

# Same Day ACH, Third-Party Sender Registration and Other Payments Initiatives, Oh My!

Central OK AFP  
March 23, 2017

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EPCOR  
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## Discussion

- ▶ Faster Payments
  - ▶ Same Day ACH
  - ▶ FRB Faster payments
  - ▶ TCH RTP
  - ▶ Other
- ▶ Third Party Sender Registration
- ▶ Other Payments Initiatives

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## Faster Payments

- ▶ Why Faster Payments?
  - ▶ Stay competitive
  - ▶ End user expectations
- ▶ What exactly are 'faster payments'?
  - ▶ Real Time vs. Near Real Time
    - ▶ Money in my account
    - ▶ OR
    - ▶ Knowing the money will be in my account

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## Same Day ACH

- ▶ Rules change that allows for Same Day Settlement of certain ACH Entries
  - ▶ Amount less than \$25,000
  - ▶ ALL SEC codes - except IAT
  - ▶ Effective Entry Date = Today
  - ▶ RDFIs must receive
  - ▶ Two Same Day Settlements per day
  - ▶ Credits started September 2016
  - ▶ Debits September 2017

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## Same Day ACH Impact to Corporate Users

- ▶ Current - Same Day Credits
  - ▶ May receive ACH Credits until 4 pm CT
    - ▶ Posted to your account today
    - ▶ Must credit payer as of today
  - ▶ May originate Same Day Credits
    - ▶ Review the Potential Use Cases
    - ▶ Prenotes
    - ▶ Identifier - Effective Entry Date
    - ▶ Talk to Your Bank

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## Same Day ACH Impact to Corporate Users

- ▶ September 2017 - Same Day Debits
  - ▶ May Receive ACH Debits until 4 pm CT
    - ▶ Posted to your account today
    - ▶ Returns time frame remains unchanged
  - ▶ May Originate Same Day Debits
    - ▶ Effective Entry Date = Identifier
    - ▶ Agreement with trading partner/consumer
      - ▶ Can't post before authorized date
    - ▶ Talk to your bank

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## FRB Payments System Improvement

- ▶ 2015 - Published Strategies for Improving the US Payment System
  - ▶ Progress Report issued January 2017
  - ▶ FPTF Reviewing Draft of Final Report



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## FRB Payments System Improvement

- ▶ Five Strategies
  - ▶ Stakeholder Engagement
  - ▶ Faster Payments
  - ▶ Payment Security
  - ▶ Payment Efficiency
  - ▶ Enhanced Federal Reserve Services

[www.Fedpaymentsimprovement.org](http://www.Fedpaymentsimprovement.org)



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## The Clearing House RTP System

- ▶ Real Time Payments System
  - ▶ Clearing and settlement system to support real time payments in the US
  - ▶ Credit Push
    - ▶ Irrevocable
    - ▶ Settlement 24/7 365
    - ▶ Tokenized transactions
    - ▶ Combines payment, data and messaging capabilities
      - ▶ ISO 20022
  - ▶ Will be open to all US Financial Institutions
    - ▶ Partnering with industry organizations

[www.theclearinghouse.org/payments/real-time-payment](http://www.theclearinghouse.org/payments/real-time-payment)

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## Non-Bank Faster Payments Initiatives

App	Owner	Benefits
PopMoney	Fiserv / CheckFree	<ul style="list-style-type: none"> <li>Industry-leading risk management</li> </ul>
VenMo	PayPal	<ul style="list-style-type: none"> <li>Fastest-growing P2P app</li> <li>Free when linked to bank account, debit or credit card</li> </ul>
Dwolla	Dwolla - API to move money	<ul style="list-style-type: none"> <li>Integrating P2P transfers within your business's own platform</li> </ul>
Google Wallet	Google	<ul style="list-style-type: none"> <li>Faster delivery</li> <li>Synchronized money movement with other Google accounts</li> </ul>
Zelle	Early Warning / ClearXchange	<ul style="list-style-type: none"> <li>New in 2017</li> <li>60% of current mobile banking customers</li> </ul>

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## Third-Party Sender Registration Rule

- ▶ September 27, 2017 - ODFIs will be required to register with NACHA
  - ▶ All Third-Party Sender Relationships
  - ▶ OR
  - ▶ Attest they have no TPS relationships
- ▶ Purpose
  - ▶ Understand number of TPS entities
  - ▶ Manage risk in the ACH Network
  - ▶ Ensure ODFI minimum due diligence

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## Other Payments Initiatives

- ▶ NACHA
  - ▶ RFI - DFI Messaging - Comments due 3/24
    - ▶ Using addenda records to make common requests - copy of WSUD, request for return, copy of authorization, etc
  - ▶ Pending RFI - ACH Data Security Phase 2 - Account Information Security
    - ▶ Ongoing efforts to improve ACH data security
    - ▶ Looking for Industry input on security at the DDA level
  - ▶ Third-Party Sender Certification
    - ▶ NACHA developing voluntary program for TPS to be certified

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## Other Payments Initiatives

- ▶ NACHA
  - ▶ RFI - DFI Messaging - Comments due 3/24
  - ▶ Pending RFI - ACH Data Security Phase 2 - Account Information Security
  - ▶ Third-Party Sender Certification
- ▶ FRB - Adoption of ISO 20022 for Wire Transfer and ACH Payments
  - ▶ Domestic wires to begin using ISO 20022 standards in 2017

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## Questions?

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