



Faster Payments Playbook Project Team

Meeting Summary Report | December 12-13, 2018





BACKGROUND

The Payments Innovation Alliance is committed to supporting the industry’s evolution to a faster payments environment through the work of its Faster Payments Playbook Project Team. The work of this team will shape discussions and deliverables that will help propel the industry forward.

Because of its diverse membership – representing corporates, third-party processors, fintechs and financial institutions (FIs) – combined with a broad understanding of the payments environment and a desire to collaborate, the Alliance believes it can play a crucial role in helping both FIs and business end users gain clarity on the trajectory of faster payments and decipher what it means for their organizations.

The Alliance’s Faster Payments Playbook Project Team has embarked on creating resources and tools to assist organizations in determining which solutions may be best for them and/or their customers and how best to develop a faster payments strategy. The Project Team was launched in June 2018 with a broad call for participants, and today consists of more than 60 organizations representing all areas of industry.

The main initiatives of the Project Team consist of developing/maintaining three primary resources/tools: the Faster Payments Playbook, Faster Payments 101, and the Faster Payments Resource Center.

The Faster Payments Playbook is both an educational and decisioning platform that will help FIs and corporates, as well as additional audiences, develop a faster payments strategy – from concept to reality. The Playbook will be a living resource that will change over time to reflect new developments on the faster payments landscape. The first iteration of the Playbook will focus on the FI audience, followed by a version for corporate practitioners.

Faster Payments 101, initially known as the Introduction to Faster Payments in the U.S., will be a refreshed, updated primer that provides at-a-glance information to those with little to no knowledge of faster payments. The content will more directly align with that of the Playbook and will support both FIs and business end users.

The Faster Payments Resource Center is an existing resource available at web.nacha.org/resource/fasterpayments that is updated with articles and information about all faster payments mechanisms. It will serve as a home base for all team deliverables. Contributed resources will be added to the Resource Center to complement the work of NACHA and the Alliance.

DECEMBER MEETING HIGHLIGHTS

The December meeting served as an opportunity to make progress on the activities and deliverables of the Faster Payments Playbook Project Team. As such, discussions primarily focused on the near-term deliverables: The Faster Payments Playbook and the Faster Payments 101.

FASTER PAYMENTS PLAYBOOK

As established during the last Project Team meeting in October, the Playbook will be divided into five sections that will provide audiences with a step-by-step guide on how to best develop a faster payments strategy. The Project Team's December meeting included a full group review of Playbook elements and topics to be addressed within each section, followed by subgroup work on assigned sections. Participants returned for a second day and convened as a full group to review work from the subgroups and develop a draft table of contents.

The dialogue at the December meeting included discussing and reaching a final consensus on various open questions, including: What payment types should be addressed in the Playbook? The consensus among attendees was the bulk of the Playbook will focus on enhanced faster payments capabilities on existing networks, as well as new rails, with some references to traditional payment types.

A second open question discussed was what "position" will the Playbook take, if any? The consensus was that the Playbook will be agnostic to any particular product or solution, but will advocate that every FI and business end user, regardless of size, should have a faster payments strategy as part of a broader payments strategy. The Playbook will provide a pathway to developing such a strategy. Further, the Playbook will answer the question of "why." For example, if an FI currently uses a particular payment type, why would it need something new?

Generally, the Playbook will coach organizations on:

- ◆ Why they need a faster payments strategy
- ◆ How to develop a strategy
- ◆ The benefits of moving forward with a strategy
- ◆ The consequences and opportunity costs of not developing a strategy
- ◆ How to implement a chosen strategy
- ◆ Handling operational and post-implementation challenges



In an effort to develop a more comprehensive resource, the Team also discussed a web-based tool containing interactive content that will enhance the Playbook experience.

Planned content may include:

- case studies
- infographics
- FAQs
- checklists to create a faster payments strategy
- information on faster payment mechanisms
- strategies for risk mitigation and compliance



The ultimate goal is to have the Faster Payments Playbook printed resource developed in time for Smarter. Faster. PAYMENTS 2019, which will be held May 5-8 in Orlando. The interactive online tool with initial functionality is also scheduled to be unveiled in a soft launch at PAYMENTS.

FASTER PAYMENTS 101

The December meeting discussion centered on ways to refine this resource in support of a broader understanding of the current faster payments landscape in the U.S. Developed as a printed resource, Faster Payments 101 content will also be prominently featured in the Faster Payments Playbook interactive online tool that is under development, as well as on the existing Faster Payments Resource Center. This updated and refreshed resource will debut at the Payments Innovation Alliance meeting scheduled for Feb 26-28 in Phoenix.

LOOKING FORWARD

The Faster Payments Playbook initiative is a call to action for the industry. While there is no mandate to adopt a faster payments strategy, now is the time for FIs of all sizes – including community banks and credit unions – to put aside any lingering anxiety about faster payments so they can better plan for the future. Becoming fully informed about the faster payments landscape will help FIs to make decisions about potential investments in offerings that improve the customer experience. Having their own strategies will help FIs more proactively support the faster payments needs of their business clients as well.

The Faster Payments Playbook Project Team is working expeditiously on the key deliverables so that they can be shared widely across the industry in support of fostering greater understanding of and momentum in faster payments adoption in the U.S.

FASTER PAYMENTS PLAYBOOK PROJECT TEAM

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NEACH

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Plaid Inc.

ProfitStars - A Jack Henry
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Volante Technologies

VSoft Corporation

Wallace Consulting

Webster Bank

WesPay

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ABOUT THE FASTER PAYMENTS PLAYBOOK PROJECT TEAM

The Faster Payments Playbook Project Team is working to develop tools for FIs and business end users that are seeking direction and clarity on faster payments. They will create tangible tools to help organizations better understand faster payments options, make decisions and develop go-forward strategies appropriate to their customer bases and business needs.

FOR MORE INFORMATION

For more information on the Faster Payments Playbook initiative or to join the Team, visit alliance.nacha.org.

ABOUT NACHA'S PAYMENTS INNOVATION ALLIANCE

The Payments Innovation Alliance is a 200-plus membership organization that brings together diverse, global stakeholders to support payments innovation. Through collaboration, discussion, debate, education, networking and special projects, the Alliance seeks to grow and advance payments and payments technology to better meet and serve the needs of the evolving industry. For more information and to learn how to join, visit www.nacha.org/content/payments-innovation-alliance.

ABOUT NACHA

NACHA is a nonprofit organization that convenes hundreds of diverse organizations to enhance and enable electronic payments and financial data exchange within the U.S. and across geographies. Through development of rules, standards, governance, education, advocacy, and in support of innovation, NACHA's efforts benefit the providers and users of those systems. NACHA leads groups focused on API standardization, authors the Quest Operating Rules for EBT and is the steward of the ACH Network, a payment system that universally connects all U.S. bank accounts and facilitates the movement of money and information. In 2018, 23 billion ACH payments valued at more than \$51 trillion moved across the ACH Network. Visit nacha.org for more information.

Visit web.nacha.org/resource/fasterpayments for more information.