

Press Release

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Federal Reserve announces details of new 24x7x365 interbank settlement service with clearing functionality to support instant payments in the United States

For release at 12:00 p.m. EDT

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The Federal Reserve Board on Thursday announced details of the FedNowSM Service, a new 24x7x365 interbank settlement service with clearing functionality to support instant payments in the United States.

The features and functionality described in the accompanying *Federal Register* notice represent a key milestone in the FedNow Service's development and are based on input received from the public in response to the Board's 2019 request for comment. The Federal Reserve will take a phased approach to service implementation. The first release of the FedNow Service will provide core clearing and settlement features that will support market needs and help banks manage the transition to a 24x7x365 service. Based on ongoing stakeholder engagement, additional features and service enhancements will be introduced over time. The target launch date for the service remains 2023 or 2024, with a more specific time frame to be announced after additional work is completed.

The Federal Reserve has a long-standing role in providing payment and settlement services to promote an accessible, safe, and efficient U.S. payment system. The FedNow Service, alongside similar services provided by the private sector, will modernize the U.S. payment system and bring the benefits of instant payments broadly to communities across the country.

"The rapid expenditure of COVID emergency relief payments highlighted the critical importance of having a resilient instant payments infrastructure with nationwide reach, especially for households and small businesses with cash flow constraints," said Federal Reserve Board Governor Lael Brainard. "Since we initiated FedNow one year ago, we have been hitting our project milestones, and today I am pleased to announce the Federal Reserve Board has approved the core features and functionality based on extensive input from stakeholders."

The Board's *Federal Register* notice is attached.

For media inquiries, call 202-452-2955

 [Federal Register notice: Service Details on Federal Reserve Actions to Support Interbank Settlement of Instant Payments \(PDF\)](#)

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