



NEWS FROM THE FRONT- Federal Reserve Real Time Payments Edition

Federal Reserve to Launch Real-Time Payments System

In a move that was urged by community bankers, consumers and small businesses, the Federal Reserve announced that it will launch a real-time payments system. The 4-1 vote by the Federal Reserve Board was a strong affirmation of the important role the Fed has and must continue to play in the nation's payments system. Voting in favor were Chairman Powell, Vice Chairman Clarida, Governor Brainard and Governor Bowman; the lone dissenting vote was from Vice Chair Quarles. [Please click here to see the Federal Reserve Press Release.](#) [Please click here to see the Faster Payments FAQs.](#)

CBAI has long-advocated for the Fed's role in faster payments and against the monopoly of the improved payments system by The Clearing House, which is owned by and acts in the best interests of the nation's largest banks. The new service will be called FedNow. Contemporaneous with the announcement was a formal *Notice and Request for Comments regarding appropriate actions to support interbank settlement of Faster Payments.* [Please click here to see the Federal Reserve Notice.](#)

CBAI Payments Task Force Chairman, Mark Field (Chairman, President and CEO of Liberty Bank) said, "The Federal Reserve has taken an important step in the right direction. The Fed's active participation in real-time payments will assure open access and fair treatment to all community banks regardless of size, charter type or location. These are essential features for an improved payments system and important for the future community banks."

CBAI thanks the Federal Reserve Board, and congratulates the members of CBAI's Payments Task Force, and the many Illinois community bankers who sent comment letters and responded to action alerts urging the Federal Reserve to launch a real-time payments system. Without any doubt whatsoever – your voices made a difference.

CBAI and its Payments Task Force will continue to be engaged, on behalf of Illinois community banks, in helping the Federal Reserve develop its faster payments system to assure that all participants, including community banks, have access to the payments system on a fair and impartial basis.

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