

Conversations on



Revised and
annotated based
on feedback
from the event!

Instant Payments

A CU*Answers Collaboration Group

Rules for RTP[®] Send (Part 2)

April 24, 2024

Today's Topic

- After we implement the “receive” part of the FedNOW[®] service, we’ll move on to projects for using the “send” functions of RTP[®]
- Today let’s collaborate on early designs for new controls and tools

Specs We're Working On Now

CONTROLS

- Global CU activation
 - Choose limits, auto-enroll settings, ANR settings, etc.
- Employee security controls
 - Choose which employees can send via CU*BASE tools
- Enrollment controls
 - Choose which members can send via OLB tools

TOOLS

- New CU*BASE tools
 - Work enrollment requests
 - Disburse loans directly to dealers, title companies
- New OLB tools
 - Transfer funds directly to external recipient

- Everything you'll see today is a graphical mockup only, subject to change!
- We may need to break some of these things into phases to tackle the development and implementation
- We may encounter technical challenges or even conflicts with TCH/Fed rules, and will adapt as needed

Please
Note!

Controls

Mockups of possible configurations

Credit Union Configuration for Members/Staff to Send via Instant Payment Rails

Activation →

Auto-enrollment →

Limits →

Session 0 CU*BASE GOLD - CREDIT UNION

File Edit Tools Help

Controls for Sending Instant Payments

Allow employees to send credit union funds via instant payment rails Require employee special security

Allow member enrollment to send instant payments Require two-factor authentication (enrolling/sending)

External recipient information to be entered By CU employee By member Both

Member Enrollment Criteria

Enrollment method Allow members to auto-enroll Require enrollments to be approved by CU

Auto-enroll (with transaction limits) unless

Membership open less than days Member age under Credit score below Membership opened online

Currently delinquent more than days Delinquent or more times over life of loan (any loan) Blocked from RDC

Currently negative for more than days Personal information changed over past days

Excluded from auto-enrollment: Membership designations 0 selected Due diligence codes 0 selected

Send email when enrollment request needs review

To email address

Transaction Limits (used for member-initiated transactions only)

	Standard Limits	For New Accounts	For New Enrollees
Maximum amount per item	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Maximum amount per day	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Maximum amount over <input type="text"/> days	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Maximum amount over <input type="text"/> minutes	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Maximum items per day	<input type="text"/>	<input type="text"/>	<input type="text"/>
Maximum items over <input type="text"/> days	<input type="text"/>	<input type="text"/>	<input type="text"/>
Maximum items over <input type="text"/> minutes	<input type="text"/>	<input type="text"/>	<input type="text"/>

Start standard limits days after membership open date Start standard limits days after enrollment date

Allow override of limits at member level Block transactions if personal info changed within past days (1-99, use 99 to ignore)

Last maint 02/29/2024 By A1 JOHN EMPLOYEE

← → ↑ || 🖨️ 🔗 ⓘ ? @ 8/30/18

MOCKUP ONLY

Revised based on your feedback!

Activation Controls

Session 0 CU*BASE GOLD - CREDIT UNION

File Edit Tools Help

Controls for Sending Instant Payments

Allow employees to send credit union funds via instant payment rails

Allow member enrollment to send instant payments

External recipient information to be entered By CU employee By member Both

Require employee special security

Require two-factor authentication (enrolling/sending)

MOCKUP ONLY

Auto-enrollment Controls

Member Enrollment Criteria

MOCKUP ONLY

Enrollment method Allow members to auto-enroll Require enrollments to be approved by CU

Auto-enroll (with transaction limits) unless

- Membership open less than days
- Member age under
- Credit score below
- Membership opened online
- Currently delinquent more than days
- Delinquent or more times over life of loan (any loan)
- Blocked from RDC
- Currently negative for more than days
- Personal information changed over past days

Excluded from auto-enrollment: Membership designations 0 selected Due diligence codes 0 selected

Send email when enrollment request needs review

To email address

Based on feedback added several additional auto-enrollment exclusions

(All were reworded to make them clearer, too...note the "auto-enroll unless")

Transaction Limits

MOCKUP ONLY

Transaction Limits (used for member-initiated transactions only)

	Standard Limits	For New Accounts	For New Enrollees
Maximum amount per item	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Maximum amount per day	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Maximum amount over <input type="text"/> days	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Maximum amount over <input type="text"/> minutes	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Maximum items per day	<input type="text"/>	<input type="text"/>	<input type="text"/>
Maximum items over <input type="text"/> days	<input type="text"/>	<input type="text"/>	<input type="text"/>
Maximum items over <input type="text"/> minutes	<input type="text"/>	<input type="text"/>	<input type="text"/>
Start standard limits <input type="text"/> days after membership open date	Start standard limits <input type="text"/> days after enrollment date		
<input type="checkbox"/> Allow override of limits at member level	Block transactions if personal info changed within past <input type="text" value="99"/> days (1-99, use 99 to ignore)		

Controlling Which Employees Can Use New Instant Payment Send Tools

Session 0 CU*BASE GOLD - Update Employee Special Security

Employee ID DM DAWN MOORE

MOCKUP ONLY

<input checked="" type="checkbox"/> Open accounts	<input checked="" type="checkbox"/> Time cards
<input checked="" type="checkbox"/> Close accounts	<input checked="" type="checkbox"/> Open loans
<input checked="" type="checkbox"/> File maintenance	<input checked="" type="checkbox"/> Unpost J/E
<input checked="" type="checkbox"/> Teller override	<input checked="" type="checkbox"/> Phone Operator
<input checked="" type="checkbox"/> Maintenance tier 2	<input type="checkbox"/> Require wrap-up codes
<input checked="" type="checkbox"/> Loan underwriting	<input checked="" type="checkbox"/> View credit reports
<input checked="" type="checkbox"/> Loan interviewer/processor	<input checked="" type="checkbox"/> Instant card issue
<input checked="" type="checkbox"/> Use App check	<input checked="" type="checkbox"/> Post instant payments

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FR (6182)

Considering the Role of ANR in Sending Instant Payments

MOCKUP ONLY

Session 0 - Overdraft Protection / ANR Activation - UPDATE

Origin/Process	Overdraft Protection	ANR/Courtesy Pay	Reg	Charge	ANR/NSF Fee (Stats)
	Use ODP Balances for	Use Negative Balance Limit for	DD Fees	NSF Fees	Based on Avail/Curr
01 Teller withdrawals	<input type="checkbox"/> Posting	<input type="checkbox"/> Posting			<input type="radio"/> Avail <input type="radio"/> Current
01 Teller inhouse checks	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Yes	N/A	<input type="radio"/> Avail <input type="radio"/> Current
11 ACH	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	<input type="radio"/> Avail <input type="radio"/> Current
02 Checks	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	
13 PIN ATM/debit	<input checked="" type="checkbox"/> Posting <input checked="" type="checkbox"/> Authorization	<input type="checkbox"/> Posting <input type="checkbox"/> Authorization	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	
16 Debit card (Signature)	<input checked="" type="checkbox"/> Posting <input checked="" type="checkbox"/> Authorization	<input checked="" type="checkbox"/> Posting <input checked="" type="checkbox"/> Authorization	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	
20 Bill Pay/P2P	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	
<input checked="" type="checkbox"/> Allow combined O/D protection					Last maintain On May 02,

Navigation icons: back, forward, up, down, print, link, info, help, search. FR (2598)

Based on feedback and the current regulatory environment, will NOT be using ANR for authorizing instant payments at this time



(40) RTP (Send)	<input type="checkbox"/> Authorization	<input type="radio"/> Avail <input checked="" type="radio"/> Current
(41) FedNow (Send)	<input type="checkbox"/> Authorization	<input type="radio"/> Avail <input checked="" type="radio"/> Current

PIB-MLO Controls for Business Member Employees

Session 0 CUMBASE GOLD - ABC TESTING CREDIT UNION

File Edit Tools Help

Work with Online Banking Business Members

Account 89046 ABC TESTING COMPANY
Company ID FROMTHEHEART Employee ID OWNER

Administrator or Can reset passwords Require PC registration # of PCs allowed 9 (9 - No limit)
GMT offset factor 5- Eastern Standard (5-)

Service Description	Allowed Service	Uses Confirmation Code
Change to Reg E opt in/out choice	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Courtesy Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CFT Updates	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Electronic Bill Pay Access	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Estatement Viewing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Inter (other) member transfer	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Intra (within) member transfer	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Open Savings/Checking Accounts	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ordering Checks	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Personal Information Changes	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Purchase Certificates	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Quickbooks download	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Stop Payment in Checks	<input checked="" type="checkbox"/>	<input type="checkbox"/>
View Checks	<input checked="" type="checkbox"/>	<input type="checkbox"/>
View Secure Message Center	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Update

← → ↑ || 🖨️ 🔗 ⓘ ? @

MONEY MANAGEMENT

Decide what this employee can do when they log in to online banking.

What transactions will be allowed, and what will be blocked? For features you want to the employee to be able to use, you can add an extra layer of security by requiring another confirmation code.

- Transfer Within Account
- Transfer To Another Account
- Transfer To Other Institutions
- Manage Automatic Funds Transfers
- Manage Automatic Deposits (ACH)
- Perform Check Withdrawals
- Manage Check Funds Transfers
- View Cleared Checks
- Stop Check Payments
- Overdraft Services Settings
- Order Checks
- Download Data

Allow this employee to transfer money within the business' primary membership?

Yes
 No

Require a confirmation code for this type of transaction?

Yes
 No

Restrict the total dollar amount that can be transferred?

Yes
 No

Restrict amount per transfer to:

Add new **Send Instant Payments**
yes/no option here
(limits come from the global config, not here)

Tools

Mockups of possible tools

Tools to Enroll Members for Instant Payment Send Privileges

Session 0 CU*BASE GOLD - CREDIT UNION

File Edit Tools Help

Enroll to Send via Instant Payment Rails

Account # 000004355 SUZIE Q MEMBER

Enrollment status **Not Enrolled** Status last changed 01/01/0001 by
EULA accepted on 01/01/0001 Version

Enrollment action **Enroll**

Override CU default limits **Permanently**

Transaction Limits This Member

Maximum amount per item	<input type="text"/>	0.00
Maximum amount per day	<input type="text"/>	0.00
Maximum amount over <input type="text"/> days	<input type="text"/>	0.00
Maximum amount over <input type="text"/> minutes	<input type="text"/>	0.00
Maximum items per day	<input type="text"/>	
Maximum items over <input type="text"/> days	<input type="text"/>	
Maximum items over <input type="text"/> minutes	<input type="text"/>	

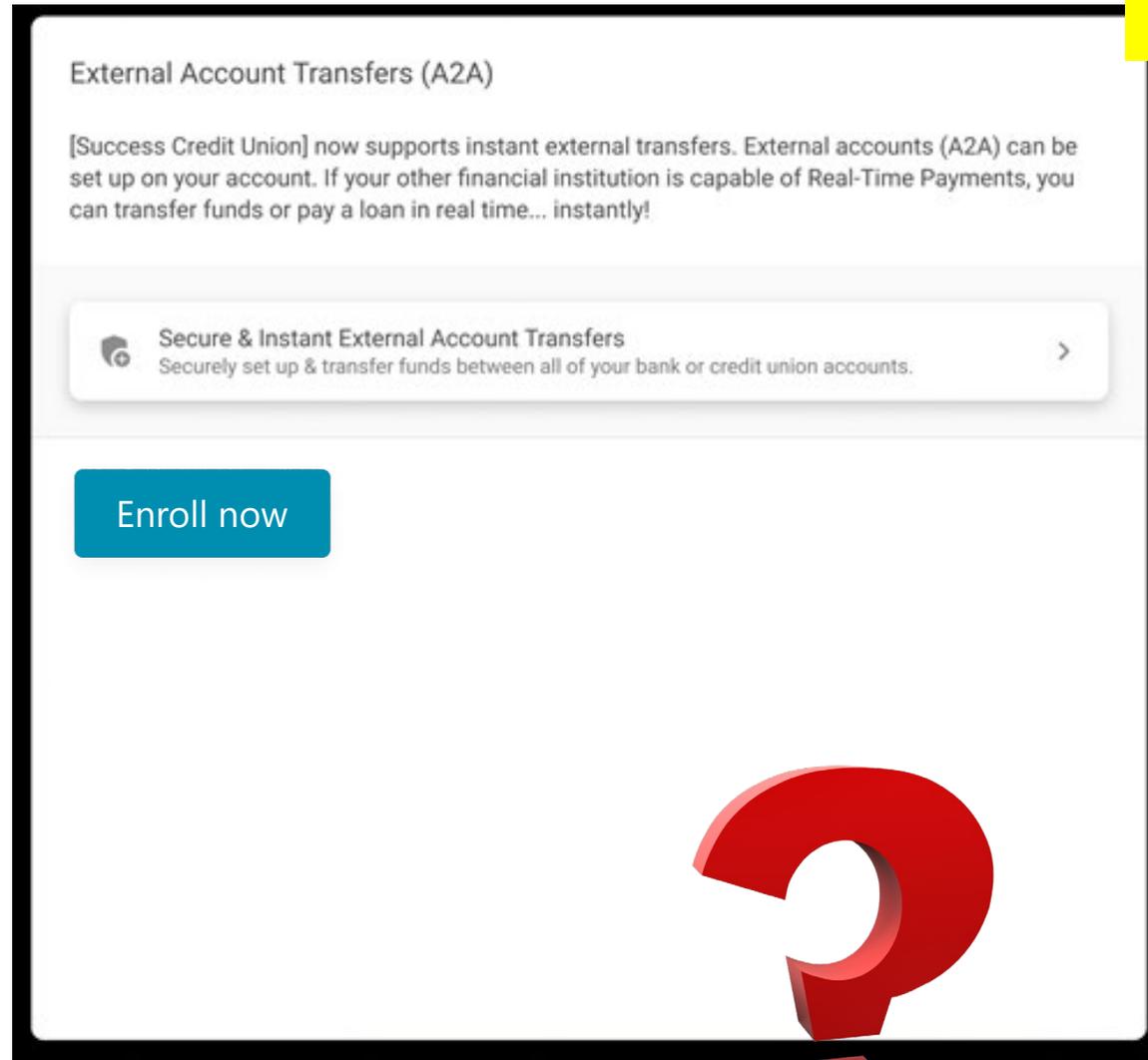
MOCKUP ONLY

- Enroll
- No change to enrollment status
- Enroll**
- Unenroll
- Deny/Block from future enrollment

- Permanently**
- No
- Today only
- Permanently



MOCKUP ONLY



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

MOCKUP ONLY

External Account Transfers (A2A)

[Success Credit Union] now supports instant external transfers. External accounts (A2A) can be set up on your account. If your other financial institution is capable of Real-Time Payments, you can transfer funds or pay a loan in real time... instantly!

Secure & Instant External Account Transfers
Securely set up & transfer funds between all of your bank or credit union accounts. >

Transfer From
001 My Checking: \$403

Transfer To
Select an Account...

Amount
00

✓ Select an Account to Transfer To:

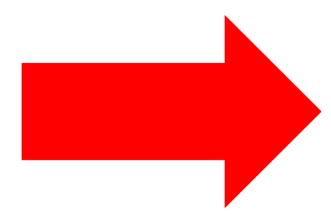
My Accounts

- 000 Savings: \$6,345.90
- 001 My Checking: \$4039.36
- 002 Sarah's Checking: \$8193.87

Accounts at Other Financial Institutions

- CHASE xx4321 Checking
- CHASE xx5678 Auto Loan**
- ROCKET MORTGAGE xx3839 Mortgage

Choose from a list of recipients already set up



Members Sending Money via Instant Payments

MOCKUP ONLY

External Account Transfers (A2A)

[Success Credit Union] now supports instant external transfers. External accounts (A2A) can be set up on your account. If your other financial institution is capable of Real-Time Payments, you can transfer funds or pay a loan in real time... instantly!

Secure & Instant External Account Transfers
Securely set up & transfer funds between all of your bank or credit union accounts.

Transfer From
001 My Checking: \$4039.36

Transfer To
CHASE xx5678 Auto Loan

Amount
\$ 1500.00

See Instant Transfer Options Run this scan to confirm your linked external account can receive **Instant Transfers**.

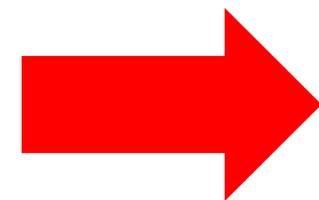
 Instant Transfers Funds are Fully Transferred within Minutes. Non-reversible.	 1-3 Business Days Basic transfers can take up to 3 business days to complete.
---	---

Continue

Suggestions from the group:

- Require R&T and account number to be entered twice, like a password

Check if recipient is still on the rail



MOCKUP ONLY

External Account Transfers (A2A)

[Success Credit Union] now supports instant external transfers. External accounts (A2A) can be set up on your account. If your other financial institution is capable of Real-Time Payments, you can transfer funds or pay a loan in real time... instantly!

Secure & Instant External Account Transfers
Securely set up & transfer funds between all of your bank or credit union accounts.

Transfer From
001 My Checking: \$4039.36

Transfer To
CHASE xx5678 Auto Loan

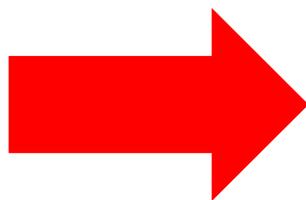
Amount
\$ 1500.00

Good news! This account is capable of using instant transfers (Select an option below)

 \$10.00 Instant Transfers Funds are Fully Transferred within Minutes. Non-reversible.	 \$3.00 1-3 Business Days Basic transfers can take up to 3 business days to complete.
--	---

Continue

Fees as incentive to use a safer route? (You said no!)



Members Sending Money via Instant Payments

MOCKUP ONLY

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

2-factor authentication is required

< Enter Your Code

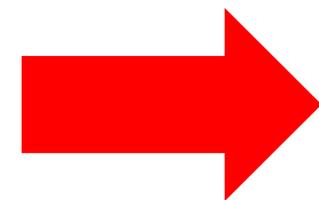
Your code should be arriving shortly. If you feel that your code has not been sent correctly, tap 'Resend Code' to try again or go back and try another verification method.

! 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



Review Transfer

Amount	\$492.00
Transfer From	001 MY CHECKING: \$4039.36
Transfer To	CHASE XX5678 AUTO LOAN
Memo	April Payment
Transfer Type	Instant Transfer using RTP

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

MOCKUP ONLY

NOTE: Recipient names will be scanned through OFAC; will not post if suspected match.

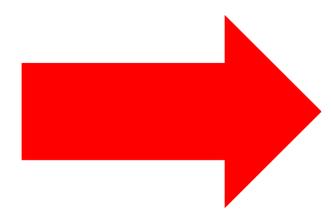
You define these disclosures

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.

Transfer Now



Money is moved!



Any thoughts on disclosures?

Suggestions from the group:

- Present separate confirmation and T&C pages, as well as a final pop-up that emphasizes the "IRREVERSABLE!" part

Sample written by ChatGPT!

MOCKUP ONLY

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.
- 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.

Other ideas from the group

Suggestions from the group:

- When entering an R&T, can we pull in the name of the FI from some external database? *(we're checking on that)*
- When entering an account #, can we verify the account exists and confirm somehow? *(can only check if it exists and can receive money, not whether it's the right one)*
- Require supervisor override when posting in CU*BASE *(already made changes not to allow manually-entered acct info, so this may be overkill)*
- Ensure IP addresses are all local or close to local *(not sure that is feasible or practical – remember that neither rail currently allows foreign transactions anyway)*

In the Kitchen: Learning about FedNow®

Learning about FedNow®

Updated December 8, 2023

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 process works, and options for fraud management.

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

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 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 plans are for the future. 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®

Updated February 2, 2024

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 plans are for the future.

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!

Stay in touch!

open.cuanswers.com/FedNow

open.cuanswers.com/RTP

Thanks for your feedback!

Post any additional
comments in the Kitchen

Conversations on*

Instant Payments
A CU*Answers Collaboration Group