

# Payments Modernization

► Q1 2020 Bulletin

YOUR GUIDE IN A TIME OF CHANGE

## Designating Your RTP Funding Agent – Simple Onboarding Decision

While the process of onboarding for The Clearing House (TCH)'s RTP Network® can be a lengthy process because of limited capacity at Third Party Service Providers (often cores) and at TCH, choosing Bankers' Bank as your Funding Agent is quick and easy. Every participating bank must complete a Participant Packet, and one of the first decisions to be made involves using a Funding Agent or being a Funding Participant. If you choose to take advantage of our service, designating Bankers' Bank as your Funding Agent is as simple as naming us on the form.

Engaging a Funding Agent offers banks a number of advantages, including easier management of Joint Account balances and assistance with maintaining 24/7/365 up-time for users through liquidity solutions. And respondents that use Bankers' Bank combine these efficiencies with existing cash management services, simplifying the management of their overall cash positions. Even receive-only RTP banks benefit from using a Funding Agent, as this allows for in-system processing of returns, as opposed to using out-of-network ("off rail") methods that may be harder to reconcile.

When onboarding for RTP, banks answer a series of four questions, one of which is whether they will be a Funding Participant or will use a Funding Agent. Self-funding banks will need to execute a Joint Account Agreement for RTP to become a send-and-receive bank. They will be responsible for their balance in the Joint Account at the Federal Reserve Bank of New York and ensuring that customer transactions do not fail due to lack of funds. Funding agents take care of all of these functions. Our banks that choose Bankers' Bank as their Funding Agent will do so by completing the following:

IF YOU ANSWERED "YES" TO ITEM 4 (i.e., you will be using a Funding Agent)		
10	Full legal name of your Funding Agent.	Bankers' Bank
11	Please provide your Funding Agent's Primary Routing Number. (This is for identification of Funding Agent in TCH's records. The RTNs that your Funding Agent will use for RTP transactions will be provided to TCH separately.)	075912479
12	Please provide the name, title, email address, and phone number of your contact person at your Funding Agent.	Barbara Gross, SVP BGross@BankersBank.com (608) 829-5554

Because the settlement of transactional funds and bank liquidity are entirely separate, any customer bank, and any bank that becomes a customer, can choose Bankers' Bank regardless of how they process RTP transactions. We are excited about the opportunity to serve banks as their Funding Agent for RTP.