

October 26, 2016

## **Announcing 2017 Federal Reserve Financial Services Product and Fee Changes**

As we move into 2017, the Federal Reserve Banks and our customers will remain focused on protecting our payments environment through continuous improvement of the infrastructures and technologies we employ. Our collaboration with the industry in support of the move toward faster and secure payments will continue. We are committed to investing the time, staff and financial resources necessary to help maintain the security and resiliency of the payments system.

Part of that investment includes developing enhanced services, pursuing further automation opportunities and creating additional risk management and compliance tools. We value your business and will continue to introduce product and service solutions to meet your needs and address your challenges.

In 2017, many of our customers will see modest fee increases across most of our service lines. The impact of these increases on your institution will depend on your product mix and volume.

An overview of 2017 product and fee changes is provided below. Details on the specific changes can be found on the [service fees](#) page on FRBservices.org. The 2017 changes reflect the depth of our commitment not only to our customers but to the U.S. payments system as a whole.

### **Additional Resources**

The Federal Reserve Board's [press release](#) provides an overview of the fee changes planned for next year. All changes will be effective January 3, 2017.

If you have any questions about 2017 product and fee changes or how they may affect your organization, please contact your [account executive](#). We appreciate your business and look forward to serving you throughout 2017.

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## Check Services

After many years of dedicated effort, the industry has achieved a mature, imaged-exchange check processing environment. We believe now is an appropriate time to update our product offerings to reflect the current nature of the marketplace. As a result, our Check 21 Services fee schedules will be restructured effective January 3, 2017.

Given the scope of these changes, we provided our customers with advance notice in July 2016.

Please refer to the [July 11, 2016 announcement](#) and the [2017 fee schedule](#) for full details.

## FedACH<sup>®</sup> Services

FedACH Services continue to facilitate customer access to cost-effective, electronic payments and will dedicate ongoing effort to enhancing technology and infrastructure, providing robust risk management and actionable ACH information services along with strengthening compliance processes surrounding cross-border payments.

As a result of these efforts, customers can expect to see moderate increases in forward origination and receipt minimum monthly fees, the Account Servicing Fee (renamed FedACH Participation Fee), the monthly Information File Extract Fee and FedPayments<sup>®</sup> Reporter Service package fees. The on-us receipt credit will be discontinued.

Fees associated with FedGlobal<sup>®</sup> ACH Payments will be restructured to follow a fixed and variable fee model. FedGlobal customers will have access to fixed and variable fee combinations based on the number of payments they originate into the FedGlobal service.

## FedLine<sup>®</sup> Access Solutions, FedComplete<sup>®</sup> Packages and Account Services

We appreciate that customers of all sizes count on our FedLine Access Solutions that are designed to deliver secure, direct connections to critical payment and information services. We are dedicated to fulfillment of these expectations and will continue to ask that you work with us to help protect our electronic connections and payment information.

Initiatives planned for 2017 include product enhancements and continuous technology investments. These initiatives will position us for contemporary, adaptable and dependable service. The supporting pricing and package changes

are designed to encourage use of more current and resilient technologies and services.

FedMail<sup>®</sup> services will be restructured and repriced to encourage adoption of the more contemporary and robust functionality provided through the online FedLine access solution options and to reflect the cost associated with providing the service. FedMail email will be removed from all FedLine Web<sup>®</sup> and higher level access solution packages and will be offered instead as a separately-priced, a la carte option. A standalone FedMail package will be created for customers of the email service that do not use an online FedLine access solution, and current FedLine Exchange<sup>®</sup> customers will be switched into the FedMail package.

In 2017, the FedLine Exchange package will be restructured to include FedLine Exchange and FedLine Exchange Premier packages. The FedLine Exchange package will provide access to the E-Payments Routing Directory via a manual download by a credentialed subscriber. The FedLine Exchange Premier package will provide access to an E-Payments Routing Directory automated download controlled through the use of download codes.

Nominal increases will be made to the FedLine Web Plus and the FedLine Direct<sup>®</sup> Premier package fees. There are no price increases for the FedLine Advantage<sup>®</sup> or FedLine Command<sup>®</sup> access solutions.

If you are not yet utilizing our more efficient, contemporary technologies, you will see increased costs until your transition is complete.

A small increase will be made to the **FedComplete 200 level** package fees, and **Account Services** fees will remain unchanged in 2017.

## **Fedwire<sup>®</sup> Funds Service, Fedwire Securities Service and National Settlement Service**

Recognizing the systemic importance of all three wholesale services and the increasing threat environment, the Federal Reserve Banks have undertaken a comprehensive program to strengthen the resiliency and security of those services. Meeting this challenge requires significant new technology investment.

In addition, in 2017, the Federal Reserve Banks will continue their work to migrate the **Fedwire Funds Service** to an ISO<sup>®</sup> 20022-compatible message format.

Modest 2017 increases to Fedwire Funds Service pre-incentive origination and receipt per-transfer tiered fees and to offline origination and receipt fees support these commitments.

In 2017, the Federal Reserve Banks will increase fees on all six **Fedwire Securities Service** products. This includes the monthly agency issue and

securities account maintenance fees, as well as fees for online agency transfers, offline transfers, claim adjustments and joint-custody originations. Increased costs related to the resiliency initiatives mentioned above and associated with new services presently under development are the main drivers of these fee increases.

In 2017, the Federal Reserve Banks will continue their efforts to broaden participation in the **National Settlement Service**. In January 2015, National Settlement Service operating hours were expanded, opening the settlement window one hour earlier (at 7:30 a.m. ET) and closing it one half-hour later (at 5:30 p.m. ET). Then in December 2015, the Federal Reserve Banks announced their readiness to accept requests from current settlement agents to open the National Settlement Service settlement window as early as 9:00 p.m. ET the prior calendar day for the next business day. National Settlement Service fees will remain unchanged in 2017.

## FedCash<sup>®</sup> Services

FedCash Services continue to efficiently respond to market demand for U.S. currency. No price or service changes are planned for 2017.

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The Federal Reserve Financial Services changes planned for 2017 reflect our continuing commitment to offering our customers efficient and dependable services while maintaining the integrity of those services and meeting the Federal Reserve Banks' obligation of cost recovery.

We appreciate the opportunity to serve you and look forward to a successful 2017.

Once again, if you have any questions about 2017 product and fee changes or how they may affect your organization, please contact your [account executive](#).

The Federal Reserve Financial Services logo, "FedACH," "FedLine," "FedComplete," "Fedwire," "FedCash," "FedPayments," "FedGlobal," "FedMail," "FedLine Exchange," "FedLine Web," "FedLine Direct," "FedLine Advantage" and "FedLine Command" are registered service marks of the Federal Reserve Banks. A complete list of marks owned by the Federal Reserve Banks is available at FRBservices.org.

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