

# Faster Payments Task Force Teleconference November 19, 2015 Meeting Summary

## Welcome and Work Plan<sup>1</sup>

Sean Rodriguez, Faster Payments Strategy Leader, welcomed the Faster Payments Task Force (FPTF) to the call and reviewed the agenda.

Jon Jeswald, Vice President, Federal Reserve Bank of San Francisco, provided a work plan update on key milestones and previewed work for 2016. Mr. Jeswald noted that the work plan was broken into three phases, including planning, execution, and communications. He reviewed the feedback provided by the Steering Committee on Draft 1 of the work plan, and explained how the feedback was incorporated into Draft 2. Mr. Jeswald also reviewed the high-level milestones and key activities outlined in Draft 2 for each of the three phases. Mr. Rodriguez noted that the work plan now stretched beyond 2016.

## Update from November 4-5 Steering Committee

Mr. Rodriguez provided a summary of the November 4-5 Steering Committee meeting. He noted that the Steering Committee suggested that the FPTF create a process for Qualified Independent Assessment (QIA) of faster payments solution proposals with subsequent review and comment by the FPTF. He explained that the Steering Committee recommended hiring a professional services firm to conduct the QIA process. Steering Committee members participated in breakout groups to discuss the QIA team's authority, the Steering Committee's role, how "qualified" would be defined, and how "independent" would be defined. Mr. Rodriguez noted that the Steering Committee agreed to act as an advisory board to help oversee and guide the QIA process. An Referral For Proposal (RFP) is expected to be issued in early January, with funding approval early in the first quarter.

A FPTF member asked what the role of the FPTF would be. Mr. Rodriguez explained that he anticipated there will be a number of issues where the FPTF could provide broader insight, and that the Steering Committee would help determine how the process will work. A FPTF member asked whether the RFP would be shared with the FPTF. Mr. Rodriguez noted that the Federal Reserve will have to determine how broadly the RFP could be shared, taking into account legal and procurement restrictions.

Mr. Rodriguez reviewed the Steering Committee's discussion surrounding the need for high priority criteria. The Steering Committee concluded that high priority criteria are not needed, but that the discussion should be revisited if the QIA team determined they were necessary.

Mr. Rodriguez also discussed the Faster Payments Capability Showcase. He noted that the showcase would provide a forum for providers to showcase capabilities that could support

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<sup>1</sup> Veronica Sellers, Senior Vice President and General Counsel, Federal Reserve Bank of Kansas City, reminded those in attendance to participate in a manner consistent with Anti-Trust and other applicable laws.

faster payments solutions. Mr. Rodriguez indicated that submissions would be accepted in the January to March timeframe, and that showcase office hours would be held in mid-February.

### **Effectiveness Criteria**

Ken Isaacson, Faster Payments Strategist, provided an update on the Faster Payments Effectiveness Criteria. Mr. Isaacson reviewed Draft 4 participation rates. He noted that survey respondents were supportive of the criteria as written in Draft 4 the vast majority of the time. He also provided a detailed overview of support and related comments by criterion. He noted several key themes from survey respondents related to security criteria, legal criteria, and process questions. He also indicated that respondents preferred the effectiveness speed scales presented in Draft 4. Mr. Isaacson explained that the Steering Committee had identified two showstoppers that still needed to be addressed: how to address in the permissibility of overdrafts in S.3, and suggested modifications to simplify the legal criteria. He indicated that a vote to approve Draft 5 would tentatively be held from December 1 to December 16, and that final results would tentatively be published in January.

A FPTF member asked whether banks wanted to allow overdrafts. Mr. Isaacson explained that some banks feel that customers want overdraft services, while some consumer organizations did not support products that allowed for overdrafts. A FPTF member asked whether there would be a minimum participation for the final vote. Mr. Rodriguez indicated that there would not be a minimum participation rate, but that the goal was 60% participation.

Mr. Rodriguez closed the meeting by thanking FPTF members for their continued participation, and summarized the planned meetings for the remainder of 2015 and for 2016.