




1

Speakers



Ian Schweid, VP – Head of FedNow Client Specialist Group, The Federal Reserve

Ian is part of the Client Relations team within the Federal Reserve Financial Service group. He and his team of FedNow Client Specialists work with financial institutions, service providers and corporate originators as they join and expand their usage of the FedNow instant payment network.

Prior to joining the Federal Reserve Bank of Chicago, he was in the Product Management and Strategy team within the Financial Services Global Business Unit at Oracle. During the last 25 years, Ian has led business and product related efforts at numerous banks. His responsibilities have included the areas of deposits, retail lending, treasury management, payments, digital channels and credit/debit cards. He has managed retail banking and private banking regions, treasury management groups, merchant processing services, and client service departments. As part of these efforts, he has worked to define the strategic direction for the business, identify and manage key vendor relationship, work directly with clients to help them succeed, manage large scale projects including complete system conversions, and implement new operations and sales processes.

He has served in numerous community and industry organizations including as a Member of the Federal Reserve FedNow RFP workgroup, Federal Reserve Faster Payments Task Force, President of the South Florida chapter of the Association of Financial Professionals (SFAFP), Member of the American Bankers Association (ABA) Payment Advisory Committee and former President and Advisory Board Member of the Marjory Stoneman Douglas Biscayne Nature Center. He is a frequent speaker at industry events and conferences around the country. Ian has earned an undergraduate degree in business/finance from Eckerd College, and an M.B.A. from Florida International University.

THE VALUE OF VISION PROPRIETARY AND CONFIDENTIAL 2

2

Speakers



Greg Moore, EVP – Member Relations, Catalyst

As executive vice president of member relations at Catalyst, Greg leads the sales and marketing departments and is responsible for cultivating partnerships with credit unions, corporates, leagues, and system participants nationwide. He is part of Catalyst's executive management team and frequently travels to meet with member credit unions.

Greg previously served as president and CEO of Georgia Corporate Federal Credit Union and spent 16 years at U.S. Central Corporate in roles including portfolio manager and VP of relationship management. He helped establish Primary Financial, where he serves on the board, and holds a business administration degree from the University of Kansas.



Justin Lutes, VP – Correspondent Services, Catalyst

Justin oversees Catalyst's member services team, along with faster payments, wire transfer, ACH, card services, vault cash operations and training. Joining Catalyst in 1999, Justin previously worked in internal audit and IT security and was the Vice President of Operations Risk Management before transitioning into his current position. Justin earned a master's degree in business administration at Amberton University and a bachelor's degree in business administration in accounting from Texas A&M University-Texarkana. He is a member of Nacha's AFPP Oversight Panel and APRP Oversight Panel. Justin is certified as an Accredited ACH Professional, Accredited Faster Payments Professional and Accredited Payments Risk Professional.

3

Disclaimer

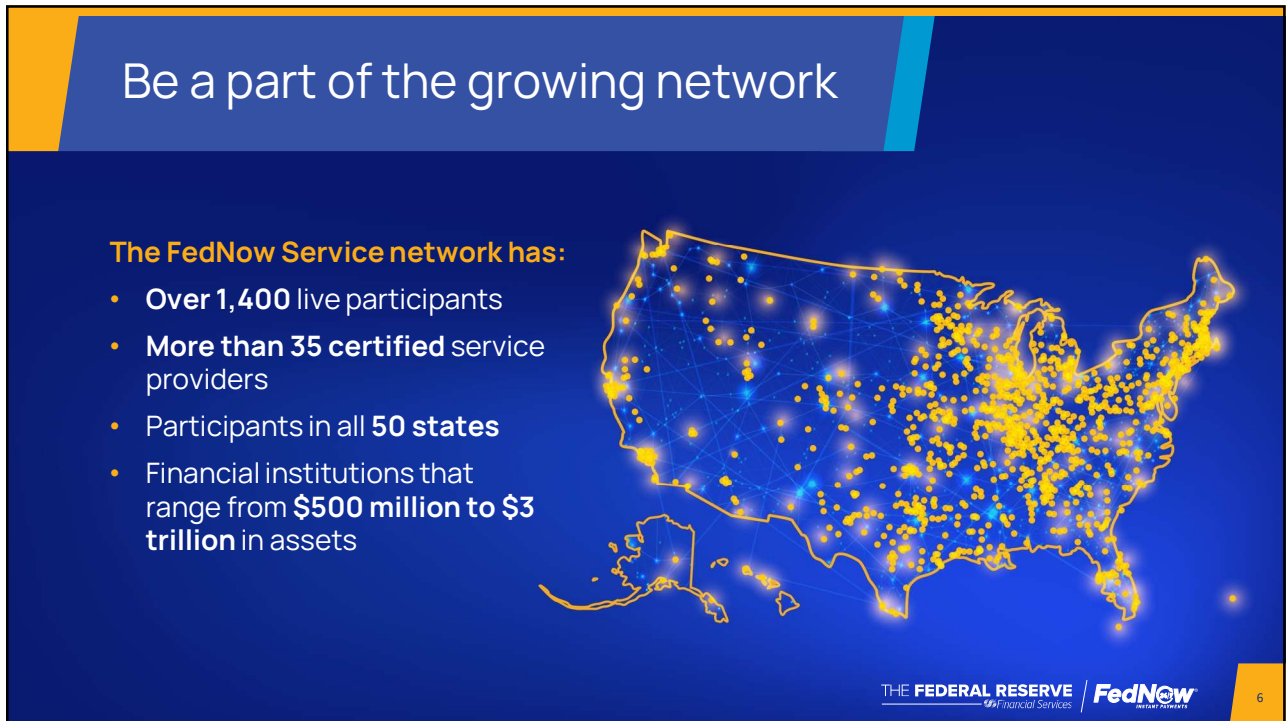
The views and opinions expressed are made in good faith and are those of the individual speaker and are not necessarily the views and opinions of the Board of Governors, Federal Reserve Bank System, or Federal Reserve Financial Services. The primary purpose of this presentation is to educate and inform, and no warranties or representations of whatever nature are made, including but not limited to the accuracy or completeness of the information contained herein. Lastly, this presentation does not constitute legal or other professional advice or services.

The Financial Services logo and product names/logos are trademarks or service marks of the Federal Reserve Banks. A complete list of marks related to financial services products that are offered to financial institutions by the Federal Reserve Banks is available at FRBservices.org/terms.

4




5



6

USE CASE:
Star One Credit Union

- One of Silicon Valley's largest member credit unions
- 123,000+ members worldwide
- Over \$10 billion in assets



FedNow Service Participation	Early Use Cases	What's Next?
Send and receive	Account to account for businesses and consumers	Consumer bill pay, pay merchants, loan repayments



Watch a demo

“

Our members want to move money in real time and when it's convenient for them. Offering instant payments from the get-go has been a crucial part of our strategy because that simplified money movement is important to our members.

Minal Gupta
 EVP of Remote Services


7

7

Use Case:
ABNB Federal Credit Union

- \$923 million in assets
- Footprint: VA & NC



FEDNOW SERVICE PARTICIPATION	EARLY USE CASES	WHAT'S NEXT?
Send & receive	Earned wage access	Loan disbursements, members can choose speed of transactions



▶ [Learn more](#)

“

Using FedNow meant becoming more efficient in terms of resource management, enabling us to do more with a small team. We are already seeing that the growth has been exponential.

- *Cassandra Tucker, Director of Operations*

8

8

FedNow Quarterly Statistics

Quarter	Total Settled Payments	Quarterly Volume Growth (percent)	Value of Settled Payments (\$)	Quarterly Value Growth (percent)	Average Value per Payment (\$)	Average Daily Volume of Settled Payments	Average Daily Value of Settled Payments (\$)
2025:Q1	1,310,017	43.1%	\$48,600,347,003.40	140.8%	\$37,099.02	14,556	\$540,003,855.59
2024:Q4	915,263	172.0%	\$20,181,963,324.40	15.4%	\$22,050.45	9,949	\$219,369,166.57
2024:Q3	336,487	115.6%	\$17,491,272,167.40	3453.3%	\$51,982.01	3,657	\$190,122,523.56
2024:Q2	156,076	60.2%	\$492,250,054.25	1466.6%	\$3,153.91	1,715	\$5,409,341.26
2024:Q1	97,424	133.6%	\$31,421,884.71	130.1%	\$322.53	1,071	\$345,295.44
2023:Q4	41,698		\$13,656,607.58		\$327.51	453	\$148,441.39
2023:Q3	5,564		\$4,776,755.83		\$858.51	75	\$64,550.75

Last updated on April 16, 2025

9

7 lessons learned by FedNow Service participants

Valuable lessons participants have learned along their instant payments journey:

1. Getting started **now has added benefits**
2. Enabling send and receive together can save **time and resources**
3. It's OK to **start small and grow**
4. Around-the-clock staffing **isn't necessarily needed**
5. It can be **easier to reconcile** than other faster payment services
6. You'll want to ask correspondents and service providers what **reports will be available**
7. Make sure **service providers can support** your instant payment plans



10

Generate revenue growth and gain a competitive edge

The infographic features seven icons arranged in two rows. The top row contains four icons: a person with arrows pointing towards them, a hand holding a dollar sign with radiating lines, a dollar sign with arrows pointing outwards, and three stars above three people silhouettes. The bottom row contains three icons: a document with a dollar sign and a checkmark, a document with a dollar sign and a grid, and two bank building silhouettes with a checkmark and a downward arrow.

- Attract and retain customers
- Value-added business benefits
- Cross-selling products
- Better customer satisfaction/experience
- Loan revenue opportunities
- Expedited bill payments
- Reduce interbank settlement risk

THE FEDERAL RESERVE | FedNow
Financial Services | Instant Payments

11

Save on costs with instant payments

The infographic features three icons arranged horizontally, separated by vertical lines. The first icon shows two interlocking gears with a dollar sign and an upward-pointing arrow. The second icon shows a piggy bank with a dollar sign above it and two downward-pointing arrows. The third icon shows a person silhouette with a headset and a downward-pointing arrow.

- Increase efficiency and shift to higher profitability margin products
- Save on loan collection with instant payments
- Reduce customer calls and inquiries

<https://www.fcbo.com/articles-and-whitepapers/articles/bid/129578/managing-your-cost-per-call>
[https://aito-novarica.com/report/how-americans-pay-their-bills-sizing-bill-pay-channels-and-methods-2020-
update](https://aito-novarica.com/report/how-americans-pay-their-bills-sizing-bill-pay-channels-and-methods-2020-update)
[https://www.afonline.org/publications-data-tools/reports/survey-research-economic-
2020-2021](https://www.afonline.org/publications-data-tools/reports/survey-research-economic-2020-2021)

THE FEDERAL RESERVE | FedNow
Financial Services | Instant Payments

12

TRENDS IN UTILIZATION

Consumer Demand and Use Cases

THE FEDERAL RESERVE **FedNow**
Financial Services INSTANT PAYMENTS

13

Customers don't ask for instant payments — they expect them

<p>59% of consumers live paycheck to paycheck <small>(42% of whom earn more than \$100K per year)¹</small></p>	<p>96% of businesses that offer earned wage access said it helped attract talent²</p> <p>CONVENIENCE RULES IN PAYMENTS</p>	<p>78% of consumers are highly satisfied receiving disbursements instantly³</p>	<p>2 in 3 businesses have made or received payments from digital wallets (just 45% same-day ACH)⁴</p>
<p>53% of consumers use digital wallets more often than traditional payment methods⁵</p>	<p>59,084 U.S. jobs offer same-day pay⁶</p>	<p>Free instant payments NEARLY DOUBLE the likelihood they'll remain as clients³</p>	


14

© 2024 Federal Reserve Banks. Materials are not to be used without consent.

THE FEDERAL RESERVE **FedNow**
Financial Services INSTANT PAYMENTS


14

Consumers: Steady growth in faster payment use




+32%

year-over-year growth
in digital wallet use



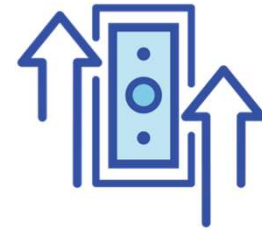
61%

state **convenience and ease of use** as most desirable payment qualities



74%



used faster or instant payments in 2023



57%

expect to use faster payment options more in the future

15
Source: FedPayments Improvement, Market Readiness Brief, May 2024.
© 2024 Federal Reserve Banks. Materials are not to be used without consent.





15

Instant payments adoption outlook according to service providers


*U.S. Faster Payments Council's
U.S. Instant Payments Adoption Outlook Quantitative Study (2024)*

WHICH USE CASES WILL LEAD THE WAY?




Soonest to realize:

- Earned wage access
- Digital wallet funding
- Person to person




Greatest reach:

- Earned wage access
- Payroll funding
- Invoices and supplier payments



Greatest benefit:



- Payroll and earned wage access
- Government emergency payments
- Invoices and supplier payments



Strategic send and receive use cases:

- Payroll/payroll funding
- Online banking bill pay
- Taxes/tax payments
- Loan disbursements
- Wealth management
- Government emergency
- Government benefits


Source: the U.S. Instant Payments Adoption Quantitative Study (2024) published by the U.S. Faster Payments Council

16

16

Transaction types sent over the network




Key transaction types sent over the FedNow Service in its first year include:

- **Microdeposit** account verification
- **Digital wallet** defunding
- Emergency and same-day **payroll**
- Real estate **escrow payments**
- Marketplace **seller payouts**

THE FEDERAL RESERVE Financial Services | **FedNow** INSTANT PAYMENTS 17

17

Use case: Payroll and earned wage access



Example
A visiting nurse completes his shift for the day. He submits his electronic timecard via an app provided by his employer, whose payroll software provider triggers a payroll file. Payment is sent through the FedNow Service and he's notified he's been paid and has immediate access to his earned wages.

Benefit

- Payment service providers improve end-user experience, generate new revenue, stay competitive
- Instant access to earned wages for employees
- Employers can better manage cash flow, reduce churn/recruitment/retention costs

18 © 2024 Federal Reserve Banks. Materials are not to be used without consent. THE FEDERAL RESERVE Financial Services | **FedNow** INSTANT PAYMENTS

18

Digital Wallets Continue to Draw Users

U.S. Adults Using Digital Wallets

Digital Wallet	Usage Percentage
PayPal	71%
Cash App	44%
Venmo	39%
Google Pay	36%
Apple Pay	31%

source: Morning Consult

- Around **80%** of digital wallet users in the US prefer due to speed and overall convenience.
- Approximately **69% aged 18 - 25** and **73% aged 26 - 40** make payments using digital wallets, compared to around **30% over 57**.
- In 2024, approximately **186 million** US adults used **PayPal** and approximately **115 million** used **CashApp** for digital wallet transactions.
- The number of merchants using **Venmo** increased **50%** from 2023 - 2024.
- In 2024, **21.2%** of US consumers aged 14 and up used **Apple Pay** and **Google Pay** used widely in North America, Europe, and Asia-Pacific.

Sources: FIS Global Payments Report, Morning Consult, US Census Bureau, Statista, FRB San Francisco Publications

THE FEDERAL RESERVE Financial Services | FedNow Instant Payments

19

Auto loan funding

USE CASE EXAMPLE

An auto dealership is selling a car to a family on a holiday weekend. Because their financial institution offers instant auto loan payments, the funds are transferred to the dealership immediately, even outside of regular banking hours.

BENEFIT

- Dealership receives funds immediately and can close the sale
- Financial institution gains an additional loan opportunity
- Consumer enjoys a quick and seamless experience




THE FEDERAL RESERVE Financial Services | FedNow Instant Payments

20



21


Examples of fraud mitigation approaches

<h3>Authentication</h3>  <ul style="list-style-type: none">• Access• User profile updates• Multi-factor authentication• Payments requests	<h3>Preventio</h3>  <ul style="list-style-type: none">• Daily limits• Transaction limits• Transaction validation• Alerts and notifications	<h3>Detection</h3>  <ul style="list-style-type: none">• Velocity• Concentration• Anomalous transactions• Mule accounts• Device ID• Behavioral characteristics
---	--	---

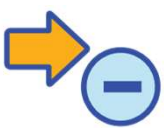
22 THE FEDERAL RESERVE Financial Services | **FedNow** INSTANT PAYMENTS 22

22

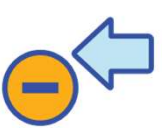
Risk mitigation capabilities




Transaction limits




Sender FI negative list



Receiver FI negative list





Correspondent controls



Account activity thresholds*

*Future risk management features that will be rolled out in summer 2025.

23

23

WHY FED NOW?


24

24

Built for all financial institutions in the U.S.

Advantages of the FedNow Service

- Financial institutions of all sizes and locations have shaped the FedNow Service to meet their needs
- A deep bench of experts available around the clock
- Simplify management, reduce risks and costs, and streamline operations with a single network
- Leverage tools to manage settlement/funding
- Risk mitigation capabilities are a priority
- Volume and reach are growing



THE FEDERAL RESERVE | FedNow
Financial Services | INSTANT PAYMENTS

25

25

LOOKING AHEAD

What's new and next for the FedNow Service



THE FEDERAL RESERVE | FedNow
Financial Services | INSTANT PAYMENTS

26

26

New and next



Network Expansion

Increased Volume

FedNow User Group

Product Enhancements

THE FEDERAL RESERVE Financial Services | **FedNow** INSTANT PAYMENTS

27

27

Transaction limit increase and new risk mitigation feature

New transaction limit
Meet market needs with higher-value credit transfers of up to \$1 million (default transaction limit remains \$100,000)

\$500K → \$1M

Account activity threshold functionality

- Define value and velocity thresholds by customer segment
- Customize risk parameters across customer segments
- Bolster risk management based on different scenarios

THE FEDERAL RESERVE Financial Services | **FedNow** INSTANT PAYMENTS

28

28

APIs

Informational application programming interfaces (APIs) offer financial institutions and their service providers a modern way to exchange data with a seamless request and response.

Ping
Confirms API connectivity

Participant List
Enables on-demand access to routing transit numbers (RTNs) currently live on the FedNow Service

THE FEDERAL RESERVE | FedNow
Financial Services | Instant Payments

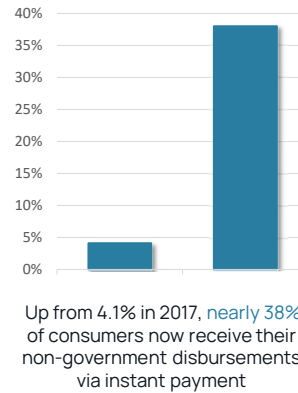
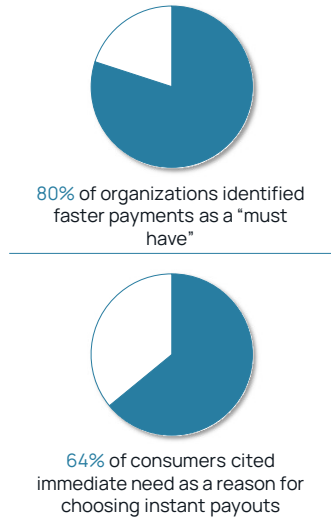
29

Navigating FedNow with Catalyst Solutions

30

30

Growing Demand for Instant Payments

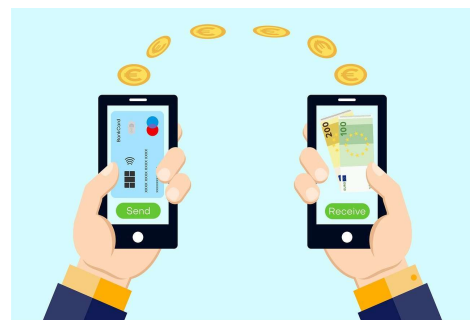


Source: <https://fasterpaymentcouncil.org/blog/46464-5-Faster-Payments-Council-Shares-Results-from-2025-Faster-Payments-Barometer>
Source: <https://www.paymentscommunity.com/blog/2025/consumers-now-see-instant-payments-as-essential-for-managing-household-cash-flow>

31

Key Considerations

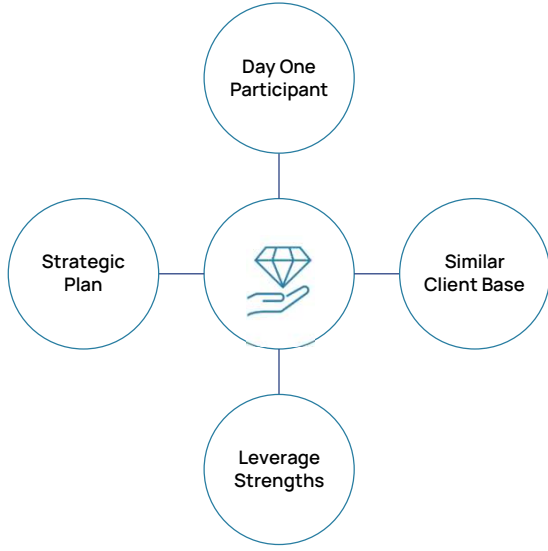
- Small and midsize financial institutions make up more than 95% of participants on the network
- Instant payments are becoming a permanent fixture in the financial services ecosystem
- Offering an integrated instant payment option gives customers a more comprehensive set of services



Source: <https://explore.fednow.org/explore-the-city/14-1620201-624202116-explore-service-continues-momentum-in-q1-2025>

32

Catalyst Partnership Benefits



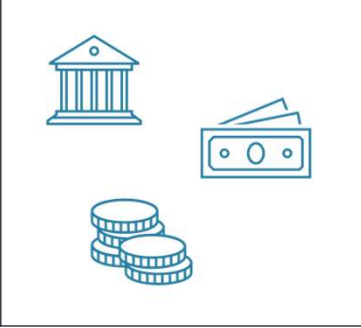
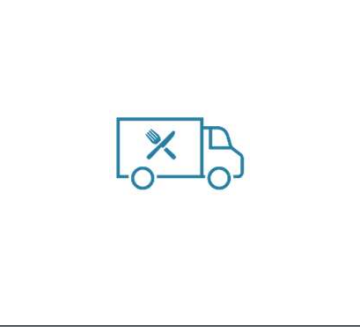

33

The FedNow Service
is the payment rail;
Catalyst helps
you turn it into
value.



34

The Value of FedNow

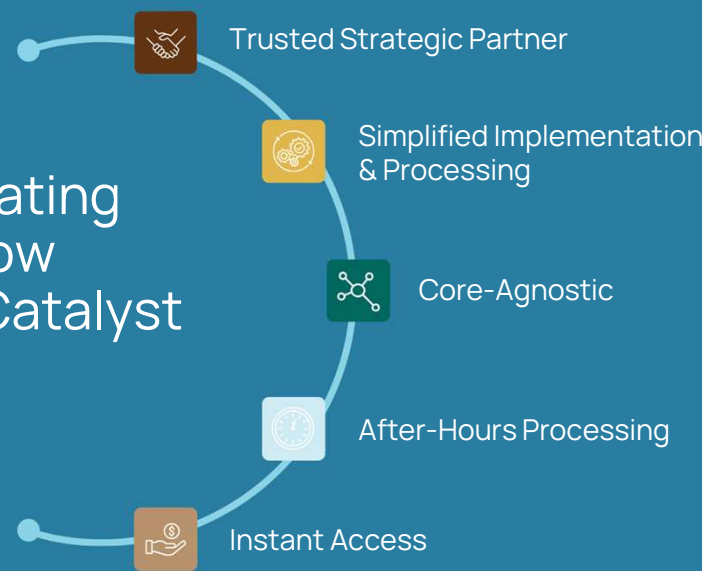
Financial	Gig Economy	Real Estate
		

Digital Wallet • Bill Pay • Loan Disbursement • E-Invoice • Payroll

THE VALUE OF VISION Proprietary & confidential 35

35

Navigating FedNow with Catalyst



- Trusted Strategic Partner
- Simplified Implementation & Processing
- Core-Agnostic
- After-Hours Processing
- Instant Access

36

36

Key Takeaways

- Financial institutions of all sizes and locations have shaped the FedNow Service to meet their needs
- FedNow Service will generate revenue growth, give you a competitive edge, and increase operational efficiency
- FedNow is the payment rail; **Catalyst** helps you turn it into value
- **Catalyst** is your trusted strategic partner
- The time to get started is now!

37

Questions?

38

