

## FASTER PAYMENTS EXCERPT/SUMMARY

Payment modernization is a global movement that continues to gain momentum, and credit unions can actively participate in the payments renaissance in the United States. Faster payment methods are accessible to credit unions, with more options becoming available in the near future.

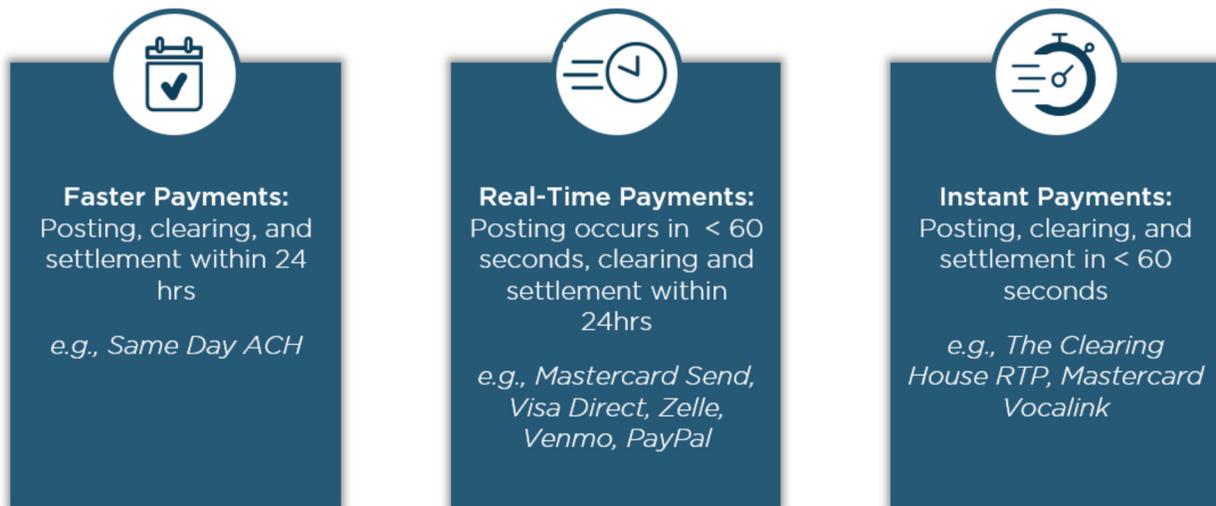
The *Credit Unions' Guide to Faster Payments* white paper will provide definition around what faster payment methods are available, lessons learned from international markets, and practical steps to help credit union Owners know how to prepare for the modernization that is occurring.

### Executive Summary Findings:

- Real-time payments are classified into three categories: Faster Payments, Real-time Payments and Instant Payments
- Only 10% of credit union members are willing to try new technology first, so deploying Same Day ACH in the bill payment environment has the lowest barrier of entry
- Credit union members may experience modernized payment methods without the credit union's awareness
- The use cases for faster, real-time and instant payments are expansive

### Multiple Types of Faster Payments are Available to Credit Unions

Definitions of Faster Payments, Real-time Payments, and Instant Payments



Source: Javelin Strategy & Research, 2019

Primary use cases focus on both consumers and business members. Modernizing bill payment, person-to-person (P2P) payments, and merchant payments will be the primary drivers of change for credit unions.

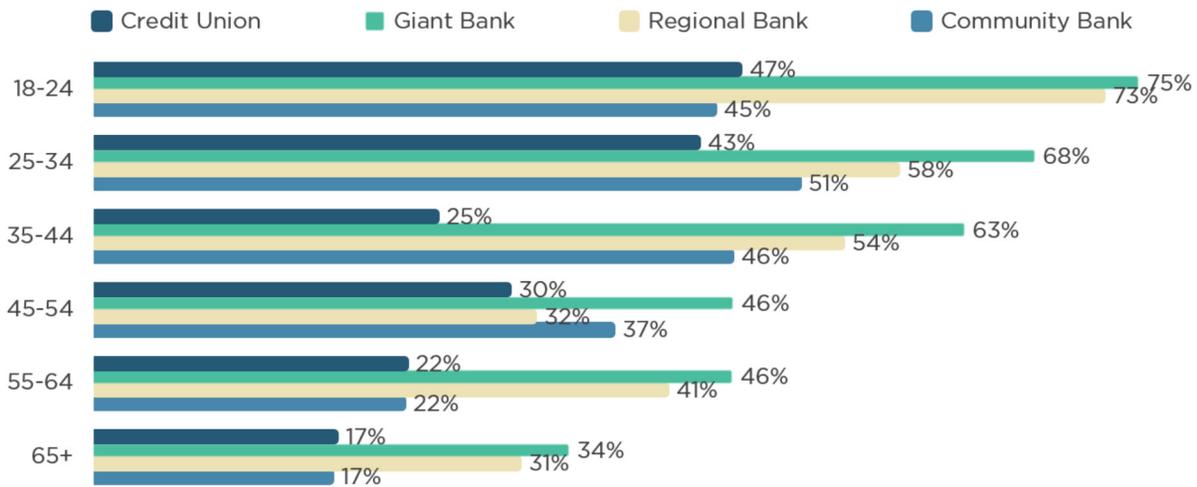
Credit unions can utilize faster payments across numerous use cases

- Consumer to Consumer
- Consumer to Business
- Business to Consumer
- Business to Business
- Bank to Consumer/Business
- Bank to Bank

The future of faster payments is accelerating and credit unions need to prepare for how payments will shift in the next one to three years. As faster payments expand in the U.S., understanding the dynamics of different payment options and primary consumer and business uses cases is key.

**Credit Union Members Are Adopting P2P at a Lower Rate than Giant and Regional Banks**

P2P Market Penetration by FI and Age Range



Source: Javelin Strategy & Research, 2019