

## Presenter Information

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# ALTA Digital Funds Webinar

Changing the payment experience



Today's  
ALTA Insights  
Featured  
Sponsor



# Poll Question

**What does RTP stand for?**

- Real-Time Protocol
- Return To Player
- Real-Time Payments



# Real Time Payments

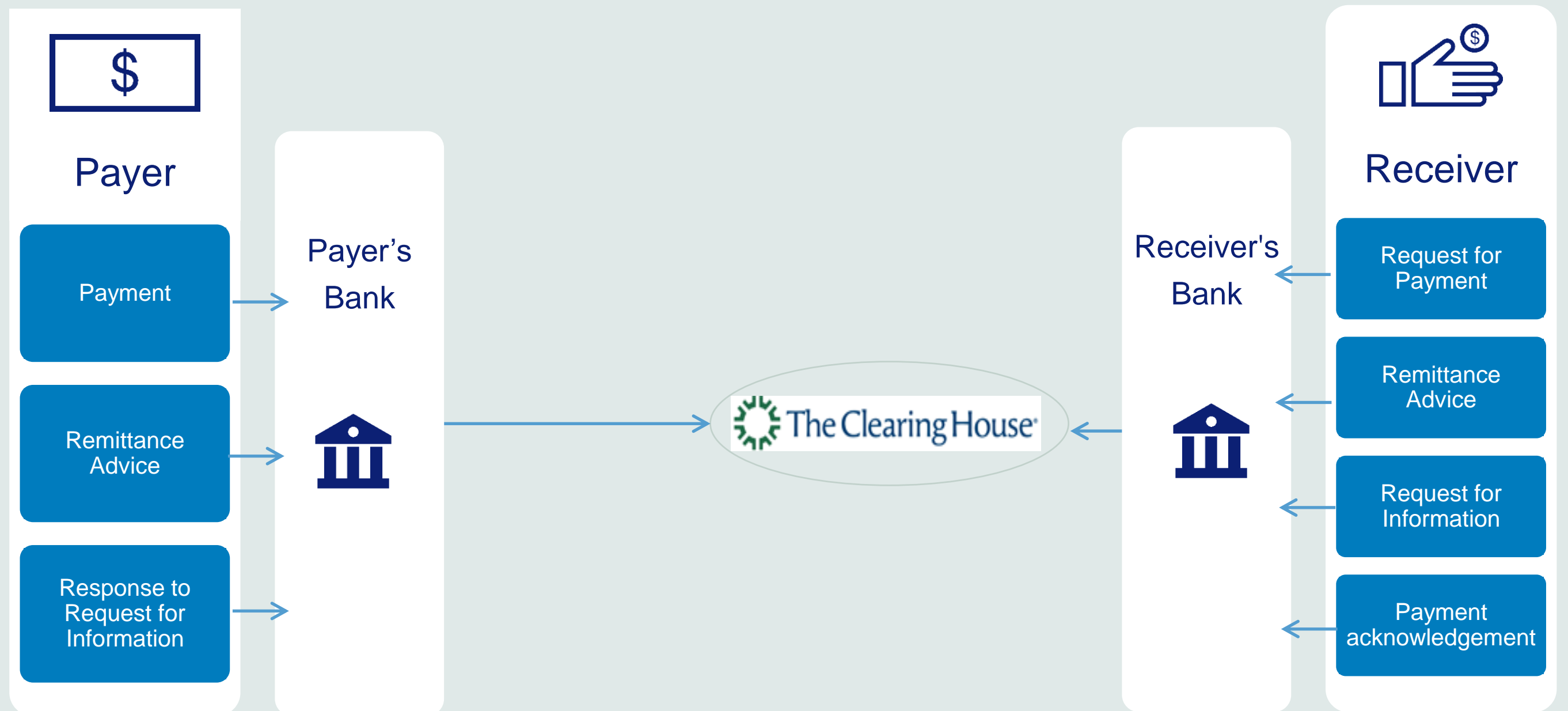
First new payment rail in over forty years

- Driven by the largest financial institutions
- - A secure way to send “good funds”
- Settlement within mere seconds
- Ability to send rich data that flows with the payment





# How RTP<sup>®</sup> Works



Based on the ISO 20022 global standard

ACH	Wires	RTP
Sent via the ACH Network Operators (either the Federal Reserve Bank or The Clearing House).	Sent via Fedwire	Sent via the RTP® Network Operator, The Clearing House.
Rules issued by National Automated Clearing House Association (Nacha).	Rules issued by the Federal Reserve.	Rules issued by The Clearing House (TCH).
Funds can take 1-3 days to be available.	Funds available within 24 hours.	Real-time availability of funds.
Agreed-upon process for correcting erroneous transactions (i.e. reversal requests).	Funds are irrevocable.	Funds are irrevocable (although not guaranteed, a request for return of funds may be issued).
Limits only on Same-Day ACH transaction timing of \$1,000,000	Limit: Dependent on the financial institution—starting at \$50,000	Limits: \$1,000,000 / push (credit)
Supports Push & Pull (Credit/Debit)	Supports Push (Credit) only	Supports Push (Credit) only
Transactions are batched	Transactions clear and settle individually	Transactions clear and settle individually

# Differences between RTP & Wires

# Focus: Real-Time Payments at a glance



## Features

- » Immediate funds
- » Finality of funds
- » Rich banking data integration
- » 24/7/365 functionality



## Benefits

- » Certain, secure
- » Convenient digital experience focus
- » Immediate funds and rapid settlement drive intelligent working capital decisions
- » Enhanced controls and reporting, reduced risk
- » Reduced costs



## RTP: Stakeholder applications made easier

- » P2P: Account-to-account, mobile wallet flexibility, banking + cash management.
- » C2B: Bill payments, transparency + access (e.g. credit applications), banking.
- » B2C: Disbursements, payroll, refunds, rebates, loan funding.
- » B2B: Cash management, payments (AP + AR + intercompany), reporting, analytics, data, settlement, rationalized payment terms.



[Learn more about business-to-consumer payments](#)



# RTP and Good Funds Law



# Poll Question

The failure of what company led to the creation of good funds laws?

- Abbey Financial Corp.
- Ameriquest Mortgage Co.
- Countrywide
- New Century Financial Corp.



# State Good Funds Laws

- Good Funds laws vary state-by-state.
- Under most state laws, Good Funds are **irrevocable** and **immediately dispersible** on receipt.
- Good Funds laws are designed to protect consumers and ensure a real estate transaction can be completed.
- Under federal consumer financial protection laws, consumers have the ability to reverse funds for up to 90 days, and consumers cannot waive their right to reverse a transaction, even for a real estate purchase.
  - Widespread use of reversals could cause instability of liquidity for title companies, underwriters, and banks.
- Good Funds laws are applicable when money transferred into escrow (e.g., earnest money deposit, closing funds).



# Risks of RTP

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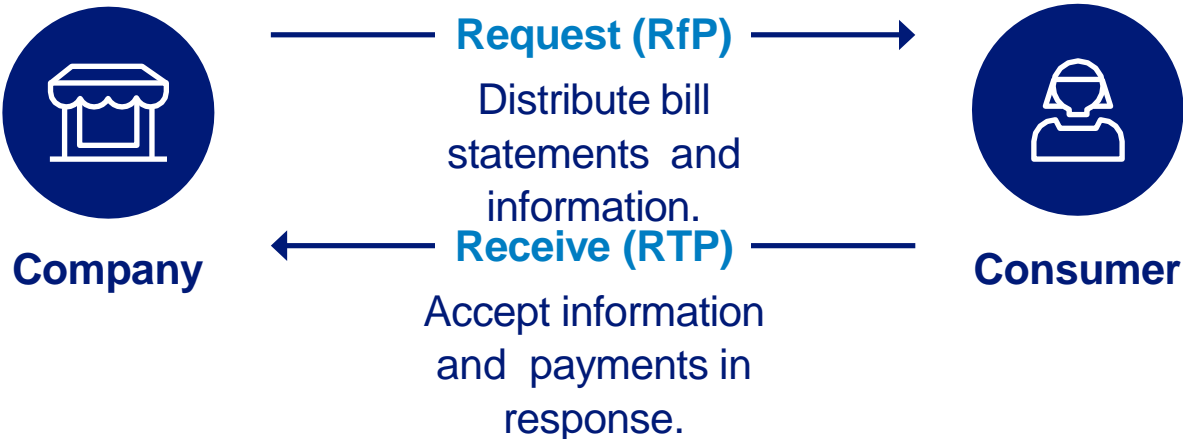




# Request for Payment (RfP)



# What if you could bill and receive payments on one digital payment rail?



With one network, you don't need to worry about third party delivery channels like email. Everything your customer needs to initiate and pay is in one place for a completely closed loop transaction.

## How it works



Right now, industry leading banks are paving the way, with more and more institutions adding the capabilities throughout 2022.

# Uses of RTP

- Funds into Escrow
  - Earnest Money & Case to Close
- Payments from Escrow
  - Payments to Consumers
  - Disbursements
  - Payoffs





# Recommendations on where to start with RTP

- Request for Payment vs Distribution of funds
- Payments to Consumers
- Payments to Real Estate Agents
- Payoffs, Counties and HOAs



# Poll Question

**Is your company listed in the ALTA Registry?**

- Yes
- No
- What's the ALTA Registry?







Q&A