



The FedNow Service - Offer the Promise of Tomorrow's Payments, Today

Experience the Difference of Instant Payments with Narmi's User-Centric Approach

The Time for Instant Payments is Now

In the rapidly evolving landscape of instant payments, what was once considered a “nice-to-have” is now poised to become an essential user expectation. With the proliferation of user-friendly applications like Zelle and Venmo, users have become accustomed to the ease and instant satisfaction of these platforms, with **61% of millennials expressing a strong interest in instant payment solutions**¹, and the Fed reporting in a recent study that **7 in 10 (69%) of consumers**² think it's important for their primary financial institution(s) to offer faster payments.

Poised for Growth

The introduction of RTP (Real Time Payments) by The Clearing House in 2017 marked a significant turning point in the world of U.S. payments. **With 350 RFP Participating Financial Institutions** now utilizing this instant payments rail, RTP has paved the way for the industry. However, the recent launch of the **FedNow Service has already garnered the active participation of 108 financial institutions** since its introduction in July. While this growth may not be described as explosive, it serves as a tangible indicator of real demand, particularly among regional banks and credit unions. **The addition of thirteen new credit unions to the service**, following the initial thirteen announced as early adopters, is a testament to the growing trust in the FedNow Service and a clear sign of the continued expansion and normalization of domestic instant payments.



Value Props of the FedNow Service for Financial Institutions

Given that the FedNow Service is the first instant payment service that is fully owned and operated by the Federal Reserve, it will open up more access to instant payments for U.S.-based financial institutions (and thus the users and businesses they serve).

This new payment rail will make transferring money easier for users, allow businesses more control over their operational expenses, and help community financial institutions meet the user experience expectations of their users and members.

As more banks and credit unions begin to leverage the FedNow Service, it is important to consider how this offering will benefit both users and businesses alike.

Benefits for Users

Instant payments will allow individuals to transfer money to friends and family, pay bills, and receive funds or reimbursements instantly. As we've seen from the mass adoption of P2P methods, faster and more efficient payments are quickly becoming table stakes for the digital user. Instant Payments for earned wage access can give some workers (especially freelancers and gig workers) access to their paychecks on the same day, thus limiting their reliance on more expensive financing, such as payday loans.

Benefits for Businesses

The FedNow Service can bring a lot of efficiency to the way businesses manage their operational expenses. With the FedNow Service, businesses will be able to issue requests for payment or bill users or vendors directly for their services, giving them greater visibility into and control over their cash flow. At the same time, having the ability to instantly distribute payments or refunds will help them maintain healthier business relationships. If businesses pay employees via ACH, they typically need to make the funds available about two days in advance. However, with instant payments, they can better manage their liquidity and make the payments almost instantly before they are due.



Narmi's Value Prop

When creating an implementation strategy for the FedNow Service, banks and credit unions should consider how a best-in-class fintech partnership will streamline the process for the organization, as well as the end users.

As a full-service FedNow provider, Narmi is positioned to handle all of the details, so banks and credit unions can focus on what is most important – serving their users and members.

Through a partnership with Narmi, financial institutions will experience:



Fully Embedded UX/UI

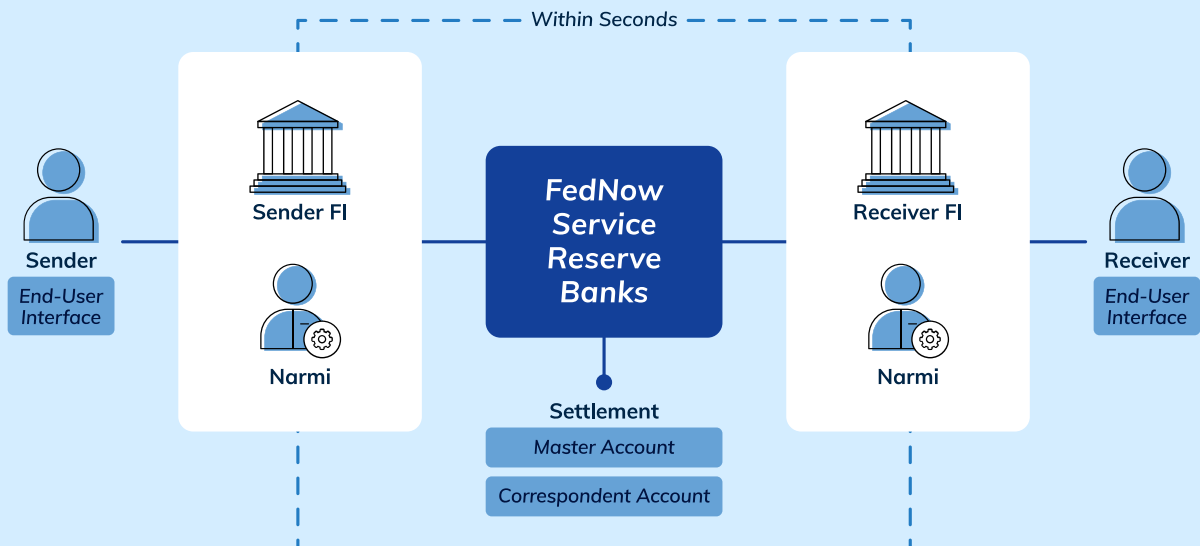
Narmi will provide a seamlessly integrated payment experience that complements your existing money movement processes for users and staff.

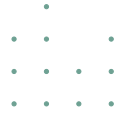


Enhanced Fraud Protection

Narmi will enhance user protection against faster fraud by harnessing our super set of data inputs, which combines digital banking activity and payment information to swiftly and effortlessly detect and counteract fraud patterns.

How it Works





The use cases for the FedNow Service span across multiple participation types.

STAGE 1 Receive Only

- Earned wage access (for W2 and gig workers)
- Disbursements
 - Receive Insurance Claims
 - Instant Merchant Refunds
 - Settlements or Rebate Claims
- P2P Payments (receiving payments only)

STAGE 2 Send

- A2A transfers between accounts at different FIs
- Expedited consumer payments
- Consumer-to-Business: allowing users to make instant payments to companies providing imperative services
- Business-to-consumer: allow businesses to send non-recurring disbursements like refunds or insurance payouts

STAGE 3 Request for Payment

- Person-to-person (P2P) payments for reimbursement
 - Roommates splitting rent
 - Paying back a friend for dinner
- Business-to-consumer
 - E-invoicing

As the demand for instant payments continues to grow, it's important for financial institutions to understand the options that are available to them. Cost, speed, and user experience are all factors that should be evaluated when selecting the service and provider that best suits the needs of your financial institution, staff, and users.

Narmi is ready to answer your questions - to learn more reach out to your general manager or [click here](#).

About Narmi

New York City-based Narmi's digital platform empowers financial institutions to unlock the very latest capabilities in digital banking and account opening, enabling them to move faster, tap new growth opportunities, and achieve true digital transformation. The Narmi platform was built with the user experience in mind, empowering financial institutions with an experience that is always effortless, current, and dependable. As a result, Narmi's customers are seeing as much as 3x account growth in less than 30 days and 4x deposit growth in as little as 90 days. Additionally, Narmi's financial institution clients are winning awards like Bankrate's 2020 Best Online Bank and Nerdwallet's Best Bank of 2021 for Online Experience. For more information, please visit narmi.com.

narmi.com
twitter.com/narmi_tech
linkedin.com/company/narmi

SOURCES

1. PYMTS. "61% of Millennials Want Real-Time Payments — the Challenge Is Acceptance."; 2023
2. Federal Reserve. "FEDERAL RESERVE PAYMENTS INSIGHTS BRIEF: Changing environment places premium on payment speed, choice and control."; 2023.
3. PYMTS. "TCH: RTP Network Has Topped Half a Billion Instant Payments." 2023.
4. Federal Reserve. "FEDERAL RESERVE PAYMENTS INSIGHTS BRIEF: Changing environment places premium on payment speed, choice and control."; 2023.
5. Credit Union Times. "13 More Credit Unions Join the FedNow Network."; 2023.