

MODERN PAYMENT RAILS

INTRODUCTION: This presentation covers topics that are relevant to the title insurance industry with respect to the different types of payment rails & resources available to help evaluate what payment rails are appropriate for closing real estate transactions.

A. Introduction

B. New types of payments and money transfer mechanisms

1. RTP – Real Time Payments

2. FedNow

3. The future and why these may be critical for safe money transfers

C. Overview of the different types of funds transfer and the federal statutes governing them

1. Types of Money – Commercial Bank Money

2. Central Bank Money

3. UCC 4A (Reg J)

4. Pull or Debit payment and Push or Credit payments

5. Federal Wire Transfers and CHIPS

a. 1 to 1 transmission

b. Rule on processing and sender receiver rules and nuances

c. upsides and downsides

6. ACH- Automated Clearing House

a. Nacha Rules

b. Batch Transmissions

D. Good funds laws and a comparison of the ALTA model act and Montana's current Good Funds Law

E. Question and Answer