

# RTP® Backgrounder

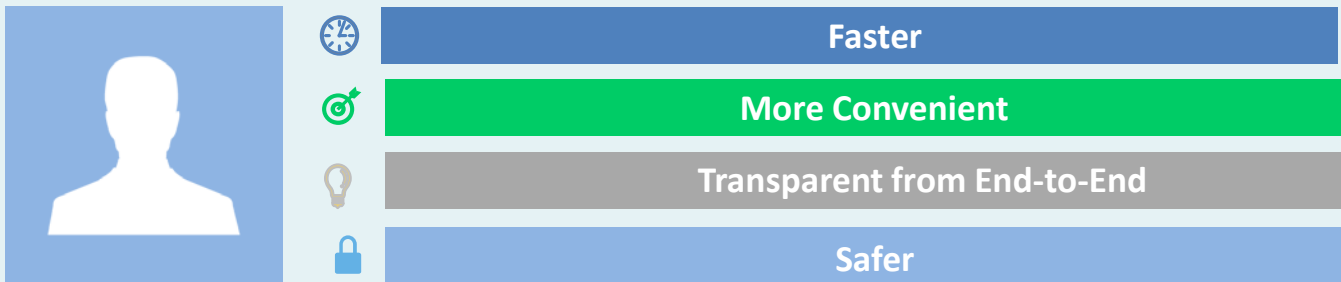
**September 2018**







## Market Drivers

With the internet literally in their pockets, your members expect the everything they do to be an integral part of their digital lives. There are new ways to navigate, shop for groceries, buy tickets, order supplies, listen to music, and do just about everything else.

Likewise, every credit union in the U.S. is reimagining the way they deliver payment services to be:



	<b>Faster</b>
	<b>More Convenient</b>
	<b>Transparent from End-to-End</b>
	<b>Safer</b>

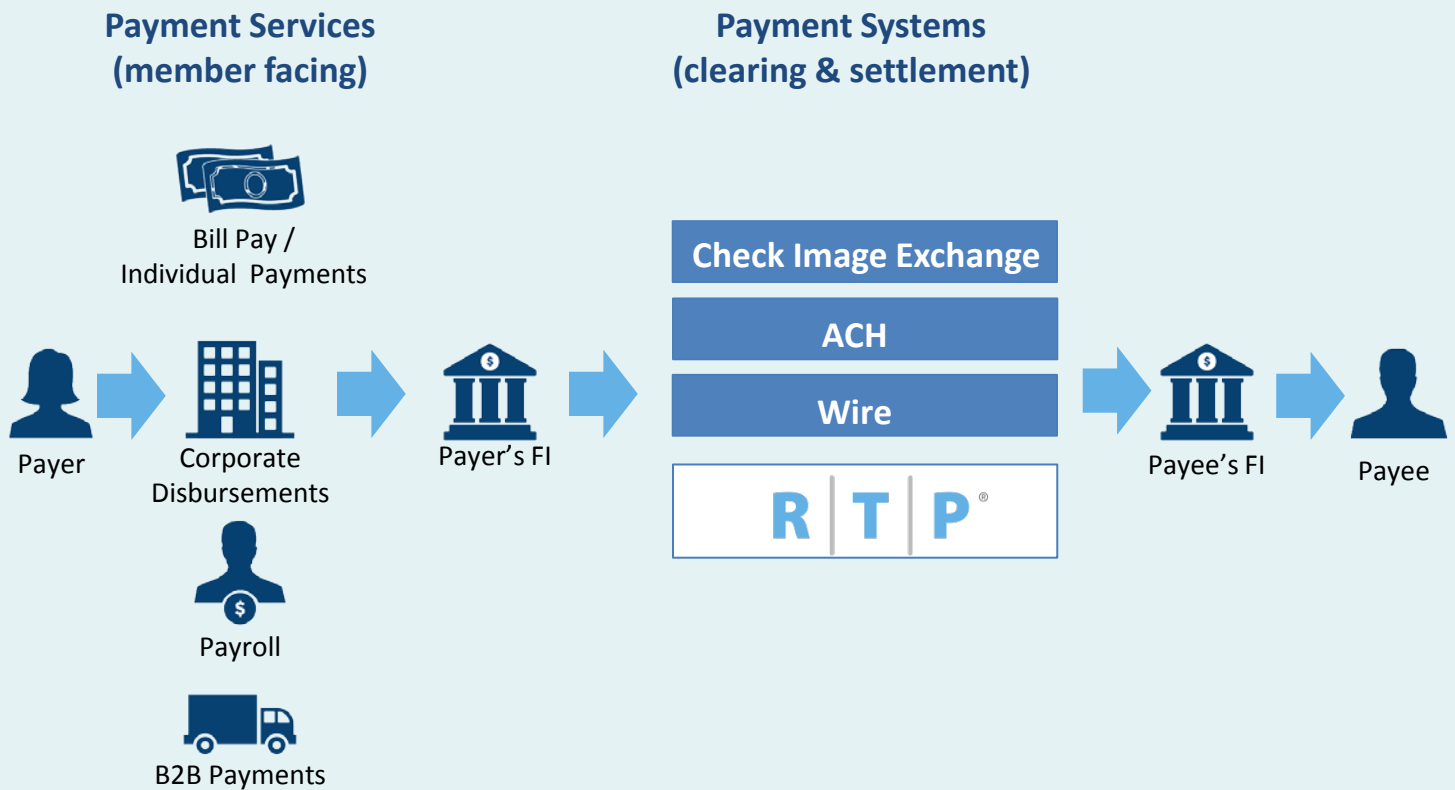
These market drivers led to the creation of the RTP® system, new industry infrastructure built to support all financial institutions the digital age.

The RTP® system was designed and built working closely with industry stakeholders, regional payments association executives, banks and credit unions, regulators, and the Federal Reserve’s Faster Payments Task Force.

This Task Force set a goal that, by 2020, a majority of U.S. financial institutions will have access to real-time payments. By the end of 2018, more than 100 financial institutions = many of which are credit unions – will be connected to the RTP® system, reaching greater than 50% of U.S. deposit accounts.

## What is the RTP® system?

RTP® is industry infrastructure, in the same way that ACH, wire and check image exchange are infrastructure, created for all financial institutions to use. It's the first new payments infrastructure in 40 years, and specifically built to support the digital way people live and work today.

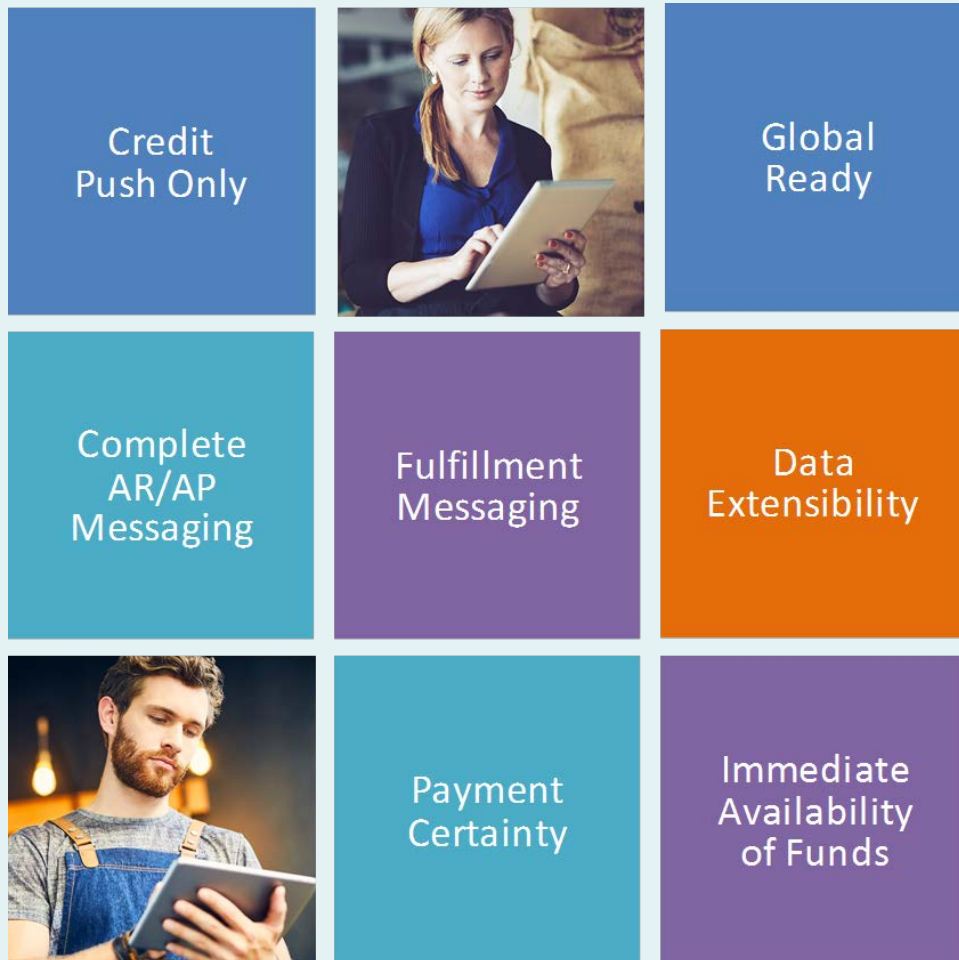


What makes it unique?

## What makes it unique?

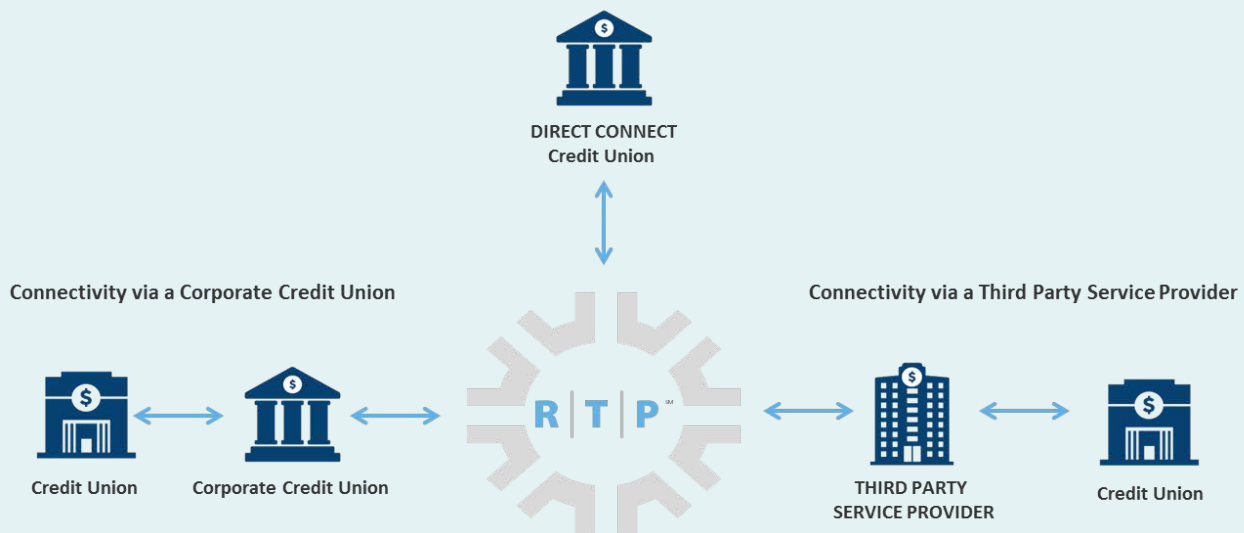
With RTP® capabilities as a foundation, credit unions can give their members the ability to immediately send and receive funds directly from their accounts 24/7.

The RTP® system also enables a real-time conversation between parties over a secure FI network. With RTP® data and messaging capabilities, credit unions can create or enhance services that can transform the member experience from end to end – with more convenience, transparency, and efficiency.



## Accessing the RTP® network

Some credit unions will connect directly to the RTP® network, while others will take advantage of offerings from providers of payments services to credit unions, including corporate credit unions.



- Any financial institution can connect directly to the RTP® network.
- Third-party service providers can provide access for credit unions that do not want to connect directly to the RTP® network. Some of these providers offer core member-facing services that credit unions can use to get to market quickly.
- Participants may also rely on corporate credit unions to provide a variety of support services including connectivity and application enablement.
- The member experience is the same no matter how the credit union connects.

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## Sample Use Cases

Credit unions are reimagining services that take advantage of immediate clearing and settlement along with the ability to create a real-time conversation between parties over a secure FI network.

B2B		A <b>small business</b> paying an urgent invoice in order to receive goods or services
		A <b>restaurateur</b> who pays for farm-fresh produce from the local farmer to serve that evening's dinner specials
B2C		<b>Insurance companies</b> and <b>healthcare plans</b> pay claims with immediate confirmation
		A <b>credit union</b> distributing personal loan proceeds to a dealership on behalf of a member who is at the showroom buying a new car
C2B		<b>Consumer</b> pays utility bill in response to Request for Payment from the biller.
		A <b>busy working individual</b> paying for general services around the house such as the gardener, cleaning services, or child care provider
P2P		<b>College roommates</b> splitting monthly rent and utility payments
		A <b>head of household</b> sending emergency funds to a family member on vacation
A2A		A <b>retail investor</b> sending real-time money transfers to his or her investment account

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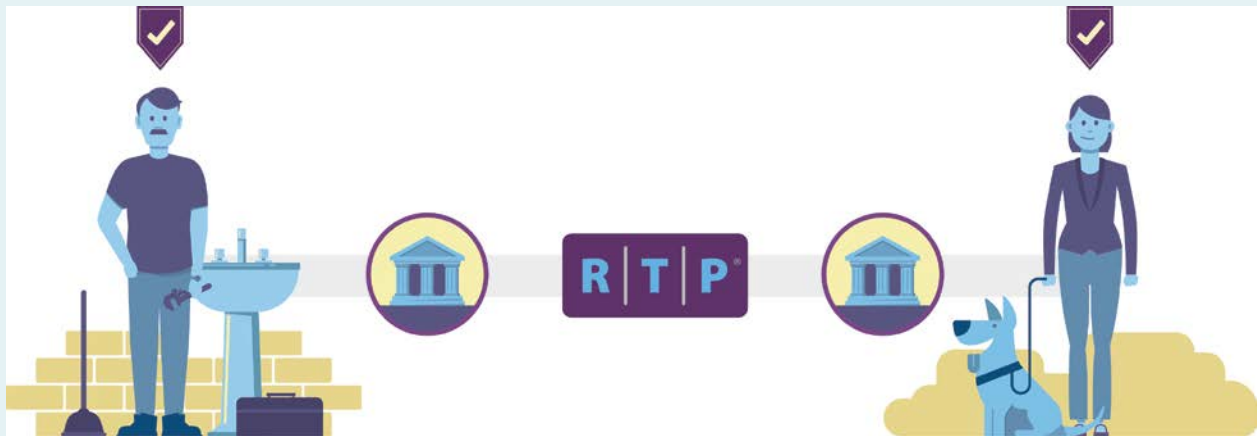
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## For Example

With credit union services powered by the RTP® system, members have full control and transparency over timing of their payments, while efficiencies are delivered to the back office. (Each transaction is cleared and settled separately – right away and with the information attached – so there are no issues with reconciliation.)



- A credit union service powered by RTP® makes it possible for a plumber to deliver an invoice electronically, including pictures of a repair, to the customer who can review the invoice and pay by mobile phone.
- The funds move across a secure FI channel in seconds and,
- Both parties receive a confirmation that the payment has been applied. No loose ends.

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## Next Steps



### Educate

Attend an in-person event or webinar hosted by The Clearing House. See [www.theclearinghouse.org](http://www.theclearinghouse.org) for more information and schedule.



### Engage

Engage with your core provider to start the process of getting your back office RTP® ready.



### Execute

Start using RTP® capabilities to enhance your products and develop new ones.



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## Why The Clearing House

The Clearing House has operated core payments systems for U.S. financial institutions for more than 160 years and continues in that role today. It supports more than 400 banks and credit unions with ACH, check image and wire transfer services and serves more than 1,300 members through its payments association. Our business is developing and operating industry utilities focused on safer and faster payments for everyone.

RTP® development was funded by The Clearing House member banks. However, at its core, The Clearing House is a financial market utility, operating the RTP® network for the benefit of all depository institutions and not as a for profit enterprise.

RTP® pricing is the same for all participants, regardless of institution size. In addition to a single, simple price schedule, there are no volume discounts, no volume commitments, and no monthly minimums.

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## RTP® Resources

The entire team at The Clearing House stands ready to help you get your financial institution up to speed and on board.

Visit <https://www.theclearinghouse.org/payment-systems/real-time-payments>

For upcoming webinars and events visit <https://www.theclearinghouse.org/events>

For a calendar of industry events see <https://www.theclearinghouse.org/payment-systems/-/media/9cfae20e8dd34dcabe2b7cb07a2e8d87.ashx>

To schedule a conversation with an RTP expert from The Clearing House, call 212-613-9872

We look forward to working with you.