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**The Clearing House to Undertake a Multi-Year Effort to
Design and Develop a Secure, Real-Time Payment System**

New York, NY – October 22, 2014 –The Clearing House and its member banks today announced plans to undertake a multi-year effort to build a real-time payment system to better meet consumers’ and businesses’ expectations in an increasingly digital economy. The real-time payment system will be designed to address gaps in payment processing and will enable consumers and businesses to securely send and receive immediate payments directly from their accounts at financial institutions.

“The digital economy moves in real time and our customers expect us to keep pace,” said Richard Davis, Chairman, President, and CEO of U.S. Bank and Chairman of The Clearing House. “We will work with the industry to build a real-time payment infrastructure, which will enable consumers to pay and get paid securely and conveniently.”

Implementing ubiquitous real-time payments is a comprehensive multi-year endeavor, requiring coordination among financial institutions of all sizes and their service and technology providers. The innovative real-time system will be designed to address unmet customer needs and allow them to initiate payments directly from their bank accounts in a safe and secure manner.

Some of the core customer benefits will include:

- Convenience – consumers will be able to pay each other directly from their existing accounts using online or mobile banking;
- Account Data Privacy and Ease of Use – the system will route payments based on tokens that cannot be used to debit accounts, so senders and receivers will not need to provide complex, sensitive bank account details;
- Cost Savings – an efficient real-time payment service provides a superior alternative to costly funds transfers, check cashing services and last-minute bill pay;
- Certainty – senders and receivers will receive immediate notification of payment, and risk of returned payments will be eliminated, because sending financial institutions immediately verify good funds;
- Safety – sending and receiving financial institutions, which have existing relationships with their customers, will be responsible for authentication; and
- Cash Management – the ability to send and receive payments immediately will give customers more control over cash flow, which is particularly important for cash-constrained small businesses and consumers.

Jim Aramanda, President and CEO of The Clearing House added, “Consumer safety and privacy are core competencies of the banking industry that will be brought to bear in the development of this system. Real-time payments will incorporate strong safeguards to protect account information, building on The Clearing House initiative to develop and implement tokenization.”

In today’s announcement, The Clearing House also applauded the Federal Reserve for playing a leading role in promoting the need for payment systems improvement and expressed a commitment to continue working with the Federal Reserve and others in the industry to create an ubiquitous, national, real-time payment service.

Established in 1853, The Clearing House is the oldest banking association and payments company in the United States. It is owned by the world’s largest commercial banks, which collectively employ more than two million people and hold more than half of all U.S. deposits. The Clearing House Payments Company L.L.C. provides payment, clearing, and settlement services to its member banks and other financial institutions, clearing almost \$2 trillion daily and representing nearly half of the automated-clearing-house, funds-transfer, and check-image payments made in the U.S. The Clearing House Association L.L.C. is a nonpartisan advocacy organization representing – through regulatory comment letters, amicus briefs, and white papers – the interests of its owner banks on a variety of systemically important banking issues. See The Clearing House’s web page at www.theclearinghouse.org.