open.cuanswers.com/RTP](https://open.cuanswers.com/RTP)

# Thanks for your feedback!

Post any additional  
comments in the Kitchen

**Conversations on\***

**Instant Payments**  
A CU\*Answers Collaboration Group