



FedNow[®] Service

The FedNow Service, launched in 2023, expands the delivery of immediate, irrevocable payments, 24 hours a day, 7 days a week, 365 days a year, across U.S. financial institutions. The FedNow Service, developed by the Federal Reserve Banks, will greatly expand the network for instant payments over the next few years, particularly with smaller regional banks and credit unions.

How will the FedNow Service and the RTP[®] network compare for instant payments?

The RTP[®] network, established by The Clearing House in 2017, currently delivers immediate payments and rich data 24/7/365, reaching 65% of U.S. DDAs. The RTP network continues to experience rapid growth in transaction and payment volume. The addition of the FedNow Service will enable transactions to a broader range of banks and credit unions. In the future, both networks will offer:

- Immediate payments, 24/7/365
- Irrevocable, good funds payments
- Leverage ISO[®] 20022 to deliver data rich messages

Throughout the 2023/2024 launch period, FedNow Service capabilities will continue to be developed and new financial institutions will be onboarded. Many banks that participate in the RTP network will also use the FedNow Service to deliver the full reach of instant payment endpoints.

The transaction limit

RTP Network

\$1 million

FedNow Service

\$500,000



Accelerate your instant payments journey

Leveraging the RTP network today prepares you for expansion of instant payment options through the FedNow Service. In the future, with intelligent routing you will be able to seamlessly use the optimal network for each payment.

The Value of the FedNow Service



Immediate

Funds are immediately available to the receiving person or business.



Data-rich

Rich payment and remittance data reduces manual reconciliation.



Certain

Every payment is final, irrevocable and confirmed in near real time.



Expanded Network

Reaches more businesses and consumers through banks and credit unions of all sizes.



Always on

Transactions can be completed 24/7/365, even weekends and holidays.



Network Options

Promotes resiliency through redundancy of private sector and Federal Reserve networks.

What types of payments will be available through the FedNow Service?

Account-
to-Account
transfers

Consumer to
business bill
pay

Business to
consumer
payments

Business
to business
payments

Government
to consumer
payments

Request for
Payment

What is the impact for my business?

If you are already using real-time payments through the RTP network, the addition of the FedNow Service expands your options for sending and receiving instant payments. With our U.S. Bank intelligent routing capabilities, you will be able to send and receive these real-time, instant payments seamlessly, whether it's through the RTP network or FedNow Service. If you haven't started your instant payments journey, now is the time to get started.

Partner with U.S. Bank

At U.S. Bank, we listen, understand and meet our customers where they are on their digital journey and work collaboratively to remove friction in the payments process. We were part of the first payment on the RTP network and participated in the pilot for the FedNow Service. The work we've done over the years in instant payments brings the expertise to help you accelerate your digital payments strategy.

Plan your journey on the digital road ahead.

Disclosures

RTP® is a registered service mark of The Clearing House Payments Company, L.L.C. Eligibility requirements, other conditions and fees may apply. Deposit products offered by U.S. Bank National Association. Member FDIC. CR-31209336