

Factsheet

FedNow – embracing the potential benefits of instant payments in the United States

Addressing the challenges of instant payments doesn't need to be a complex or lengthy process if you partner with Finastra

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Federal Reserve Bank research

Time is of the essence with FedNow

Leveraging its payment and settlement relationship with over 10,000 financial institutions, the Federal Reserve is launching its own instant payments service to its bank network, its first new offering in over 40 years. FedNow is a streamlined, cloud-based and digitized service, that is configurable by the financial institution, allowing institutions of all sizes to provide 24x7x365 payments for the consumer and business customers. Some key features of FedNow include:

- Competitive pricing when compared to wire transfers or debit card transactions, encouraging widespread adoption at a faster rate.

- A seamless instant payments experience across all bank customer segments and industry verticals
- Support for use cases that are not easily solved with existing payment rails; Financial institutions have an opportunity to offer customers new services (e.g., funding a car purchase on a Saturday).
- High likelihood of ubiquity due to the reach of the Federal Reserve network
- Financial institutions will be able to leverage their existing master account with the Federal Reserve Bank for liquidity and position tracking which is an asset account on their books

With Federal Reserve Bank research stating that 8 out of 10 businesses will be choosing their bank based upon the immediacy of payment transactions, ensuring that all banks in the Federal Reserve network remain competitive is a top priority. With the availability of FedNow, the first instant payments offering in the cloud, financial institutions can implement instant payments with the confidence of the Federal Reserve Bank behind them.

With a current scheduled go live next May-July 2023 its vital that financial institutions act now to meet customer expectations.

Delivering your FedNow service with Finastra

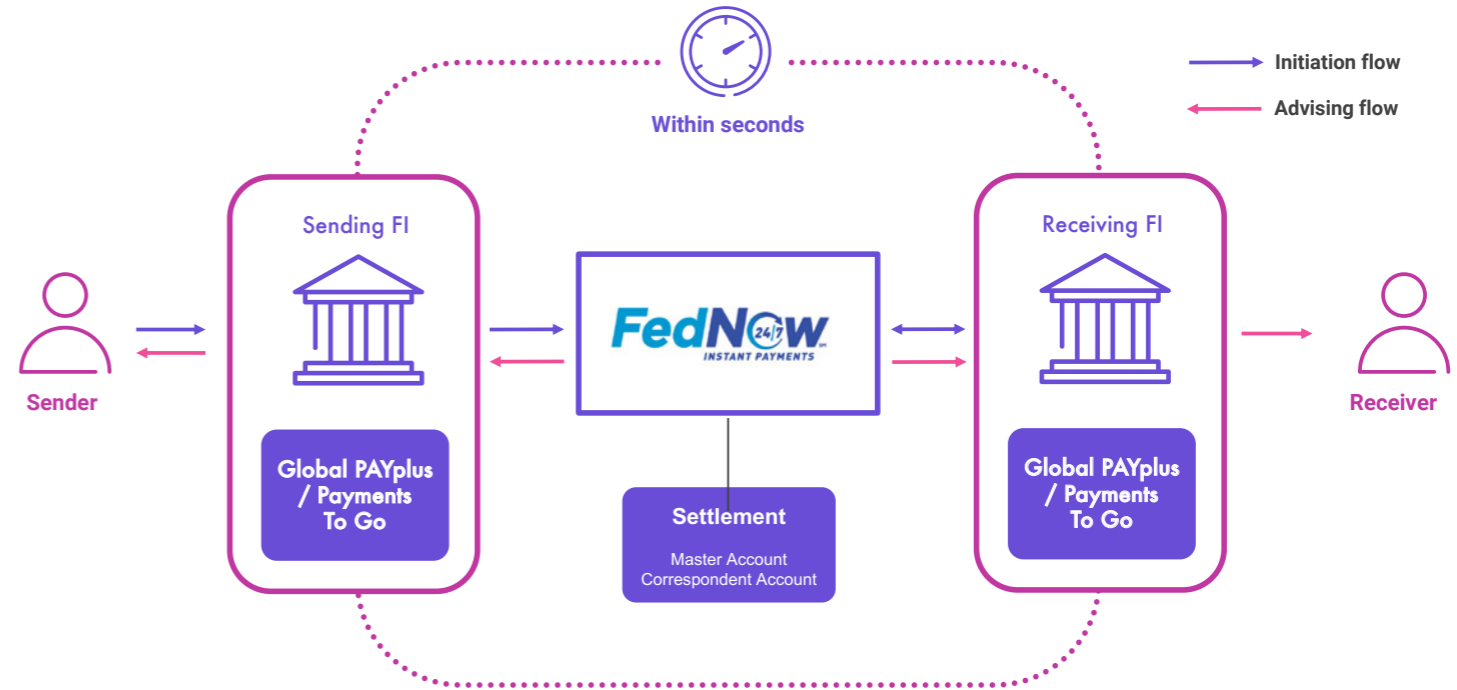
Finastra is the premier provider of FedWire services to regional banks in the United States serving the market for over 20 years and an experienced player in the instant payments space globally since 2008 (including implementing RTP from The Clearing House for several of our US clients).

As one of the largest fintechs in the payments space, Finastra enjoys a very close working relationship with the Federal Reserve Bank; for FedNow we partnered with them from the beginning, including membership of the technical workgroup defining the ISO 20022 message set to be used for the new rail. We are now participating in the FedNow pilot program to enable our customers to take advantage of the FedNow service as soon as it is available.

Through our Payments solutions (Global PAYplus and Payments To Go) Finastra can deliver:

- A FedNow service built on best in class instant payment workflows based on our global expertise
- The resiliency, security, scalability, and availability demanded by instant payment schemes
- Rapid onboarding and Time to Value
- A full end-to-end service including both payment and request to pay initiation

- Deployment options to suit the needs of all sizes of financial institutions, covering on-premise and a range of cloud solutions including SaaS
- A multi-rail solution; FedNow can be an easy add-on to other payment rails (such as Fedwire) allowing for optimization of payment processing through a single vendor



About Finastra

Finastra is a global provider of financial software applications and marketplaces, and launched the leading open platform for innovation, FusionFabric.cloud, in 2017. It serves institutions of all sizes, providing award-winning solutions and services across Lending, Payments, Treasury & Capital Markets and Universal Banking (digital, retail and commercial banking) for banks to support direct banking relationships and grow through indirect channels, such as embedded finance and Banking as a Service. Its pioneering approach and commitment to open finance and collaboration is why it is trusted by ~8,600 institutions, including 90 of the world’s top 100 banks. For more information, finastra.com

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