

Faster Payments Task Force Teleconference June 30, 2016 Meeting Summary

Welcome and Updates¹

Sean Rodriguez, Faster Payments Strategy Leader, welcomed the Faster Payments Task Force (FPTF) to the call and began with a FPTF membership update. He noted as of June 3, 81 percent of the FPTF signed the revised participation agreement and 27 new members have joined. Mr. Rodriguez stated the changes in FPTF membership did not significantly alter the segment composition in the group and therefore there will be no changes to the Faster Payments Task Force Steering Committee (FPSC) structure. He also noted that Susan Weinstock, Pew Charitable Trust, will be stepping down from the FPTF and FPSC and there will be an election to fill her open seat. Mr. Rodriguez stated the open seat left by Peter Gordon, Santander Bank, will not be filled because it was originally an appointed seat and at this point in time, the FPTF work effort does not warrant the seat's replacement.

Mr. Rodriguez indicated that while overall segment composition stayed relatively constant, business end-users, medium financial institutions, small financial institutions, and other stakeholders did see a notable decrease. He stated there would be continued recruiting efforts for business end-users and discussions with small and medium financial institutions to determine if additional recruiting is necessary. Mr. Rodriguez also acknowledged feedback received about the need for sub-segment discussions during breakout sessions and calls, particularly where there are several types of organizations within the larger segments.

Final Report

Kandice Alter, Assistant Vice President, Federal Reserve Bank of Chicago, reviewed the FPTF feedback provided during the May breakout sessions on the final report objectives. She noted the FPTF generally agreed with the sentiment of each proposed objective. The FPTF had the most feedback on the terminology of an objective to "motivate the industry and other stakeholders" and it suggested replacements for the term "motivate" and requested clarification on the definition of "stakeholders". Ms. Alter reviewed the FPTF feedback on the final report audience and noted that several groups suggested sections or releases may have different target audiences.

Ms. Alter noted that FPTF feedback on the landscape and benefits piece of the final report provided substantial input that will be helpful for several sections. She stated the recurring themes among breakout groups included the need to look at international experiences with implementing faster payments and acknowledge progress in the market outside of the FPTF work. Ms. Alter reviewed feedback on the challenges and opportunities section and noted common themes, including the need to look at best practices within the industry and internationally and consider the unique situations of different stakeholders.

Ms. Alter reviewed the FPTF feedback on the final report release strategy and noted that many members felt there were benefits as well as risks to releasing the final report in four phases. Roy DeCicco, Accredited Standards Committee X9, presented the FPSC's recommendation, which is based on FPTF feedback, for a two-release strategy and proposed revisions to the work plan. Release 1 will occur in fall 2016, and includes the "Task Force Background and Process Overview" and the "Payments Landscape and Benefits of Faster Payments" sections (previously Releases 1 and 2). Release 2 will occur mid-year 2017, and includes the "Solution Proposals and Assessments" and "Challenges and Opportunities; Recommendations and Next Steps sections" (previously Releases 3 and 4). Mr. DeCicco

¹ Nick Billman, Counsel, Federal Reserve Bank of Kansas City, reminded those in attendance to participate in a manner consistent with Anti-Trust and other applicable laws.

also discussed issues remaining with the release strategy, including the exact timing of releases, the approval process, and the approach for including broader industry engagement.

Mr. DeCicco presented a sub-work group update and reviewed the support structure for final report, which includes FPSC, FPTF, Federal Reserve, and Deloitte support roles. In response to a question, Ms. Alter clarified that the Next Steps sub-work group is in the process of gathering information for the “Payments Landscape and Benefits of Faster Payments” section that will be included in Release 1.

Assessment Process – Task Force Commentary Period Objectives and Content

Kassi Quimby, Associate Director, Federal Reserve Board discussed FPTF feedback on and planned next steps for the FPTF commentary period objectives and content categories. While the feedback did not suggest new objectives, Ms. Quimby presented proposed revisions to the objectives based on FPTF feedback. In addition, she noted several options the Federal Reserve will continue pursuing in order to make more effective the objectives and content categories. Ms. Quimby indicated that based on overall FPTF feedback, the FPTF will be asked to provide feedback on the Qualified Independent Assessment by choosing from a scale (strongly disagree, disagree, or agree) as well as free form comments. She noted FPTF members will be able to provide feedback on each overall proposal assessment in addition to specific Effectiveness Criteria assessments.

Assessment Process – Task Force Commentary Period Feedback Process

Connie Theien, Vice President, Federal Reserve Bank of Chicago, discussed the FPTF feedback on the FPTF commentary process and noted most comments focused on enhancing the various proposed approaches to education, dialogue and commentary, and insights and implications. She reviewed the new approaches and tactics that were updated based on FPTF feedback.

Meeting Schedule and Updates

Mr. Rodriguez closed by noting there will not be an in-person FPTF meeting in August. Instead, the Challenges and Opportunities Work Group will meet at the Federal Reserve Bank of Atlanta on August 24-25. In addition, he announced the November FPTF meeting will be extended by one day and will take place from November 15-17.