

Cabinet News and Views

Informed analysis for the financial services industry



FedNow Is Live!



By **Mercedes Kelley Tunstall**
Partner | Financial Regulation



By **Daniel Meade**
Partner | Financial Regulation

The Federal Reserve Bank [announced](#) last week that its instant payments system, FedNow, is now live with 35 banks and credit unions, which means that “[b]anks and credit unions of all sizes can sign up and use this tool to instantly transfer money for their customers, any time of the day, on any day of the year.”

As [we reported](#) back in March, the Fed’s offering of an instant payments service brings credibility and gravitas to the instant payments space, which suggests that FedNow will drive not only a greater volume of instant payments but also lead to increased average dollar amounts for such payments. The Fed’s announcement emphasizes the benefits instant payments provide, especially by giving rapid access to funds and allowing for “just-in-time” payments to assist with cash flow. Indeed, in the Fed’s vision, when fully implemented, the FedNow service can support a world where “individuals can instantly receive their paychecks and use them the same day, and small businesses can more efficiently manage cash flows without processing delays.”
