

Press Release



AAF Expert Thomas Wade Argues Against a Federal Reserve Real-Time Payment System

ANDREW EVANS | AUGUST 5, 2019

The Federal Reserve [announced](#) today that it will build its own real-time payments platform. AAF's Director of Financial Services Policy Thomas Wade [has repeatedly detailed](#) the many flaws of this initiative.

“A Federal Reserve real-time payments platform would be costly, time consuming, duplicative, discourage competition, retard progress of existing real-time services, and is likely not consistent with the Fed’s mandate.”

The problems include:

- A real-time payments system already exists and is expected to have complete coverage by 2020;
- To participate in, supervise, and regulate this financial system simultaneously is an overwhelming conflict of interest, as demonstrated by the Fed's [participation](#) in the automated clearing house market; and
- The Fed would need, optimistically, between three and five years to develop, test, and launch this system, at a cost of hundreds of millions of taxpayer dollars.

Wade on this issue:

- [Primer: What Is A Real-Time Payments System, And Who Should Operate It?](#)
- [How The Federal Reserve’s Automated Clearing House Informs The Fed’s Proposed Real-Time Payments Entry](#)
- [Daily Dish: The Fed And Real-Time Payments](#)

To schedule an interview with Thomas Wade on this issue, contact Andrew Evans at [\[email protected\]](#) or at 202.370.3446.