

The Federal Reserve outlines FedNow's pricing structure ahead of 2023 launch

Article

The news: The **Federal Reserve** released pricing and fee details for **FedNow**, the real-time settlement network it will launch in 2023, per a press release.

- FedNow will charge a \$25 monthly participation fee for each routing transit number (RTN) that receives credit transfers.
- Senders will pay \$0.045 per credit transfer, including returns.
- There will be a \$0.01 fee for a request for payment (RfP) message that requestors must pay. This includes both new payment messages and returns.
- The default credit transfer limit will be \$100,000, but financial institutions (FIs) will be able to lower it or raise it to \$500,000.

FedNow's advantage: Because [FedNow](#) will be operated by the government, it's mandated to break even and cannot turn a profit. This may let FedNow offer more competitive pricing compared with other faster payment systems, which might help spur adoption.

- **Forty-four percent of organizations** polled by the US Faster Payments Council cited cost and complexity as a challenge to adopting faster payments.
- Competitive pricing could help FedNow overcome its late entry into the market: Systems like the Same Day Automated Clearing House or The Clearing House's Real-Time Payment system have had years to integrate with FIs and have been building out their networks.

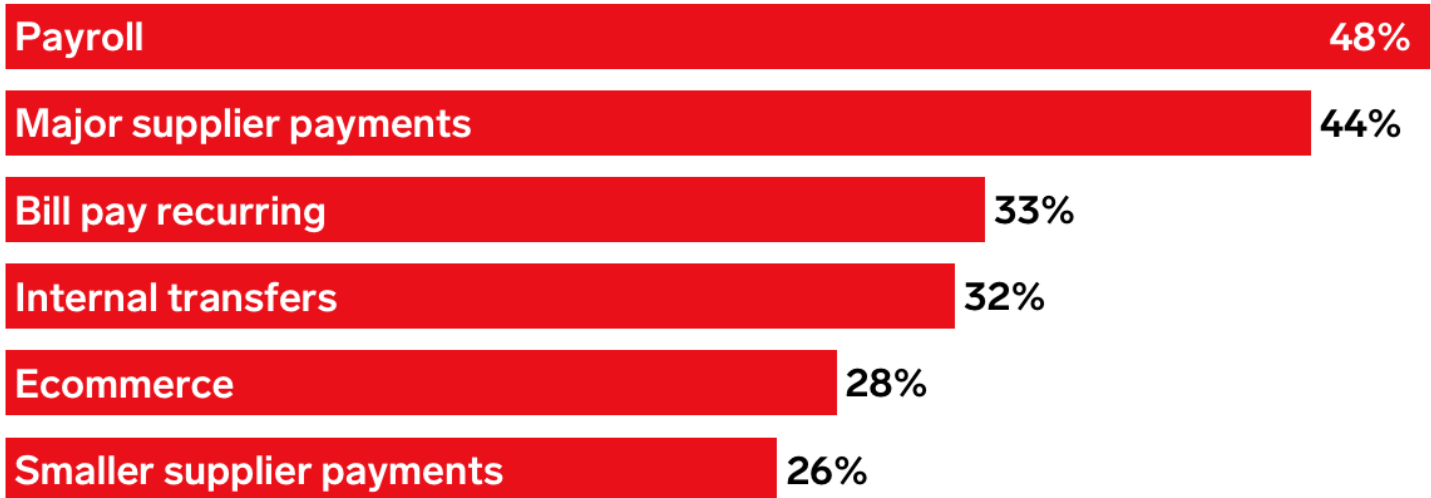
The bigger picture: Demand for faster payments is apparent across all fronts, which sets up systems like FedNow for success.

- **Forty-six percent of treasury and finance professionals said faster or real-time payment processing represented the largest opportunity for innovation within treasury in 2020, [per](#)** a TD Bank poll. Faster payment activities can create a clearer picture of cash flows for FIs. And consumer-facing faster payment innovations could also open new revenue streams for FIs.
- **A "substantial majority" of US businesses said using faster payment platforms was important,** and 90% said they expected to make and receive faster payments within the next three years, [per](#) a brief published by the Fed last fall. Payroll was the top use case cited for faster payments by businesses, which might be because of the potential employee retention benefits.
- **More than half of US consumers (58%) said they'd use real-time payments,** and 30% said access to real-time payments was a key factor when selecting an FI, [according to](#) a PYMNTS report. Like businesses, faster payments give consumers a better picture of their finances and help them avoid things like overdraft fees.

Related content: Check out [“The Rise of Real-Time Payments”](#) report to learn more about FedNow and how it compares with other faster payment systems.

Top US Faster Payments Use Cases

% of businesses



Note: The Fed study included 24 features across B2B, C2B, B2C, and A2A payments; this includes the top 6 across these categories based on percentage.

Source: US Federal Reserve, "Market Readiness Brief," September 2021

Methodology: Data is from a Federal Reserve study conducted by Escalent using a panel from Dynata and Schlesinger Group. 2,010 businesses stratified by revenue size and industry sector were surveyed online in the second half of 2020.

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