



Financial Services Policy Committee

Federal Reserve System

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Announcing The Future of Computer Interface Access To Federal Reserve Financial Services: FedLine Direct

MINNEAPOLIS, Minn., February 22, 2006—The Federal Reserve Banks announce the development of FedLine DirectSM, a new Internet Protocol-based access solution for large financial institutions with high transaction volumes. The solution will enable unattended, flexible access to critical payment services such as FedACH[®] Services, Fedwire[®] Funds Service and Fedwire Securities Service, and will help customers maintain the reliability and timeliness of critical transaction flows.

The FedLine Direct access solution was designed especially for financial institutions that require a highly-secure computer-to-computer interface to Federal Reserve Financial Services, and will replace the Federal Reserve Banks' current System Network Architecture (SNA)-based computer interface channel.

"The progression to IP-based technology was a natural one for us," says William Barouski, Senior Vice President and FedLine Product Manager. "We learned through customer feedback that many organizations are already investing in IP-based technology, which led us to develop FedLine Direct. We're now poised to drive the development of even more enhanced offerings for our customers in the future."

As with all Federal Reserve Financial Services access solutions, security and reliability are top priorities with FedLine Direct. "This access solution leverages frame relay technology to create a highly-secure closed user group network," adds Barouski. "Our use of advanced security controls will enable us to continue to deliver the same robust level of service our customers have come to expect from Federal Reserve Financial Services."

The Federal Reserve Banks are currently working with a group of pilot customers to test and implement the solution, and anticipate a production-ready product later in 2006. The majority of customers will convert from the current Computer Interface solution to FedLine Direct in 2007 and 2008.

FedLine Direct will initially offer access to FedACH Services, Fedwire Funds Service and Fedwire Securities Service. Check and Accounting services will also be available via FedLine Direct at a later date.

Additional information about Federal Reserve Financial Services is available at www.frbservices.org.