

RTP[®] Network Business Payments

Background and Resources

November 2021

Introduction

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Dear Colleague,

Many enterprises are exploring the possibilities of using real-time capabilities to streamline processes, improve cash flow and give customers a better experience.

Fortunately, your bank has developed offerings – or is about to – that leverage the RTP® network with the features businesses are looking for to thrive in the digital economy. While you'll need to learn your own bank's details, this guide will help you talk about the RTP capabilities that underpin those services and how they can be applied.

We are ready to help you talk to your clients about RTP payments today and/or kick around new ideas to improve the flow of commerce.

Best regards,



Elena Whisler
Senior Vice President
The Clearing House

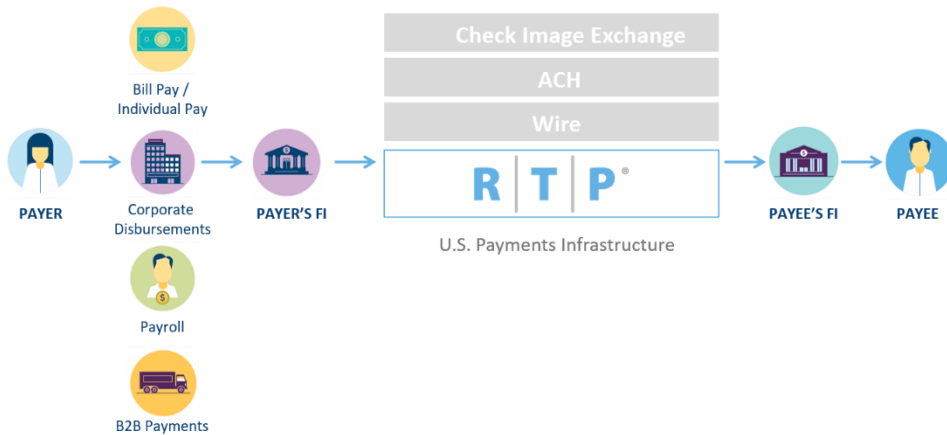
RTP® Network Background

The RTP® network is industry infrastructure, in the same way that ACH, wire and check image exchange are infrastructure. RTP network doesn't replace the other payment networks, but it does have capabilities that the others don't, since it's specifically designed to support digital commerce.



Improve cash flow

- Process in real time
- Immediate payment confirmation
- 24/7
- Precise timing



Streamline Operations

- End-to-end visibility
- No reversals
- Improved exception handling
- Reduced invoice friction
- Accelerated invoice approval
- Better bank office communication

Banks collaborate with their corporate clients to put these capabilities to work to streamline processes, improve cashflow and improve their customer's experience receiving disbursements and making payments. Your bank already has offerings available or in the works. Some ways RTP capabilities are being used today:



Improve Customer Experience

- Two-way messaging
- Greater satisfaction
- Precise timing

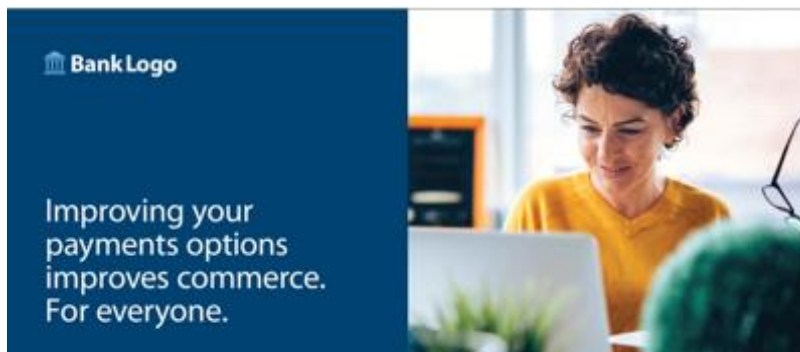


RTP® Messaging and Promotion

How do you talk about RTP® capabilities? The Clearing House and its owner banks created a brand narrative for the RTP network. It's the story we tell based on what clients want and need, our authentic strengths and our competitive positioning. Following our brand narrative means focusing on higher-order features and benefits that differentiate the RTP network.

WHY <i>(Benefit)</i>	Bank offerings powered by the RTP network improve the flow of commerce in the digital economy
HOW <i>(Process)</i>	By improving cash flow, streamlining operations and improving the customer's experience
WHAT <i>(Features)</i>	Through capabilities including real-time posting and confirmation, 24/7 access, two-way messaging with relevant detail, payment certainty, immediate availability of funds, etc.

When describing RTP capabilities, it's best to lead with the benefit, then cascade down to the process, then the features. Or, WHY to HOW to WHAT. Notice how this short description begins and ends with the WHY, then lists HOWs supported by WHATs.

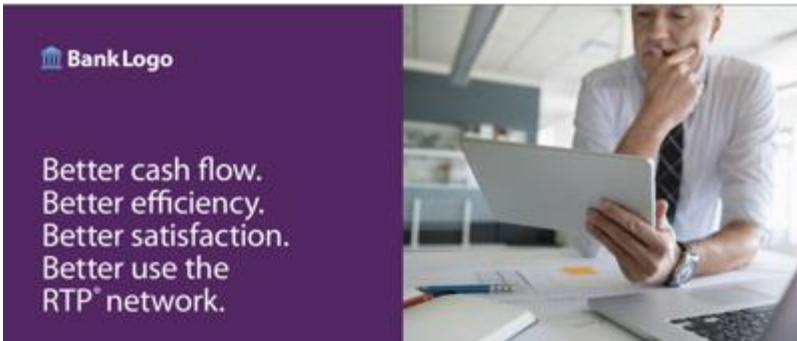


“Product X, powered by the RTP® network, is a payments option built to improve the flow of commerce in the digital age. That’s because it enables better cash flow control with precisely timed payments made in real time, anytime. It streamlines the entire transaction with two-way communication carrying the relevant information both parties need. Commerce flows better when you’re moving in real time.”

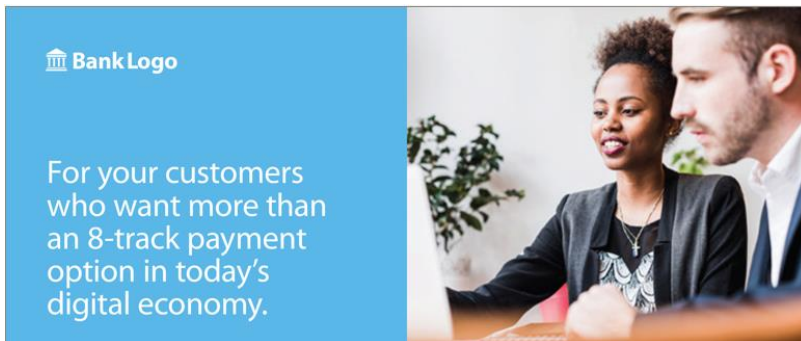
By the way, you'll see banners using this image around the AFP Conference, in collateral and at The Clearing House booth.

RTP® Messaging and Promotion (continued)

Below are additional examples of how we talk about RTP® features in ads and can be applied to conversation as well.



It's OK to lead with the "how".



It can be effective to lead with a WHAT/feature, but only if you elevate that thought back up to the WHY/benefit:

"Bank services powered by the RTP network mean no returns. It is one of the many ways our service streamlines your business processes, improving the flow of commerce in the digital economy."

RTP® FAQ

Our experts have been asked the following questions many times at conferences, webinars and meetings and are sharing their answers below. These aren't all inclusive — so talk to any of The Clearing House experts or schedule time for a deeper dive. We're also happy to join you in meetings, events, or conversations with your clients.

What exactly is the RTP® network in three sentences or less?

It's a payments network that improves the flow of commerce in the digital age by enabling consumers, businesses, and governments to send and receive funds in real-time, anytime to and from their secure bank account. It has unique capabilities that improve efficiency and cash flow, such as real-time posting, immediate confirmation and secure two-way messages with relevant data, that serve as a foundation for bank services.

Are RTP payments the same as Same Day ACH?

No. RTP payments clear and settle individually in real time with immediate finality. Same day ACH payments are cleared in batches and settle after the payments clear.

What's the difference between the RTP® and Zelle®?

Zelle is a customer-facing payment service while the RTP network is a behind-the-scenes clearing and settlement utility. Zelle allows senders to initiate a payment using the receiver's alias such as a phone number or email. Today most Zelle payments settle later through the ACH network. Some Zelle FIs have integrated Zelle with RTP for real-time settlement, with more expected to do so in the future.

Should a corporate client move all its payments to the new RTP payment type?

No. RTP payments are not intended to be a wholesale replacement for any other payment type – ACH, wire, card or even check. Instead, banks and their corporate clients are looking to types of services or activities that use one of these other networks that could benefit from the real-time and messaging characteristics of RTP payments to enhance or replace existing services – like real-time disbursements and reimaged bill payment.

Why should a client add RTP to their payments mix?

Most U.S. payment infrastructure was built 40 years ago or more, long before the internet and cell phones were ubiquitous, and customers had an expectation for immediate everything. No other network today has the immediacy, precision and conversational abilities that are essential to remain responsive and competitive in the digital economy.

How easy/difficult is it for a customer to add RTP to their payment mix?










The receipt of RTP payments does not require implementation by corporations as their bank will deposit funds into their accounts automatically. A company may want to integrate RTP payments received into its accounts receivable process, but it is not required. To send RTP payments, each company will be structured differently depending on their infrastructure and bank products. Bank product offerings are the determining factor in the implementation timelines – bank portal, API, File Upload, File Transfer and ERP connectivity services.

Are there transaction limits?

Yes, the credit transfer limit on the RTP network is currently \$100,000.

RTP® Use Cases

Financial institutions and their corporate clients are reimagining services that take advantage of immediate clearing and settlement along with the ability to create a real-time conversation between parties over a secure bank network.

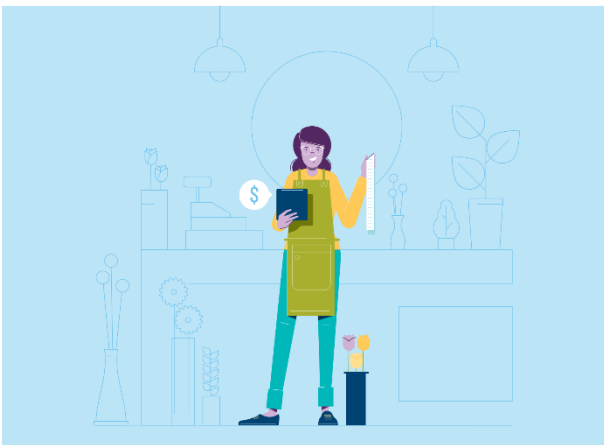
B2B		A small business paying an urgent invoice in order to receive goods or services
		A restaurateur who pays for farm-fresh produce from the local supplier to serve that evening's dinner specials
B2C		Insurance companies and healthcare plans pay claims with immediate confirmation
		A retail bank distributing personal loan proceeds to a dealership on behalf of a customer who is at the showroom buying a new car
C2B		Consumer pays utility bill in response to Request for Payment from the biller
		A busy working individual paying for general services around the house such as a childcare provider, plumber, or other repair service
P2P		College roommates splitting monthly rent and utility payments
		A head of household sending emergency funds to a family member on vacation
A2A		A retail investor sending real-time money transfers to his or her investment account

RTP® Use Cases and Podcasts



Payments Nerds

For first-hand insights on these use cases and others, listen to the Payments Nerds podcasts at: <https://www.theclearinghouse.org/about/payments-nerds>



Merchant Services:

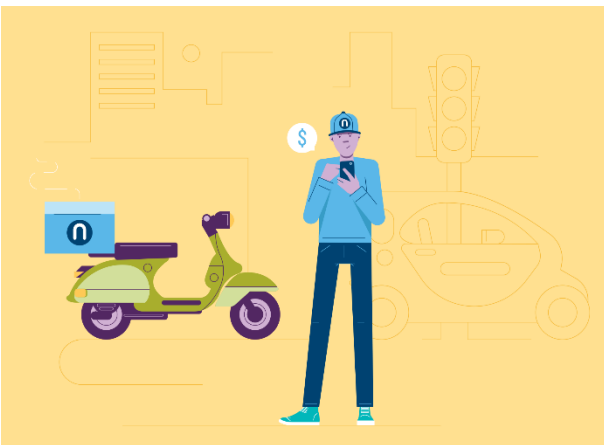
Improve cash flow, all the time, even on weekends

Until now, merchants waited days to get funded for the credit card receipts they deposited. And that's a long time to wait when cash flow is so critical.

With Elavon's service, the funding is immediate, even on weekends, for merchants who have accounts at RTP-enabled financial institutions.

"Get Funded the Way You Do Business"

Podcast Season 2, Episode 7



Immediate Payroll:

Work today, get paid today

Sometimes employees need to be paid *now* instead of when the bi-weekly payroll file is processed.

For example, gig workers can be paid at the end of their shift; errors can be corrected and posted right away; and terminated employees can be paid-out on their last day.

With Paychex, real-time pay is a reality when the employee banks with a participating financial institution.

"Making Real-time Payments for Payroll"

Podcast Season 2, Episode 3

The use cases in this document are examples of innovators that utilize RTP capabilities. The Clearing House does not endorse or make any representations or warranties of any kind with respect to these or other RTP innovators, or their products or services.

RTP® Use Cases and Podcasts



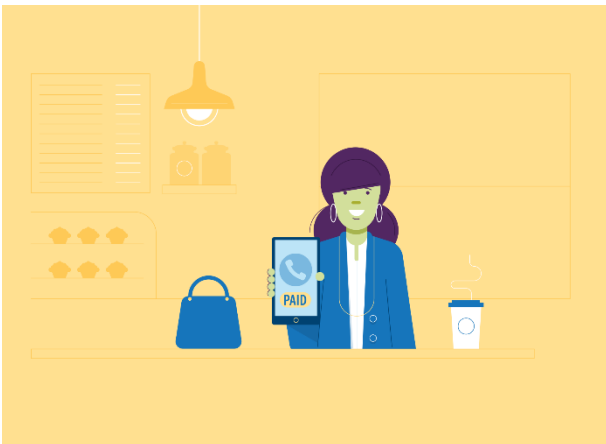
Emergency Loans: Immediate funds when you need them

Michigan State University has a great service for its students — small loans for emergencies like a flat tire or other unexpected expenses. The approval is fast, but the check could take days.

Now with RTP® payments, the funding is immediate once the loan is approved, making the loan emergency program even better when students need cash as soon as possible.

“Instant Payments and Other Everyday Uses for the RTP Network”

Podcast Season 2, Episode 5



Reimagined Bill Pay: Precision timing and relevant data

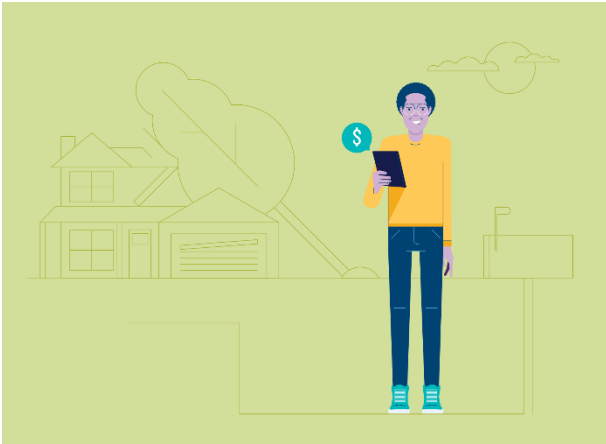
A major phone company has just launched a new bill pay service powered by the RTP® network and its financial institution.

The phone company can request payment through the customer’s online banking service or mobile app. The payment can be sent the same way — precisely timed, with relevant information and the payment flowing together across the same secure network. And that’s just the beginning of the advantages in reimagined bill pay.

“Request for Payment on the RTP network is Game Changer for Corporates and Consumers”

Podcast: Season 3, Episode 4

RTP® Use Cases and Podcasts

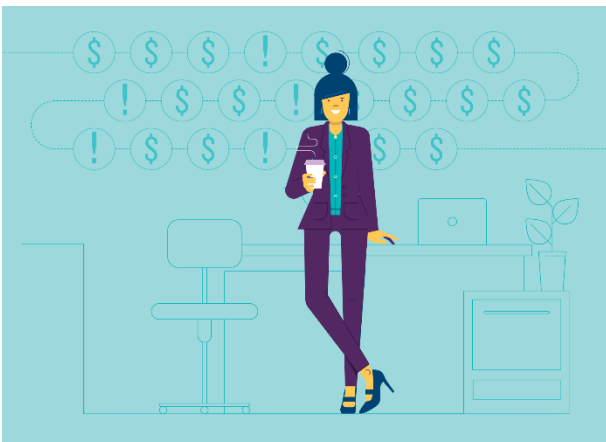


Insurance Payout: Faster makes all the difference

When a tree falls on your house, for example, you probably don't want to wait very long for the insurance payment to set things right.

That's why Dream Payments, an insurance claims service used by many insurance companies, has added an instant payments feature powered by the RTP® network. As soon as the claim is processed, the funds are released to the claimant.

Press Release: <https://finance.yahoo.com/news/dream-payments-launches-real-time-120000758.html>



Back Office Improvements: More efficiency, fewer exceptions

There is no bigger headache for the back office than trying to reconcile invoices and payments from many sources.

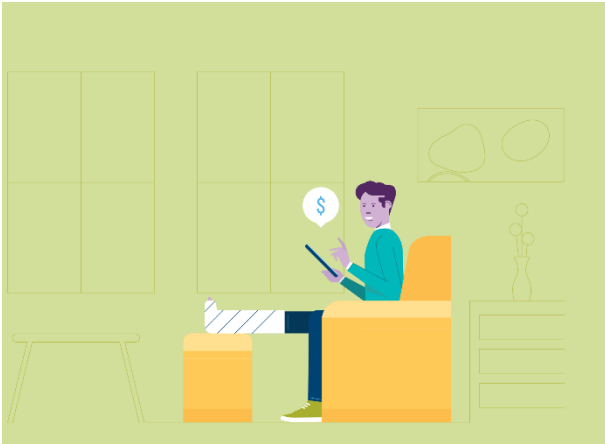
Now companies with a financial institution connected to the RTP® network can take advantage of services that make the process faster and easier. There may even be time for a coffee break!

For example, Modern Treasury, a company that consolidates receivables and automates reconciliation for corporate clients, now includes the RTP network among the payment systems it supports.

"Streamlining Payment Processes in a Digital Economy with Rachel Pike"

Podcast Season 3, Episode 1

RTP® Use Cases and Podcasts



Automatic Savings Program: Enhanced with immediate payouts

Digit facilitates automatic savings and on-demand withdrawals the customer can use for a rainy day or emergency. But withdrawals used to take a while.

With the addition of the RTP® payment option— withdrawal requests are now instantly filled, making the savings service even more attractive— customers know they can get to their cash right away when they need it.

“Evolution of Real-Time Payments with Digit’s Carlos Rotger and JPMC’s Steve Bernstein”

Podcast: Season 2, Episode 8

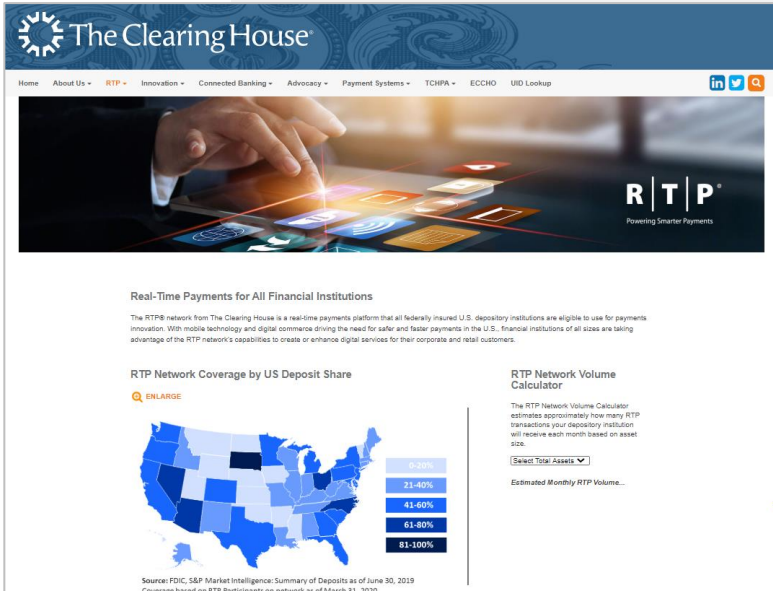
We Are Online – Additional Resources

theclearinghouse.org/payment-systems/rtp

Visit The Clearing House website for:

- Videos and demos
- Documents
- Event schedule
- Podcasts
- Partners and participants
- Articles and press releases

and more. . .



The screenshot displays the RTP section of The Clearing House website. At the top, the navigation menu includes Home, About Us, RTP, Innovation, Connected Banking, Advocacy, Payment Systems, TCHPA, ECHO, and UID Lookup. The main content area features a banner for RTP with the tagline "Powering Smarter Payments". Below the banner, there is a section titled "Real-Time Payments for All Financial Institutions" with a brief description. To the left, a map of the United States is titled "RTP Network Coverage by US Deposit Share" and includes a legend with five categories: 0-20%, 21-40%, 41-60%, 61-80%, and 81-100%. To the right, there is an "RTP Network Volume Calculator" section with a dropdown menu for "Select Total Assets" and a field for "Estimated Monthly RTP Volume...".

Bill Pay

The Clearing House will be promoting its updated Biller Playbook. It is an updated guide to help billers and their financial institution learn about a reimagined bill pay capability that leverages the RTP® network.

If you would like to learn more about this innovative approach to invoices or bills and receiving payments, talk to the experts from The Clearing House. We're here as a resource for you and your corporate clients.

You can also read more about Bill Pay on The Clearing House website at: <https://www.theclearinghouse.org/innovation-center/bill-pay>



The Clearing House

Here's the go-to resource for billing and payments using the RTP® network.



The Clearing House
RTP® Network
Biller Playbook

Want to learn about a better way to send bills and receive payments? Download our Biller Playbook now.
#RTPISREADY



R | T | P

About The Clearing House

The Clearing House operates U.S.-based payments networks that clear and settle more than \$2 trillion each day through wire, ACH, check image, and real-time payments. It is the nation's most experienced payments company, with a long track record of providing secure and reliable systems, payments innovation, and strategic thought leadership to financial institutions.

Most recently, The Clearing House has revolutionized U.S. payments infrastructure with the RTP® network, which supports the immediate clearing and settlement of payments, along with the ability to exchange related payment information across the same secure channel. These RTP capabilities enable all financial institutions to offer safer, faster, and smarter digital transaction services for their corporate and retail customers.

The Clearing House Owner Banks are committed to the growth of the RTP® network



RTP® Fact Sheet

The Clearing House's RTP® network is a better way to instantly send and receive money in the digital age. Financial institutions and businesses have put RTP capabilities to work to create complete and exceptional payments experiences:



Immediate and Certain

Each payment is cleared and settled in real-time, 24/7, and confirmed *immediately* so all parties can be certain that the transaction is complete.



Comprehensive

A two-way communication thread between senders and receivers is loaded with useful information, which makes the status clear and right where you need it – no loose ends to track down.



In Control

Senders and receivers are in control (e.g., Billers determine when to send payment requests; Payers decide whether, when and how much to pay). Innovative service providers create the user experience for their offerings.



Proven

The RTP network is in full production and operated by The Clearing House, a trusted, secure provider of payments – so you can be confident RTP is safe and will work.

How RTP capabilities are being used today

- Account-to-Account
- Gig Economy
- Business-to-Business
- Loan Funding
- Payroll
- Merchant Funding
- Wallets
- Insurance Claims
- Title Companies
- Cash Concentration

Millions of payments are clearing through the RTP network every month, with the volume doubling about every quarter

RTP Resources

Visit The Clearing House website for RTP information and resources:

- Volume estimator
- Podcasts
- Videos and demos
- Partners and participants
- Documents
- Articles and press releases
- Event schedule

theclearinghouse.org/payment-systems/rtp



Your customers are ready for real-time payments and so are we. Let us help you get started at info@theclearinghouse.org.