

## FEDERAL RESERVE SYSTEM

[Docket No. OP-1862]

### Federal Reserve Bank Services

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) has approved the private-sector adjustment factor (PSAF) for 2025 of \$31.9 million and the 2025 fee schedules for Federal Reserve priced services and electronic access. These actions were taken in accordance with the Monetary Control Act of 1980, which requires that, over the long run, fees for Federal Reserve priced services be established based on all direct and indirect costs, including the PSAF.

**DATES:** The new fee schedules become effective January 1, 2025.

**FOR FURTHER INFORMATION CONTACT:** For questions regarding the fee schedules: Ian Spear, Deputy Associate Director, (202) 452-3959; Anjana Ravi, Manager, (202) 530-6286; Division of Reserve Bank Operations and Payment Systems. For questions regarding the PSAF: Casey Clark, Associate Director, (202) 912-7978; Jamie Noonan, Assistant Director, (202) 530-6296; Grace Milbank, Lead Financial Institution Policy Analyst, (202) 263-4828; Division of Reserve Bank Operations and Payment Systems. For users of TTY-TRS, please call 711 from any telephone, anywhere in the United States. Copies of the 2025 fee schedules for Check Services are available from the Board, the Federal Reserve Banks, or the Federal Reserve Financial Services (FRFS) website at [www.FRBservices.org](http://www.FRBservices.org).

### SUPPLEMENTARY INFORMATION:

#### I. Private-Sector Adjustment Factor, Priced Services Cost Recovery, and Overview of 2025 Price Changes

A. Overview — Each year, as required by the Monetary Control Act of 1980 (MCA), the Reserve Banks set fees for priced services provided to financial institutions. These fees are set to recover, over the long run, all direct and indirect costs and imputed costs, including financing costs, taxes, and certain other expenses, as well as the return on equity (profit) that would have been earned if a private-sector business provided the services.<sup>1</sup> The imputed costs and imputed profit are collectively referred to as the private-sector adjustment factor (PSAF).

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<sup>1</sup> See 12 U.S.C. § 248a. See also *Principles for the Pricing of Federal Reserve Bank Services*, 46 FR 1338, 1339 (Jan. 6, 1981), available at [https://www.federalreserve.gov/paymentsystems/pfs\\_principles.htm](https://www.federalreserve.gov/paymentsystems/pfs_principles.htm). Although the Monetary Control Act does not define “over the long run,” the Board has generally measured long-run cost recovery for mature services to be over a 10-year rolling time frame. The Board currently views a 10-year cost recovery expectation as appropriate for assessing mature services, which are those that have achieved a critical mass of

From 2014 through 2023, the Reserve Banks recovered 102.6 percent of their total expenses (including imputed costs) and targeted after-tax profits or return on equity (ROE) for the mature services. During that period, Check Services, the Fedwire<sup>®</sup> Funds Service, the National Settlement Service (NSS), and the Fedwire<sup>®</sup> Securities Service achieved full cost recovery. The FedACH<sup>®</sup> Service achieved 99.0 percent cost recovery as a result of the Reserve Banks’ development and implementation of a multiyear technology initiative to modernize the capabilities of the FedACH Service processing platform. Although the modernized platform was implemented in 2021, the Reserve Banks are continuing to invest in platform capabilities, as well as resiliency, as part of a broader enhancement strategy.<sup>2</sup>

In its 2019 notice entitled *Federal Reserve Actions to Support Interbank Settlement of Instant Payments* (“2019 Notice”), the Board communicated that it expects the FedNow<sup>®</sup> Service to achieve its first instance of long-run cost recovery outside the 10-year time frame typically applied to mature services. New services like the FedNow Service are not expected to initially have stable volumes, costs, and revenues.<sup>3</sup> Thus, FedNow Service revenue and expenses are excluded from the overall performance projections. The FedNow Service is discussed in section G.

Table 1 summarizes 2023 actual, 2024 forecasted, and 2025 budgeted annual cost recovery rates for all mature priced services. Cost recovery is forecasted to be 108.8 percent in 2024 and budgeted to be 104.1 percent in 2025.

Table 1—Aggregate Mature Priced Services Pro Forma Cost and Revenue Performance <sup>a</sup>					
[Dollars in millions]					
Year	Revenue	Total expense	Net income (ROE)	Targeted ROE	Recovery rate after targeted ROE (%)
	1 <sup>b</sup>	2 <sup>c</sup>	3 [1–2]	4 <sup>d</sup>	5 <sup>e</sup> [1/(2 + 4)]

customer participation and generally have stable and predictable volumes, costs, and revenues. The 10-year recovery rate is based on the pro forma income statements for Federal Reserve priced services published in the Board’s *Annual Report*. In accordance with Accounting Standards Codification (ASC) 715 *Compensation—Retirement Benefits*, the Reserve Banks recognized a \$548.6 million cumulative reduction in equity related to the priced services’ benefit plans through 2023. Including this cumulative reduction in equity from 2014 to 2023 results in cost recovery of 102.6 percent for the 10-year period. This measure of long-run cost recovery is also published in the Board’s *Annual Report*.

<sup>2</sup> In alignment with the Board’s *Principles for the Pricing of Federal Reserve Bank Services*, the Reserve Banks will continue to assess the tradeoffs between price stability for customers, investment in technology infrastructure to reflect desirable longer-run improvements in the ACH system, and the expectation of achieving full cost recovery for the FedACH Service over the long run.

<sup>3</sup> Application of the 10-year rolling time frame used to evaluate mature services to the FedNow Service would result in prohibitively high or unnecessarily volatile pricing, negatively affecting the Federal Reserve’s public policy objectives in providing the service. See *Federal Reserve Actions to Support Interbank Settlement of Instant Payments*, [84 FR 39297](#), (Aug. 9, 2019).

Table 1—Aggregate Mature Priced Services Pro Forma Cost and Revenue Performance <sup>a</sup>

[Dollars in millions]

Year	Revenue	Total expense	Net income (ROE)	Targeted ROE	Recovery rate after targeted ROE (%)
2023 (actual)	507.3	467.1	40.1	8.4	106.7
2024 (forecast)	520.9	468.9	52.0	9.7	108.8
2025 (budget)	531.7	499.8	31.9	10.8	104.1

<sup>a</sup> Calculations in this table and subsequent pro forma cost and revenue tables may be affected by rounding. Excludes amounts related to the FedNow Service.

<sup>b</sup> Revenue includes imputed income on investments when equity is imputed at a level that meets minimum capital requirements and, when combined with liabilities, exceeds total assets. For 2025, the budgeted revenue assumes implementation of the fee changes.

<sup>c</sup> The calculation of total expense includes operating, imputed, and other expenses. Imputed and other expenses include taxes, Board of Governors priced services expenses, the cost of float, and interest on imputed debt, if any. Credits or debits related to the accounting for pension plans under ASC 715 are also included.

<sup>d</sup> Targeted ROE is the after-tax ROE included in the PSAF.

<sup>e</sup> The recovery rates in this and subsequent tables do not reflect the unamortized gains or losses that must be recognized in accordance with ASC 715. Future gains or losses, and their effect on cost recovery, cannot be projected.

Table 2 provides an overview of cost recovery budgets, forecasts, and performance for the 10-year period from 2014 to 2023, 2023 actual, 2024 budget, 2024 forecast, and 2025 budget by mature priced service.

Table 2—Mature Priced Services Cost Recovery

Priced service	[Percent]				
	2014-2023	2023 Actual	2024 Budget <sup>a</sup>	2024 Forecast	2025 Budget <sup>b</sup>
All mature services	102.6	106.7	103.1	108.8	104.1
Check	106.9	102.9	95.5	102.9	97.5
FedACH	99.0	108.8	106.0	109.4	106.0
Fedwire Funds and NSS	101.9	103.1	103.2	108.3	103.2
Fedwire Securities	105.7	122.3	110.9	123.2	115.7

<sup>a</sup> The 2024 budget figures reflect the final budgets as approved by the Board in December 2023. See Board of Governors of the Federal Reserve System, *2024 Federal Reserve Banks Budgets*, <https://www.federalreserve.gov/foia/files/2024ReserveBankBudgets.pdf>.

<sup>b</sup> The 2025 budget figures reflect preliminary budget information from the Reserve Banks. The Reserve Banks will submit final budget data to the Board for consideration by December 2024.

1. *2024 Forecasted Performance* — The Reserve Banks forecast that they will recover 108.8 percent of the costs of providing mature priced services in 2024, including total expense and targeted ROE, compared with a 2024 budgeted recovery rate of 103.1 percent, as shown in Table 2. Overall, the Reserve Banks forecast that they will fully recover actual and imputed costs and earn net income of \$52.0 million, compared with the targeted ROE of \$9.7 million. The Reserve Banks forecast that all mature services will achieve full cost recovery in 2024.

2. *2025 Private-Sector Adjustment Factor* — The 2025 PSAF for Reserve Bank mature priced services is \$31.9 million.<sup>4</sup> This amount represents an increase of \$2.7 million from the 2024 PSAF of \$29.2 million. This increase is attributable to a \$2.1 million increase in the cost of capital primarily driven by higher short-term debt and higher return on equity and a \$0.6 million increase in sales tax.

3. *2025 Projected Performance* — The Reserve Banks project a mature priced services cost recovery rate of 104.1 percent in 2025, with a net gain of \$31.9 million and targeted ROE of \$10.8 million. The Reserve Banks project that each of the individual mature service lines will achieve full cost recovery in 2025 except for Check Services. Check Services are expected to under recover primarily because of anticipated volume declines. The Reserve Banks’ primary risks to current projections are unanticipated volume and revenue reductions and the potential for cost overruns from new and ongoing improvement initiatives.

<sup>4</sup> The FedNow Service launched in July 2023. Inclusive of the FedNow Service, the PSAF increases to \$42.3 million for 2025. Per its 2019 Notice, the Board has determined that it is most appropriate to report FedNow Service cost recovery independently of mature priced services until the service has relatively stable revenues and costs. Thus, FedNow Service revenue is excluded from overall performance projections for 2025.

4. *2025 Pricing* — The following summarizes the Reserve Banks’ changes to fee schedules for priced services in 2025. For the mature services, these changes collectively are an average price increase of 2.8 percent. The price changes outlined below are in line with the Reserve Banks’ strategy to offset rising costs, diversify revenue sources, and continue to reduce pricing volatility.

### **Check Services**

The Reserve Banks will increase participation fees, FedImage<sup>®</sup> fees, and certain forward paper and return paper fees. These changes will increase fixed fee revenue stability in light of declining check volumes.

### **FedACH Service**

The Reserve Banks will increase participation fees, origination and receipt minimum fees, and FedPayments Reporter<sup>®</sup> Service fees. These changes will help address ongoing operational costs, provide greater revenue stability, and account for the additional business value provided by the service enhancements over the last several years.

### **Fedwire Funds Service**

The Reserve Banks will increase the Fedwire Funds participation fee, the transfer fee for all three tiers, and the FedPayments<sup>®</sup> Manager Import/Export fee. These increases will account for projected declining volume growth, coupled with ongoing technology enhancements and higher operating costs.<sup>5</sup> In addition, the Fedwire Funds Service will introduce a new fixed fee that will serve to better align fees with customer usage as well as address challenges associated with revenue volatility.

### **National Settlement Service**

The Reserve Banks will increase the National Settlement Service per-file and per-entry fees. These changes will help address rising operational costs.

### **Fedwire Securities Service**

The Reserve Banks will maintain prices at existing levels for all Fedwire Securities priced services.

### **FedNow Service**

The Reserve Banks will modify the Customer Credit Transfer, Customer Credit Transfer Return, and Request for Payment fee components of the FedNow Service to exclude “on-us” transactions

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<sup>5</sup> Historically, Fedwire Funds volume has evolved in line with GDP forecasts.

sent from and received at the same financial institution.<sup>6</sup> This adjustment will both align with prevailing market practices and reduce inefficient off-network transaction activity. All other price points and discounts in the FedNow Service’s fee schedule from the previous year will be maintained in 2025.

### **FedLine<sup>®</sup> Solutions**

The Reserve Banks will increase the monthly fees for the FedLine Direct<sup>®</sup> Solution, FedLine Command<sup>®</sup> Solution, and FedComplete<sup>®</sup> Packages. These price modifications account for enhancements to services and rising operational costs. The Reserve Banks are also discontinuing FedComplete Premier and FedLine Exchange<sup>®</sup> to streamline the FedLine product suite in response to a declining customer base and to simplify internal operating, servicing, and billing processes. Lastly, the Reserve Banks are preparing to implement a fee structure for services offered via Application Programming Interfaces (APIs) in 2025.

*B. Private-Sector Adjustment Factor* — The imputed debt financing costs, targeted ROE, and effective tax rate are based on a U.S. publicly traded market model.<sup>7</sup> The method for calculating the financing costs in the PSAF requires determining the appropriate imputed levels of debt and equity and then applying the applicable financing rates. In this process, a pro forma balance sheet using estimated assets and liabilities associated with the Reserve Banks’ priced services is developed, and the remaining elements that would exist are imputed as if these priced services were provided by a private business firm. The same generally accepted accounting principles that apply to commercial-entity financial statements apply to the relevant elements in the priced services pro forma financial statements.

The portion of Federal Reserve assets that will be used to provide priced services during the coming year is determined using information about actual assets and projected disposals and acquisitions. The priced portion of these assets is determined based on the allocation of depreciation and amortization expenses of each asset class. The priced portion of actual Federal Reserve liabilities consists of post-employment and post-retirement benefits, accounts payable, and other liabilities. The priced portion of the actual net pension asset or liability is also included on the balance sheet.<sup>8</sup>

The equity financing rate is the targeted ROE produced by the capital asset pricing model (CAPM). In the CAPM, the required rate of return on a firm’s equity is equal to the return on a risk-free asset plus a market risk premium. The risk-free rate is based on the three-month Treasury bill; the beta is assumed to be equal to 1.0, which approximates the risk of the market as a whole; and the market risk premium is based on the monthly returns in excess of the risk-

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<sup>6</sup> These fee modifications will take place at the parent financial institution level, as defined in the Reserve Banks’ Global Customer Directory. “On-us” transactions include those made by the same financial institution, even if the financial institution uses multiple Routing Transit Numbers (RTNs).

<sup>7</sup> Data for U.S. publicly traded firms is from the Standard and Poor’s Compustat<sup>®</sup> database. This database contains information on more than 6,000 U.S. publicly traded firms, which approximates information for the entirety of the U.S. market.

<sup>8</sup> The pension assets are netted with the pension liabilities and reported as a net asset or net liability as required by ASC 715.

free rate over the most recent 40 years. The resulting ROE reflects the return a shareholder would expect when investing in a private business firm.

For simplicity, given that state income tax rates vary, and various credits and deductions can apply at the federal or state level, an actual income tax expense is not explicitly calculated for Reserve Bank priced services. Instead, the Board targets a pretax ROE that would provide sufficient income to fulfill the priced services' imputed income tax obligations. To the extent that performance results are greater or less than the targeted ROE, income taxes are adjusted using the effective tax rate.

*Capital structure.* The capital structure is imputed based on the imputed funding need (assets less liabilities), subject to minimum equity constraints. Short-term debt is imputed to fund the imputed short-term funding need. Long-term debt and equity are imputed to meet the priced services long-term funding need at a ratio based on the capital structure of the U.S. publicly traded market.<sup>9</sup> Any equity imputed that exceeds the amount needed to fund the priced services' assets and meet the minimum equity constraints is offset by a reduction in imputed long-term debt. When imputed equity is larger than what can be offset by imputed debt, the excess is imputed as investments in Treasury securities; income imputed on these investments reduces the PSAF.

*Application of the Federal Reserve Policy on Payment System Risk (PSR policy) to the Fedwire Funds Service.* The Board's PSR policy incorporates the international standards for financial market infrastructures (FMIs) developed by the Committee on Payments and Market Infrastructures (CPMI) and the Technical Committee of the International Organization of Securities Commissions (IOSCO) known as the *Principles for Financial Market Infrastructures*.<sup>10</sup> The Board recognizes the critical role the Fedwire Services, including the Fedwire Funds Service, play in the financial system and requires them to meet or exceed the risk-management standards in the PSR policy, consistent with relevant guidance and the requirements in the MCA.<sup>11</sup> Principle 15 states that an FMI should identify, monitor, and manage general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialize. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services. The Fedwire Funds

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<sup>9</sup> The FDIC rule requires that well-capitalized institutions meet or exceed the following standards: (1) total capital to risk-weighted assets ratio of at least 10 percent, (2) tier 1 capital to risk-weighted assets ratio of at least 8 percent, (3) common equity tier 1 capital to risk-weighted assets ratio of at least 6.5 percent, and (4) a leverage ratio (tier 1 capital to total assets) of at least 5 percent. Because all of the Federal Reserve priced services' equity on the pro forma balance sheet qualifies as tier 1 capital, only requirements 1 and 4 are binding. The FDIC rule can be located at 12 CFR 324.403(b).

<sup>10</sup> See Board of Governors of the Federal Reserve System, *Federal Reserve Policy on Payment System Risk*, [https://www.federalreserve.gov/paymentsystems/files/psr\\_policy.pdf](https://www.federalreserve.gov/paymentsystems/files/psr_policy.pdf). See also CPMI-IOSCO, *Principles for Financial Market Infrastructures* (April 2012), <https://www.bis.org/cpmi/publ/d101a.pdf>.

<sup>11</sup> Certain standards may require flexibility in the way they are applied to central bank-operated systems because of central banks' unique role in the financial markets and their public responsibilities. These principles include principle 2 on governance, principle 3 on the framework for the comprehensive management of risks, principle 4 on credit risk, principle 5 on collateral, principle 7 on liquidity risk, principle 13 on participant-default rules and procedures, principle 15 on general business risk, and principle 18 on access and participation requirements. See section I.B.1.a of the PSR policy.

Service does not face the risk that a business shock would cause the service to wind down in a disorderly manner and disrupt the stability of the financial system. To foster competition with private-sector FMIs, however, the Reserve Banks' priced services will hold an amount equivalent to six months of the Fedwire Funds Service's current operating expenses as liquid financial assets and equity on the pro forma balance sheet.<sup>12</sup> Current operating expenses are defined as normal business operating expenses on the income statement, less depreciation, amortization, taxes, and interest on debt. Using the Fedwire Funds Service's preliminary 2025 budget, six months of current operating expenses would be \$71.7 million. In 2025, equity was sufficient to meet the FDIC capital requirements and \$6.7 million of equity was imputed to meet the PSR policy requirement.

*Effective tax rate.* Like the imputed capital structure, the effective tax rate is calculated based on data from U.S. publicly traded firms. The tax rate is the mean of the weighted average rates of the U.S. publicly traded market over the past five years.

*Debt and equity financing.* The imputed short- and long-term debt financing rates are derived from the nonfinancial commercial paper rates from the Federal Reserve Board's H.15 Selected Interest Rates release (AA and A2/P2) and the annual Merrill Lynch Corporate & High Yield Index rate, respectively. The equity financing rate is described above. The rates for debt and equity financing are applied to the priced services' estimated imputed short-term debt, long-term debt, and equity needed to finance short- and long-term assets and meet equity requirements.

The 2025 PSAF is \$31.9 million, compared with \$29.2 million in 2024. The increase of \$2.7 million is attributable to a net \$2.1 million increase in the cost of capital and a \$0.6 million increase in sales tax. The net \$2.1 million increase in cost of capital is primarily driven by a \$1.3 million increase in ROE imputed to meet the PSR policy requirements and higher short-term debt resulting in a \$0.5 million increase in cost of debt.

The PSAF expense of \$31.9 million, detailed in Table 5, includes \$19.8 million for capital funding, \$7.6 million for Board of Governors' expense, and \$4.5 million in sales tax expense.

As shown in Table 3, 2025 total assets of \$890.3 million increased by \$74.2 million from 2024. The net increase in total assets includes an additional \$90.7 million in imputed investments and short-term assets partially offset by a \$16.5 million decrease in long-term assets.

The net increase of \$90.7 million primarily consists of a \$80.8 million increase in the imputed investments and a \$9.9 million increase driven by short-term assets. The imputed investment increase reflects a \$74 million increase from float<sup>13</sup> and a \$6.7 million increase to comply with the PSR policy. The \$9.9 million increase in short-term assets is driven by an increase in prepaid expenses.

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<sup>12</sup> This requirement does not apply to the Fedwire Securities Service. There are no private-sector competitors to the Fedwire Securities Service that would be expected to meet such a requirement. Imposing such a requirement when pricing the securities services could artificially increase the cost of these services.

The \$16.5 million decrease in the long-term assets is primarily driven by a \$38.0 million decrease in the net pension asset, partially offset by a \$20.3 million increase in premises, furniture and equipment, and software and leasehold improvements.

The capital structure of the 2025 pro forma balance sheet, provided in Table 4, is composed of equity of \$71.7 million, or 12.6 percent of the 2025 risk-weighted assets detailed in Table 6, and long-term debt of \$96.1 million. The 2025 capital structure aligns with that of 2024, which was composed of \$68.5 million of equity and \$100.3 million of long-term debt. As shown in Table 5, the 2025 initially imputed equity required to fund assets and meet the publicly traded firm model capital requirements is \$65.0 million. As long-term assets are marginally greater than long-term liabilities, long-term debt of \$96.1 million was imputed at the observed market ratio of 59.7 percent. The equity of \$65.0 million was adequate to meet the FDIC capital requirements for a well-capitalized institution. Additional equity of \$6.7 million was imputed to satisfy PSR policy requirements.

The net accumulated other comprehensive loss is \$563.3 million, compared with \$551.0 million in 2024. The \$12.3 million increase is primarily attributable to a lower discount rate. The net accumulated other comprehensive loss position does not reduce the total imputed equity required to fund priced services assets or fulfill the FDIC equity requirements for a well-capitalized institution.

[Millions of dollars—projected average for year]			
	2025	2024	Change
Short-term assets:			
Receivables	\$ 44.3	\$ 41.8	\$ 2.5
Inventory	0.4	0.2	0.2
Prepaid expenses	34.2	24.0	10.2
Items in process of collection <sup>13</sup>	58.0	61.0	(3.0)
Total short-term assets	136.9	127.0	9.9
Imputed investments: <sup>14</sup>			
Imputed investment in Treasury securities	6.8	-	6.8
Imputed investment in Fed Funds	293.0	219.0	74.0

<sup>13</sup> Credit float, which represents the difference between items in process of collection and deferred credit items, occurs when the Reserve Banks debit the paying bank for transactions before providing credit to the depositing bank. Float is directly estimated at the service level.

<sup>14</sup> Consistent with the PSR policy, the Reserve Banks' priced services will hold an amount equivalent to six months of the Fedwire Funds Service's current operating expenses as liquid net financial assets and equity on the pro forma balance sheet. Six months of the Fedwire Funds Service's projected current operating expenses is \$71.7 million. In 2025, \$6.7 million of additional equity was imputed to meet PSR policy requirements.

Table 3—Comparison of Pro Forma Balance Sheets for Budgeted Federal Reserve Mature Priced Services <sup>a</sup>

[Millions of dollars—projected average for year]

	2025	2024	Change
Total imputed investments	299.8	219.0	80.8
Long-term assets:			
Premises <sup>15*</sup>	105.3	99.4	5.9
Furniture and equipment	60.8	53.9	6.9
Software and leasehold improvements	74.5	67.0	7.5
Net pension asset	82.4	120.4	(38.0)
Deferred tax asset	130.6	129.4	1.2
Total long-term assets	453.6	470.1	(16.5)
Total assets	\$ 890.3	\$ 816.1	\$ 74.2
Short-term liabilities:			
Deferred credit items	\$ 351.0	\$ 280.0	\$ 71.0
Short-term debt	42.2	32.7	9.5
Short-term payables	36.8	33.4	3.4
Total short-term liabilities	430.0	346.0	84.0
Long-term liabilities:			
Postemployment/postretirement benefits and net pension liabilities <sup>16</sup>	292.5	301.2	(8.7)
Long term debt	96.1	100.3	(4.2)
Total liabilities	\$ 818.6	\$ 747.6	\$ 71.0
Equity <sup>17*</sup>	\$ 71.7	\$ 68.5	\$ 3.2
Total liabilities and equity	\$ 890.3	\$ 816.1	\$ 74.2

<sup>a</sup> Calculations in this table and subsequent PSAF tables may be affected by rounding. Excludes amounts related to the FedNow Service.

\* Premises, postemployment/postretirement benefits and net pension liabilities, and equity restated for 2024.

<sup>15</sup> Includes the allocation of Board of Governors assets to priced services of \$5.2 million for 2025 and \$3.5 million for 2024.

<sup>16</sup> Includes the allocation of Board of Governors liabilities to priced services of \$1.4 million for 2025 and \$1.2 million for 2024.

<sup>17</sup> Includes an accumulated other comprehensive loss of \$563.3 million for 2025 and \$551.0 million for 2024, which reflects the ongoing amortization of the accumulated loss in accordance with ASC 715. Future gains or losses, and their effects on the pro forma balance sheet, cannot be projected. See Table 5 for calculation of required imputed equity amount.

Table 4—Imputed Funding for Mature Priced-Services Assets <sup>a</sup>

[Millions of dollars]		
	2025	2024
A. Short-term asset financing:		
Short-term assets to be financed:		
Receivables	\$ 44.3	\$ 41.8
Inventory	0.4	0.2
Prepaid expenses	34.2	24.0
Total short-term assets to be financed	\$ 78.9	\$ 66.0
Short-term payables	36.8	33.4
Net short-term assets to be financed	\$ 42.2	\$ 32.7
Imputed short-term debt financing <sup>18</sup>	\$ 42.2	\$ 32.7
B. Long-term asset financing:		
Long-term assets to be financed:		
Premises*	\$ 105.3	\$99.4
Furniture and equipment	60.8	53.9
Software and leasehold improvements	74.5	67.0
Net pension asset	82.4	120.4
Deferred tax asset	130.6	129.4
Total long-term assets to be financed	\$ 453.6	\$ 470.1
Postemployment/postretirement benefits and net pension liabilities*	\$ 292.5	\$ 301.2
Net long-term assets to be financed*	\$ 161.1	\$ 168.9
Imputed long-term debt <sup>21</sup>	\$ 96.1	\$ 100.3
Imputed equity <sup>21</sup>	65.0	68.5
Total long-term financing*	\$ 161.1	\$ 168.9

<sup>a</sup> Excludes amounts related to the FedNow Service.

\* Premises and postemployment/postretirement benefits and net pension liabilities, net long-term assets to be financed and total long-term financing restated for 2024.

<sup>18</sup> Imputed short-term debt financing is computed as the difference between short-term assets and short-term liabilities. As presented in Table 5, the financing costs of imputed short-term debt, imputed long-term debt and imputed equity are the elements of cost of capital, which contribute to the calculation of the PSAF.

Table 5—Derivation of the PSAF for Mature Priced Services <sup>a</sup>

[Dollars in millions]				
	2025		2024	
	Debt	Equity	Debt	Equity
<b>A. Imputed long-term debt and equity:</b>				
Net long-term assets to finance	\$ 161.1	\$ 161.0	\$ 168.9	\$ 168.9
Capital structure observed in market	59.7%	40.3%	59.4%	40.6%
Pre-adjusted long-term debt and equity	\$ 96.1	\$ 65.0	\$ 100.3	\$ 68.5
Equity adjustments: <sup>19</sup>				
Equity to meet capital requirements	-	\$ 65.0	-	\$ 68.5
Adjustment to debt and equity funding given capital requirements <sup>20</sup>	-	-	-	-
Adjusted equity balance	-	\$ 65.0	-	\$ 68.5
Equity to meet capital requirements <sup>21</sup>	-	-	-	-
Total imputed long-term debt and equity*	\$ 96.1	\$ 65.0	\$ 100.3	\$ 68.5
<b>B. Cost of capital:</b>				
Elements of capital costs:				
Short-term debt <sup>22</sup>	\$ 42.2 X 5.4%	= \$ 2.3	\$ 32.7 X 5.4%	= \$ 1.8
Long-term debt <sup>22</sup>	\$ 96.1 X 4.4%	= 4.2	\$ 100.3 X 4.0%	= \$ 4.0
Equity <sup>23</sup>	\$ 65.0 X 18.6%	= \$ 12.1	\$ 68.5 X 17.4%	= \$ 11.9
<b>C. Incremental cost of PSR policy:</b>				

<sup>19</sup> If minimum equity constraints are not met after imputing equity based on the capital structure observed in the market, additional equity is imputed to meet these constraints. The long-term funding need was met by imputing long-term debt and equity based on the capital structure observed in the market (see Tables 4 and 6). In 2025, the amount of imputed equity met the minimum equity requirements for risk-weighted assets.

<sup>20</sup> Equity adjustment offsets are due to a shift of long-term debt funding to equity in order to meet FDIC capital requirements for well-capitalized institutions.

<sup>21</sup> Additional equity in excess of that needed to fund priced services assets is offset by an asset balance of imputed investments in Treasury securities.

<sup>22</sup> Imputed short-term debt and long-term debt are computed in Table 4.

<sup>23</sup> The 2025 ROE is equal to a risk-free rate plus a risk premium (beta \* market risk premium). The 2025 after-tax CAPM ROE is calculated as 5.52% + (1.0 \* 9.54%) = 15.06%. Using a tax rate of 18.9%, the after-tax ROE is converted into a pretax ROE, which results in a pretax ROE of (15.06%/(1-18.9%)) = 18.57%. Calculations may be affected by rounding.

Table 5—Derivation of the PSAF for Mature Priced Services <sup>a</sup>

[Dollars in millions]				
	2025		2024	
	Debt	Equity	Debt	Equity
Equity to meet policy	\$ 6.7 X 18.6%	= \$ 1.3	\$ - X 17.4%	= \$ -
D. Other required PSAF costs:				
Sales taxes		\$ 4.5		\$ 3.9
Board of Governors expenses		7.6		7.6
		<u>\$ 12.1</u>		<u>\$ 11.5</u>
E. Total PSAF:		\$ 31.9		\$ 29.2
As a percent of assets		3.6%		3.6%
As a percent of expenses		3.4%		3.6%
F. Tax rates		18.91%		18.84%

<sup>a</sup> Excludes amounts related to the FedNow Service.

\* Total imputed long-term debt restated for 2024.

Table 6—Computation of 2025 Capital Adequacy for Federal Reserve Mature Priced Services <sup>a</sup>

[Dollars in millions]			
	Assets	Risk weight	Weighted assets
Imputed investments:			
1-Year Treasury securities <sup>24</sup>	\$ 6.7	0.0	\$ -
Federal funds <sup>25</sup>	293.0	0.2	58.6
Total imputed investments	299.8		58.9
Receivables	\$ 44.3	0.2	\$ 8.9
Inventory	0.4	1.0	0.4
Prepaid expenses	34.2	1.0	34.2
Items in process of collection	58.0	0.2	11.6
Premises	105.3	1.0	105.3
Furniture and equipment	60.8	1.0	60.8

<sup>24</sup> If minimum equity constraints are not met after imputing equity based on all other financial statement components, additional equity is imputed to meet these constraints. Additional equity imputed to meet minimum equity requirements is invested solely in Treasury securities. The imputed investments are similar to those for which rates are available on the Federal Reserve's H.15 statistical release, *available at* <https://www.federalreserve.gov/releases/h15/>.

<sup>25</sup> The investments are imputed based on the amounts arising from the collection of items before providing credit according to established availability schedules.

Table 6—Computation of 2025 Capital Adequacy for Federal Reserve Mature Priced Services <sup>a</sup>

[Dollars in millions]			
	Assets	Risk weight	Weighted assets
Software and leasehold improvements	74.5	1.0	74.5
Pension asset	82.4	1.0	82.4
Deferred tax asset	130.6	1.0	130.6
<b>Total</b>	<b>\$ 890.3</b>		<b>\$ 567.6</b>
Imputed equity:			
Capital to risk-weighted assets	12.6%		
Capital to total assets	8.1%		

<sup>a</sup> Excludes amounts related to the FedNow Service.

C. *Check Services* — Table 7 shows the 2023 actual, 2024 forecasted, and 2025 budgeted cost-recovery performance for commercial check services.

<b>Table 7—Check Services Pro Forma Cost and Revenue Performance</b>					
[Dollars in millions]					
Year	Revenue	Total expense	Net income (ROE)	Targeted ROE	Recovery rate after targeted ROE
	1	2	3 [1–2]	4	5 [1/(2 + 4)]
<b>2023 (actual)</b>	111.8	107.4	4.4	1.3	102.9
<b>2024 (forecast)</b>	110.2	105.0	5.2	2.1	102.9
<b>2025 (budget)</b>	107.1	107.8	(0.7)	2.1	97.5

1. *2024 Forecast* — The Reserve Banks forecast that Check Services will recover 102.9 percent of total expenses and targeted ROE, compared with a 2024 budgeted recovery rate of 95.5 percent.

Through August 2024, total commercial forward and total commercial return check volumes were 6.8 percent lower and 2.9 percent greater, respectively, than they were during the same period last year. For full-year 2024, the Reserve Banks estimate that their total forward check volume will decline 6.3 percent (compared with a budgeted decline of 8.0 percent), and their total return check volume will increase 1.6 percent (compared with a budgeted decline of 7.0

percent) from 2023 levels. The Reserve Banks expect that check volumes will continue to decline because of ongoing substitution away from checks to other payment instruments.

2. *2025 Pricing* — The Reserve Banks expect Check Services to recover 97.5 percent of total expenses and targeted ROE in 2025. The Reserve Banks project revenue to be \$107.1 million, a decline of \$3.1 million, or 2.8 percent from the 2024 forecast. Total expenses for Check Services are projected to be \$107.8 million, an increase of \$2.8 million, or 2.7 percent, from 2024 forecasted expenses.

As check volumes continue to decline, the pricing increases are intended to help stabilize check revenues, to shift the revenue mix toward fixed fees, and to continue a value-based pricing strategy for financial institutions that use the service. To that end, the Reserve Banks will increase the pricing tiers for the fixed monthly participation fees. For the participation fees, Tier 1 will increase by \$125, Tier 2 will increase by \$80, Tier 3 will increase by \$50, and Tier 4 will increase by \$10. These fee changes support the cost of maintaining FRFS Check Services infrastructure as fewer checks are written each year and follow the Check Services business line’s pricing strategy to increase the share of revenue collected through fixed fees. Table 8 displayed below shows the 2025-tiered participation fees.

Table 8 – Check 21 Participation Fee Structure

<b>Tier</b> <sup>26</sup>	<b>Monthly fee</b>
1	\$550
2	\$340
3	\$215
4	\$90

The Reserve Banks will also increase the fees for each of the services in the FedImage suite by approximately 10% and merge the Back File Conversion and Electronic On-Us services with the FedImage Enhanced Truncation service into a single service at the new FedImage Enhanced Truncation price point. These changes will better reflect the value of services provided to customers and help simplify the services in the face of declining volumes. Table 9 below shows the 2025 FedImage services fees.

Table 9 – 2025 FedImage Services Fees<sup>27</sup>

<b>FedImage Services</b>	<b>2024 Fees</b>		<b>2025 Fees</b>	
	<b>Fixed /CL</b>	<b>Item</b>	<b>Fixed /CL</b>	<b>Item</b>

<sup>26</sup> This fee is charged to financial institutions that have received any Check 21 electronic or substitute check volume (forward or return) from the Reserve Banks during the month. The fee is applied at the parent financial institution level, as defined in the Reserve Banks’ Global Customer Directory. Each financial institution’s tier assignment is determined by the criteria described in the FedForward Standard Endpoint Tier Listing.

<sup>27</sup> The 2025 fees are not listed for Back File Conversion and Electronic On-Us given their consolidation into a single service at the new FedImage Enhanced Truncation price point.

Image Archive

30 business day archive	\$ 0.0013	\$ 0.0014
60 business day archive	\$ 0.0015	\$ 0.0017
7 Year archive / 11 year archive	\$ 0.0024	\$ 0.0026

**Extended RAID Storage**

61 days to 6 months	\$ 0.0012	\$ 0.0013
61 days to 12 months	\$ 0.0029	\$ 0.0032
61 days to 24 months	\$ 0.0074	\$ 0.0081

**Image Retrievals**

Subscription Retrieval	\$ 0.0032	\$ 0.0035
Manual FedImage Requests	\$ 8.80	\$ 10.00
Back File Conversion	\$ 5.17	\$ 0.0146

<b>Electronic On-Us Service</b>	\$ 5.17	\$ 0.0146	\$ 8.80
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Truncation

FedImage Enhanced Truncation	\$ 7.98	\$ 0.0132	\$ 8.80	\$ 0.0145
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Return Retrieval	\$ 1.54	\$ 1.70
Custom Sort Fee	\$ 192.50	\$ 212.00

Additionally, the Reserve Banks will increase certain forward paper fees. Specifically, the Reserve Banks will increase the Canadian cash letter fees for U.S. and Canadian funds by \$2.00, the Canadian Amount Encoding per-item fee by \$0.50, and the Mixed Forward Products (domestic paper checks) cash letter fee by \$2.00 and per-item fee by \$0.50. Table 10 below shows the 2025 forward paper fees.

Table 10—2025 Forward Paper Check Clearing Fees

Forward Paper Check	Fixed/CL	Item
Canadian - US Funds	\$ 19.00	\$ 6.50000
Canadian - Canadian Funds	\$ 19.00	\$ 6.50000
Canadian Amount Encoding		\$ 2.50000
Mixed Paper Deposits	\$ 19.00	\$ 5.00000

The Reserve Banks will increase certain return fees and will implement a new tiered fee structure for the Large Dollar Return Item Notification (LDRIN) via the FedLine Web® Solution. The fees for the new LDRIN via FedLine Web tiers will be \$3.50 for Tier 1, for customers with greater than 5,000 monthly items, and \$5.00 for Tier 2, for customers with less than 5,000 monthly items. Additionally, the Return Item Reclear cash letter fee will increase by \$1.00 and the per-item fee will increase by \$0.10. The Qualified and Unqualified Return Item cash letter fee will increase by \$2.00 and the per-item fee will increase by \$0.50. Lastly, the return Item Qualification per-item fee will increase by \$1.00. Table 11 below shows the 2025 return fees and new LDRIN via FedLine Web tiers.

Table 11—2025 Return Legacy/Paper Fees

Return Paper Check	Fixed /CL	Item
LDRIN via FedLine for the Web		
Tier 1 ( <i>Greater than 5,000 monthly</i> )	\$	3.50
Tier 2 ( <i>Less than 5,000 monthly</i> )	\$	5.00
Return Item Reclear		
Level 1 ( <i>Items valued up to \$100</i> )	\$ 12.00	\$ 0.85
Level 2 ( <i>Items valued up to \$250</i> )	\$ 12.00	\$ 0.95
Level 3 ( <i>Items valued up to \$500</i> )	\$ 12.00	\$ 1.05
Level 4 ( <i>Items valued up to \$1,000</i> )	\$ 12.00	\$ 1.15

Qualified Return Items	\$ 19.00	\$ 8.50
Unqualified Return Items	\$ 19.00	\$ 8.50
Unencoded Qualification		\$ 11.00

The Reserve Banks' primary risk to current projections for Check Services is a greater than expected decline in check volume due to the general reduction in check writing, substitution away from checks to other payment instruments, and competition from correspondent banks, aggregators, and direct exchanges, which could result in lower than anticipated revenue. The Reserve Banks estimate these cumulative price changes will result in a 2.8 percent average increase for Check Services customers.

D. *FedACH Services* — Table 12 shows the 2023 actual, 2024 forecasted, and 2025 budgeted cost-recovery performance for commercial FedACH Services.

Table 12—FedACH Services Pro Forma Cost and Revenue Performance					
[Dollars in millions]					
Year	Revenue	Total expense	Net income (ROE)	Targeted ROE	Recovery rate after targeted ROE
	1	2	3 [1–2]	4	5 [1/(2 + 4)]
2023 (actual)	183.8	166.5	17.1	2.3	108.8
2024 (forecast)	189.0	169.0	20.0	3.7	109.4
2025 (budget)	194.4	179.7	14.7	3.7	106.0

1. *2024 Forecast* — The Reserve Banks forecast that FedACH Services will recover 109.4 percent of total expenses and targeted ROE, compared with a 2024 budgeted recovery rate of 106.0 percent.

Through August 2024, FedACH commercial origination and receipt volume were 7.7 percent higher and 5.3 percent higher, respectively, than they were during the same period last year. For full-year 2024, the Reserve Banks estimate that FedACH commercial origination and receipt volume will increase 6.7 percent and 4.7 percent, respectively, from 2023 levels, compared with a budgeted increase of 3.5 percent for both commercial origination and receipt.

2. *2025 Pricing* — The Reserve Banks expect FedACH Services to recover 106.0 percent of total expenses and targeted ROE in 2025. The Reserve Banks project revenue to be \$194.4 million, an increase of \$5.4 million, or 2.9 percent, from the 2024 forecast. Total expenses are projected to be \$179.8 million, an increase of \$10.8 million, or 6.4 percent, from the 2024 forecast.

The Reserve Banks will increase the monthly ACH Participation fee from \$75 to \$80 per RTN. The Reserve Banks will also increase the monthly ACH Origination Minimum fee from \$50 to

\$55 and Receipt Minimum fee from \$40 to \$45 per RTN.<sup>28</sup> The ACH Participation and Minimum Fee price changes are driven by ongoing operational costs and a continued focus on growing fixed fee revenue generation.

In addition, the Reserve Banks will increase the FedACH FedPayments Reporter Service fees from 6 to 11 percent as shown in Table 13.<sup>29</sup> The FedPayments Reporter Service has continued to evolve and improve with enhanced features such as new intraday generation capabilities for select reports and the integration of an upgraded Electronic Data Interchange (EDI) parser. These efforts have increased both the costs of providing the FedPayments Reporter Service and the value it offers to customers.

Table 13—FedACH FedPayments Reporter Service Fees

<b>Tiers</b>	<b>2025 Monthly Fee</b>
<b>Tier 1 – Up to 50 reports</b>	\$50
<b>Tier 2 – From 51 to 150 reports</b>	\$72
<b>Tier 3 – From 151 to 500 reports</b>	\$133
<b>Tier 4 – From 501 to 1,000 reports</b>	\$245
<b>Tier 5 – From 1,001 to 1,500 reports</b>	\$355
<b>Tier 6 – From 1,501 to 2,500 reports</b>	\$555
<b>Tier 7 – From 2,501 to 3,500 reports</b>	\$775
<b>Tier 8 – From 3,501 to 4,500 reports</b>	\$990
<b>Tier 9 – From 4,501 to 5,500 reports</b>	\$1,200
<b>Tier 10 – From 5,501 to 7,000 reports</b>	\$1,460
<b>Tier 11 – From 7,001 to 8,500 reports</b>	\$1,700
<b>Tier 12 – From 8,501 to 10,000 reports</b>	\$1,930
<b>Tier 13 – Over 10,000 reports</b>	\$2,100

<sup>28</sup> The FedACH Minimum Fee applies to any RTN that has originated or received a FedACH transaction during a calendar month. The customer is charged their normal item fees plus a variable amount that closes the gap to the minimum. For example, an RTN originating 10K items in a month pays \$35 in item fees (10K items times \$0.0035 per item) and \$15 in minimum fees so that their total origination fees are \$50. Another RTN paying \$51 in item fees would be charged an effective minimum fee of \$0. Only one minimum threshold applies in any given period, with RTNs subject to the Receipt Minimum fee only if they did not originate any items.

<sup>29</sup> The FedPayments Reporter Service for the FedACH Services provides financial institutions and their customers with reports of their ACH transactions processed by FedACH including valuable business information.

The Reserve Banks estimate these cumulative price changes will result in a 1.4 percent average increase for FedACH customers.

The Reserve Banks’ primary risk to current projections for the FedACH Service are lower-than-projected volumes and growth due to potential customer attrition.

E. *Fedwire Funds Service and National Settlement Service* — Table 14 shows the 2023 actual, 2024 forecasted, and 2025 budgeted cost-recovery performance for the Fedwire Funds Service and the National Settlement Service.

[Dollars in millions]					
Year	Revenue	Total expense	Net income (ROE)	Targeted ROE	Recovery rate after targeted ROE
	1	2	3 [1–2]	4	5 [1/(2 + 4)]
2023 (actual)	162.5	153.4	9.1	4.3	103.1
2024 (forecast)	169.2	153.1	16.1	3.0	108.3
2025 (budget)	174.4	164.9	9.5	4.1	103.2

1. *2024 Forecast* — The Reserve Banks forecast that the Fedwire Funds Service and the National Settlement Service will recover 108.3 percent of total expenses and targeted ROE, compared with a 2024 budgeted recovery rate of 103.2 percent.

Through August 2024, Fedwire Funds Service online volume has been 5.9 percent higher than it was during the same period last year. The Reserve Banks expect volume to remain near this level through the remainder of 2024. Through August 2024, the National Settlement Service settlement file volume was 0.3 percent higher than it was during the same period last year, and settlement entry volume was 0.5 percent higher. For full-year 2024, the Reserve Banks estimate that settlement file volume will decrease 0.3 percent (compared with a budgeted decrease of 0.1 percent) and settlement entry volume will increase 0.4 percent (compared with a budgeted 0.4 percent increase) from 2023 levels.

2. *2025 Pricing* — The Reserve Banks expect the Fedwire Funds Service and the National Settlement Service to recover 103.2 percent of total expenses in 2025. The Reserve Banks project revenue to be \$174.4 million, an increase of \$5.2 million, or 3.1 percent from the 2024

forecast. The Reserve Banks project total expenses to be \$164.9 million, an increase of 11.8 million, or 7.7 percent, from the 2024 forecast. Rising costs are primarily driven by the Fedwire Funds Service’s ongoing transition to the ISO<sup>®</sup> 20022 messaging format.<sup>30</sup> In addition, the National Settlement Service continues to incur higher costs because of the expansion of its operating hours in 2022.<sup>31</sup>

The Reserve Banks will increase the Fedwire Funds Service participation fee from \$115 to \$120. In addition, all three of the gross origination and receipt tiered fees will be increased. The tier 1 fee will increase from \$0.94 to \$0.97, the tier 2 fee will increase from \$0.29 to \$0.30, and the tier 3 fee will increase from \$0.19 to \$0.195. Correspondingly, the volume-based incentive discount fee will increase for all three tiers. The tier 1 discount fee will increase from \$0.188 to \$0.194, the tier 2 discount fee will increase from \$0.058 to \$0.060, and the tier 3 discount fee will increase from \$0.038 to \$0.039. Finally, the FedPayments Manager Import/Export fee will increase from \$60 to \$65. The Reserve Banks will also change National Settlement Service fees for 2025. The per-file fee will increase from \$35 to \$40, and the per-entry fee will increase from \$1.70 to \$1.95.

In addition to these changes, the Reserve Banks will introduce a new volume-based fixed fee for the Fedwire Funds Service.<sup>32</sup> The introduction of this fee will serve to reconcile challenges associated with volatility stemming from variable revenues sources while ensuring a fee structure that is better aligned with customer usage. This fee is based on the volume tier thresholds.<sup>33</sup> The new volume-based fixed fee is one price point assessed at the parent level and is based on the highest volume tier of its associated affiliates.<sup>34</sup> This differs from the existing participation fee in that the participation fee is assessed at the sub-account level for any ABA with at least one origination or receipt transaction during the month.<sup>35</sup> The proposed price points for the volume-based fixed fees are as follows:

Fixed Fee Level	Volume Tier	Monthly Fee
Tier 2	Tier 2	\$250
Tier 3	Tier 3	\$500

<sup>30</sup> In October 2021, the Board announced that the Federal Reserve Banks will adopt the ISO 20022 message format for the Fedwire Funds Service. *See New Message Format for the Fedwire Funds Service*, 86 FR 55600 (Oct. 6, 2021).

<sup>31</sup> The National Settlement Service expanded its hours to 21.5 hours per day in 2022, with a new 9:00 p.m. ET open for the next business day.

<sup>32</sup> Volume-based pricing for Fedwire Funds was introduced in 1999. The analysis that led to volume-based pricing showed that Fedwire Funds can benefit from charging different prices to different areas of the market based on customer volume. When considering ways to increase fixed revenue, the Board re-examined this analysis and has concluded that establishing fixed revenue sources based on customer volume will benefit the Fedwire Funds service in a similar fashion to volume-based pricing for gross origination and receipt fees.

<sup>33</sup> Tiers are based on monthly total volume (send and receive) at the master account level: 0-14,000 messages (Tier 1); 14,001-90,000 (Tier 2), and all volume above 90,000 messages (Tier 3).

<sup>34</sup> For example, if a parent customer has affiliates in the Tier 2 and Tier 3 volume thresholds, the parent will be assessed the corresponding \$500 Tier 3 monthly fee.

<sup>35</sup> The new Monthly Fixed Fee will not be applicable to customers in the Tier 1 volume level.

As noted above, this fee will serve to reconcile challenges associated with volatility stemming from variable revenues sources while ensuring a fee structure that is better aligned with customer usage. Fedwire Funds Service fee revenue has become increasingly dependent on variable sources and this growing exposure to uncertain fee fluctuations undermines annual revenue stability. This fee will address this uncertainty by increasing the percentage of fixed fee revenue. Further, the fee is intended to be commensurate with customer usage and structured so that smaller customers are not disproportionately impacted. In addition, this fee, alongside the other fee increases noted above, serves to help balance increases in ongoing operational costs incurred by the National Settlement Service for the period between 2014 and 2023, when fees did not increase.

The Reserve Banks’ primary risk to current projections for these services is lower than-projected-volumes and growth due to the market and economic environment given that historically, Fedwire Funds Service volume has reflected market conditions.<sup>36</sup> The Reserve Banks estimate these cumulative price changes will result in a 5.7 percent average price increase for Fedwire Funds and National Settlement Service customers.

F. *Fedwire Securities Service* — Table 16 shows the 2023 actual, 2024 forecast, and 2025 budgeted cost-recovery performance for the Fedwire Securities Service.<sup>37</sup>

[Dollars in millions]					
Year	Revenue	Total expense	Net income (ROE)	Targeted ROE	Recovery rate after targeted ROE
	1	2	3 [1–2]	4	5 [1/(2 + 4)]
2023 (actual)	49.1	39.7	9.4	0.5	122.3
2024 (forecast)	52.5	41.8	10.7	0.8	123.2
2025 (budget)	55.7	47.3	8.4	0.9	115.7

1. *2024 Forecast* — The Reserve Banks forecast that the Fedwire Securities Service will recover 123.2 percent of total expenses and targeted ROE, compared with a 2024 budgeted recovery rate of 110.9 percent.

<sup>36</sup> Fedwire Funds Service volume growth reflects economic growth. For example, its volume has grown every year except for 2008 and 2009, when it contracted 2.5 percent and 5.0 percent, respectively, during the Great Recession. For historical Fedwire Funds Service volume data, see FRBservices.org, *Fedwire Funds Service – Annual Statistics*, <https://www.frb-services.org/resources/financial-services/wires/volume-value-stats/annual-stats.html>.

<sup>37</sup> The Reserve Banks provide transfer services for securities issued by the U.S. Treasury, federal government agencies, government-sponsored enterprises, and certain international institutions. Prior to 2023, the priced component of this service consisted of revenues, expenses, and volumes associated with the transfer of all non-Treasury securities. Starting in 2023, the revenues, expenses, and volumes associated with the transfer of Treasury securities are also included in the priced component of this service.

Through August 2024, Treasury security transfer volume was 15.9 percent higher than it was during the same period last year. For full-year 2024, the Reserve Banks estimate that Treasury security transfer volume will increase 4.0 percent from 2023 levels, compared with a budgeted decrease of 7.3 percent. Through August 2024, Agency security transfer volume was 3.8 percent lower than it was during the same period last year. For full-year 2024, the Reserve Banks estimate that Agency security transfer volume will decrease 2.6 percent from 2023 levels, compared with a budgeted increase of 1.3 percent.

Through August 2024, account maintenance volume was 0.7 percent lower than it was during the same period last year. For full-year 2024, the Reserve Banks estimate that account maintenance volume will decline 1.0 percent from 2023 levels, compared with a budgeted decline of 2.6 percent. Through August 2024, the volume of Agency issues maintained was 0.5 percent lower than it was during the same period last year. For full-year 2024, the Reserve Banks estimate that the volume of Agency issues maintained will decrease 0.4 percent from 2023 levels, compared with a budgeted change of 0.0 percent.

2. *2025 Pricing* — The Reserve Banks expect the Fedwire Securities Service to recover 115.7 percent of total expenses and targeted ROE in 2025. Revenue is projected to be \$55.7 million, an increase of \$3.2 million, or 6.0 percent, from the 2024 revenue forecast. The Reserve Banks also project that 2025 expenses will be \$47.3 million, an increase of \$5.5 million, or 13.1 percent from the 2024 forecast.

The Reserve Banks will leave fee schedules for Fedwire Securities priced services unchanged in 2025. This decision considers the benefits of maintaining consistent customer pricing in the face of rising costs and higher than expected volatility in transfer volumes.

Regarding volumes, the Reserve Banks project that monthly maintenance products will maintain relatively stable volumes throughout 2025 with Issue Maintenance volume to increase slightly at 0.2 percent and Account Maintenance volume to decrease 0.6 percent in 2025. Treasury transfer volume is slated to continue its record growth trend with an anticipated 9.4 percent increase. Agency transfers are projected to increase by 0.5 percent in 2025.

The Reserve Banks project that Agency transfer volume will increase moderately compared with previous years, as interest rates fall, encouraging home-buying and mortgage refinancing. As detailed in the figures above, the volume of Treasury security transfers is projected to continue its record growth trend due primarily to debt issuance by the Treasury. The volume of accounts maintained are expected to decrease 2.5 percent, consistent with recent trends and primarily driven by a reduction in joint custody accounts. The volume of Agency issues maintained is expected to remain relatively flat and claim adjustment volume is expected to remain relatively stable consistent with recent trends.

The Reserve Banks' primary risks to current projections for the Fedwire Securities Service include variations in technology costs and product volume forecasts stemming from an uncertain macroeconomic outlook and market conditions.

#### G. *FedNow Service*

1. *2024 Forecast* — The Reserve Banks forecast that the FedNow Service will generate a total of \$244.9 million in expenses in 2024.

The number of transactions processed by the FedNow Service in 2024 is modest and consistent with the Federal Reserve’s expectations for a new service line. From January through August 2024, the transaction volume of the FedNow Service totaled 414,827 transactions, with the number of participants growing from 400 to just under 1,000 financial institutions during this time period. Broad adoption of the FedNow Service across an industry with more than 9,000 financial institutions will be a gradual journey, similar to other new payment services like FedACH in the 1970s and 1980s. As a result, the Board has adopted a long-term outlook in evaluating the development of the FedNow Service. The Board anticipates acceleration in volume over time as more financial institutions join the network and as the Reserve Banks release new service features on an ongoing basis.<sup>38</sup>

2. *2025 Pricing* — In 2025, the Reserve Banks project total operating expenses to be \$245.5 million, which will be an increase of \$0.6 million or 0.2 percent from the 2024 forecast.<sup>39</sup>

The Reserve Banks will modify the Customer Credit Transfer, Customer Credit Transfer Return, and Request for Payment fee components of the FedNow Service to exclude “on-us” transactions sent from and received at the same financial institution.<sup>40</sup> This adjustment will both align with prevailing market practices and reduce inefficient off-network transaction activity. All other components of the previous year’s fee schedule, inclusive of discounts, will be maintained by the Reserve Banks in 2025.<sup>41</sup>

*H. FedLine Solutions* — There are currently six FedLine Solutions channels through which customers can access the Reserve Banks’ priced services: FedMail®, FedLine Exchange, FedLine Web, FedLine Advantage®, FedLine Command and FedLine Direct.<sup>42</sup> The Reserve

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<sup>38</sup> For quarterly FedNow Service transaction data, see Board of Governors of the Federal Reserve System, *FedNow Service*, [https://www.federalreserve.gov/paymentsystems/fednow\\_about.htm](https://www.federalreserve.gov/paymentsystems/fednow_about.htm).

<sup>39</sup> During the time in 2023 when the FedNow Service was in production, expenses (including imputed costs) totaled \$99.7 million.

<sup>40</sup> The modifications will take place at the parent financial institution level, as defined in the Reserve Banks’ Global Customer Directory. “On-us” transactions include those made by the same financial institution, even if the financial institution uses multiple RTNs.

<sup>41</sup> These maintained fees and discounts include the FedLine connectivity discount. The FedLine connectivity discount program consists of providing credits for upgrade fees from a FedMail or FedLine Web connection to FedLine Advantage and new FedLine Advantage connection fees for the FedNow Service to qualifying institutions. Credits will be for 12 months from FedLine Advantage billing eligibility. Customers that have received discounts throughout the 2024 program will see FedLine connectivity discounts roll off in 2025 following the completion of the 12-month term.

<sup>42</sup> The Reserve Banks charge fees for the electronic connections that financial institutions use to access priced services and allocate the costs and revenues associated with this electronic access to the priced services. As a result, FedLine costs and revenue are allocated to the Reserve Banks’ priced services on an expense ratio basis.

Banks bundle these channels into 12 FedLine Solutions packages that are supplemented by a number of premium (or à la carte) access and accounting information options.

The Reserve Banks also offer FedComplete<sup>®</sup> Packages, which are bundled offerings of FedLine connections and a fixed number of FedACH Services, Fedwire Funds Services, and Check 21–enabled transactions. In 2025, the Reserve Banks will increase the monthly fees for FedComplete 100A Plus from \$900 to \$1,150 and FedComplete 200A Plus from \$1,425 to \$1,725. The price increases reflect the rising fees and enhancements of the package’s underlying services. To simplify the FedComplete Packages and create internal efficiencies, FedComplete 100A Premier and 200A Premier will be discontinued. Additionally, the Reserve Banks plan to discontinue the FedLine Exchange service to streamline FedLine Solution products and create internal efficiencies that simplify operating, servicing, and billing processes.<sup>43</sup>

The Reserve Banks will increase the monthly fees for FedLine Command Plus from \$1,035 to \$1,185, FedLine Direct Plus from \$5,500 to \$5,750, and FedLine Direct Premier from \$10,500 to \$11,000 per month. Price changes for the FedLine Command and FedLine Direct packages are in response to enhancements for the FedNow Service and account for the price increases from the End-of-Day Financial Institution Reconciliation Date (FIRD) File and Statement of Account Spreadsheet File (SASF) offerings.<sup>44</sup> FedLine Direct had additional operational costs associated with a new network vendor and hardware upgrades that have contributed to these price increases.

In 2025, the Reserve Banks are prepared to add API functionality for certain services and products.<sup>45</sup> The Reserve Banks are developing an initial pricing menu for priced APIs. Upon launch, each API would be assigned a core pricing scenario. Communication will be forthcoming on the timing, availability, and pricing scenarios for initial APIs.

The Reserve Banks estimate these cumulative price changes will result in a 4.8 percent average price increase for FedLine customers.

## II. Analysis of Competitive Effect

All operational and legal changes considered by the Board that have a substantial effect on payment system participants are subject to the competitive impact analysis described in the Board’s policy, *The Federal Reserve in the Payments System*.<sup>46</sup> Under this policy, the Board

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<sup>43</sup> The FedLine Exchange service provides access to the E-Payments Routing Directory, which is also available to plus level customers across the FedLine channels. FedLine Solutions packages offer attended or unattended access to critical payment and information services. FedMail, FedLine Exchange, FedLine Web, and FedLine Advantage packages offer attended or manual access via a web-based interface.

<sup>44</sup> FedLine Direct packages allow for unattended connections at multiple connection speeds to Check, FedACH, Fedwire Funds, and Fedwire Securities transactional and information services and to most accounting information services. The FedLine Command package offers a computer-to-computer, internet protocol–based interfaces that supports an unattended connection to FedACH, most accounting information services, and the FedNow Service

<sup>45</sup> APIs are a set of protocols for connecting software systems programmatically, enabling system-to-system interoperability.

<sup>46</sup> See Board of Governors of the Federal Reserve System, *Policies: The Federal Reserve in the Payments System*, [https://www.federalreserve.gov/paymentsystems/pfs\\_frpayssys.htm](https://www.federalreserve.gov/paymentsystems/pfs_frpayssys.htm).

assesses whether changes would have a direct and material adverse effect on the ability of other service providers to compete effectively with the Federal Reserve in providing similar services due to differing legal powers or constraints or due to a dominant market position deriving from such legal differences. If any proposed changes create such an effect, the Board must further evaluate the changes to assess whether the benefits associated with the changes—such as contributions to payment system efficiency, payment system integrity, or other Board objectives—can be achieved while minimizing the adverse effect on competition.

The Board has conducted this analysis and concluded that the 2025 fees, fee structures, and changes in service will not have a direct and material adverse effect on the ability of other service providers to compete effectively with the Reserve Banks in providing similar services. When conducting the competitive effect analysis for the FedNow Service, the Board assessed whether its pricing strategy as a new service, including discounts, would have a material, adverse effect on the ability of other service providers to compete effectively with the Reserve Banks due to differing legal powers or a dominate market position as a result of such differing legal powers. The Board concluded that the pricing strategy, including discounts, followed general market practice for new services and could similarly be implemented by private sector providers unrelated to any differing legal powers. Therefore, the Reserve Banks’ pricing does not have a material adverse effect on the ability of other service providers to compete effectively with the Reserve Banks in providing similar services.

The Reserve Banks expect to continue to achieve aggregate long-run cost recovery across all mature priced services.

**III. 2025 Fee Schedules**

FedACH Services 2025 Fee Schedule	
[Effective January 1, 2025. <b>Bold indicates changes from 2024 prices</b> ]	
	Fee
<b>FedACH minimum monthly fee:</b>	
<b>Originating depository financial institution (ODFI)</b> <sup>47</sup>	<b>\$55.00.</b>
<b>Receiving depository financial institution (RDFI)</b> <sup>48</sup>	<b>\$45.00.</b>
Origination (per item or record):	
Forward or return items	\$0.0035.
SameDay Service—forward item <sup>49</sup>	\$0.0010 surcharge.

<sup>47</sup> Any ODFI incurring less than \$55 for the following fees will be charged a variable amount to reach the minimum: Forward value and non-value item origination fees, and FedGlobal ACH origination surcharges.

<sup>48</sup> Any RDFI not originating forward value and non-value items and incurring less than \$45 in receipt fees will be charged a variable amount to reach the minimum. Any RDFI that originates forward value and non-value items incurring less than \$55 in forward value and nonvalue item origination fees will only be charged a variable amount to reach the minimum monthly origination fee.

<sup>49</sup> This surcharge is assessed on all forward items that qualify for same-day processing and settlement and is incremental to the standard origination item fee.

## FedACH Services 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices**]

	<b>Fee</b>
Addenda record	\$0.0015.
FedLine Web-originated returns and notification of change (NOC) <sup>50</sup>	\$0.50.
Facsimile Exception Return/NOC <sup>51</sup>	\$45.00.
SameDay Exception Return	\$45.00.
Automated NOC	\$0.20.
Volume discounts (based on monthly billed origination volume) <sup>52</sup> per item when origination volume is	
750,001 to 1,500,000 items per month discount	\$0.0008.
more than 1,500,000 items per month discount	\$0.0010.
Volume discounts (based on monthly billed receipt volume) <sup>53</sup> per item when receipt volume is	
10,000,001 to 15,000,000 items per month discount	\$0.0002.
more than 15,000,000 items per month discount	\$0.0003.
Receipt (per item or record):	
Forward Item	\$0.0035.
Return Item	\$0.0075.
Addenda record	\$0.0015.
Volume discounts:	
Non-Premium Receivers <sup>54</sup> per item when volume is	
750,001 to 12,500,000 items per month <sup>55</sup>	\$0.0017 discount.
more than 12,500,000 items per month <sup>56</sup>	\$0.0019 discount.
Premium Receivers, Level One <sup>57</sup> per item when volume is	
750,001 to 1,500,000 items per month <sup>58</sup>	\$0.0017 discount.

<sup>50</sup> The fee includes the item and addenda fees in addition to the conversion fee.

<sup>51</sup> The fee includes the item and addenda fees in addition to the conversion fee. Reserve Banks also assess a \$45 fee for every government paper return/NOC they process.

<sup>52</sup> Origination volumes at these levels qualify for a waterfall discount that includes all FedACH origination items.

<sup>53</sup> Origination discounts based on monthly billed receipt volume apply only to those items received by FedACH receiving points and are available only to Premium Receivers.

<sup>54</sup> RDFIs receiving through FedACH less than 90 percent of their FedACH-originated items.

<sup>55</sup> This per-item discount is a reduction to the standard receipt fees listed in this fee schedule.

<sup>56</sup> Receipt volumes at these levels qualify for a waterfall discount that includes all FedACH receipt items.

<sup>57</sup> RDFIs receiving through FedACH at least 90 percent of their FedACH-originated items, but less than 90 percent of all of their ACH items originated through any operator.

<sup>58</sup> This per-item discount is a reduction to the standard receipt fees listed in this fee schedule.

## FedACH Services 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices**]

	<b>Fee</b>
1,500,001 to 2,500,000 items per month <sup>59</sup>	\$0.0017 discount.
2,500,001 to 12,500,000 items per month <sup>53</sup>	\$0.0018 discount.
12,500,001 to 30,000,000 items per month <sup>53</sup>	\$0.0020 discount.
more than 30,000,000 items per month <sup>53</sup>	\$0.0023 discount.
Premium Receivers, Level Two <sup>60</sup> per item when volume is	
750,001 to 1,500,000 items per month <sup>61</sup>	\$0.0017 discount.
1,500,001 to 2,500,000 items per month <sup>62</sup>	\$0.0017 discount.
2,500,001 to 12,500,000 items per month <sup>56</sup>	\$0.0019 discount.
12,500,001 to 30,000,000 items per month <sup>56</sup>	\$0.0021 discount.
more than 30,000,000 items per month <sup>56</sup>	\$0.0024 discount.

### FedACH Risk Management Services: <sup>63</sup>

Monthly Package Fee (a single fee based on total number of criteria sets):

For up to 5 criteria sets	\$45.00.
For 6 through 11 criteria sets	\$85.00.
For 12 through 23 criteria sets	\$150.00.
For 24 through 47 criteria sets	\$180.00.
For 48 through 95 criteria sets	\$300.00.
For 96 through 191 criteria sets	\$510.00.
For 192 through 383 criteria sets	\$810.00.
For 384 through 584 criteria sets	\$1,025.00.
For more than 584 criteria sets	\$1,325.00.

<sup>59</sup> Receipt volumes at these levels qualify for a waterfall discount which includes all FedACH receipt items.

<sup>60</sup> RDFIs receiving through FedACH at least 90 percent of all of their ACH items originated through any operator.

<sup>61</sup> This per-item discount is a reduction to the standard receipt fees listed in this fee schedule.

<sup>62</sup> Receipt volumes at these levels qualify for a waterfall discount which includes all FedACH receipt items.

<sup>63</sup> Criteria may be set for both the Origination Monitoring Service and the RDFI Alert Service. Subscribers with no criteria set up will be assessed the \$45 monthly package fee.

## FedACH Services 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices**]

	<b>Fee</b>
Batch/Item Monitoring (based on total monthly volume):	
For 1 through 100,000 batches (per batch)	\$0.007.
For more than 100,000 batches (per batch)	\$0.0035.
FedPayments Insights Service: <sup>64</sup>	
Monthly Fee (a single fee based on commercial receipt volume):	
0-50,000 items per month	\$75.00.
50,001-100,000 items per month	\$120.00.
100,001-500,000 items per month	\$180.00.
500,001-1,000,000 items per month	\$260.00.
1,000,001-5,000,000 items per month	\$340.00.
5,000,001-10,000,000 items per month	\$450.00.
10,000,001-25,000,000 items per month	\$550.00.
25,000,001-60,000,000 items per month	\$625.00.
Over 60,000,000 items per month	\$700.00.
Monthly FedPayments Reporter Service:	
FedPayments Reporter Service monthly package includes the following reports:	
ACH Received Entries Detail—Customer and Depository Financial Institution	
ACH Return Reason Report—Customer and Depository Financial Institution	
ACH Originated Entries Detail—Customer and Depository Financial Institution	
ACH Volume Summary by SEC Code—Customer	
ACH Customer Transaction Activity	
ACH Death Notification	
ACH International (IAT)	
ACH Notification of Change	
ACH Payment Data Information File	
ACH Remittance Advice Detail	
ACH Remittance Advice Summary	
ACH Return Item Report and File	
ACH Return Ratio	

<sup>64</sup> Monthly commercial receipt volume is calculated based on combined volume of subscribed RTNs in an account family.

FedACH Services 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices**]

	Fee
ACH Social Security Beneficiary	
ACH Originator Setup	
ACH Report Delivery via FedLine Solution	
On Demand Report Surcharge <sup>65</sup>	\$1.00.
<b>Monthly Package Fee (counts reflect reports generated as well as delivered via a FedLine Solution):</b>	
<b>For up to 50 reports</b>	<b>\$50.00.</b>
<b>For 51 through 150 reports</b>	<b>\$72.00.</b>
<b>For 151 through 500 reports</b>	<b>\$133.00.</b>
<b>For 501 through 1,000 reports</b>	<b>\$245.00.</b>
<b>For 1,001 through 1,500 reports</b>	<b>\$355.00.</b>
<b>For 1,501 through 2,500 reports</b>	<b>\$555.00.</b>
<b>For 2,501 through 3,500 reports</b>	<b>\$775.00.</b>
<b>For 3,501 through 4,500 reports</b>	<b>\$990.00.</b>
<b>For 4,501 through 5,500 reports</b>	<b>\$1,200.00.</b>
<b>For 5,501 through 7,000 reports</b>	<b>\$1,460.00.</b>
<b>For 7,001 through 8,500 reports</b>	<b>\$1,700.00.</b>
<b>For 8,501 through 10,000 reports</b>	<b>\$1,930.00.</b>
<b>For more than 10,000 reports</b>	<b>\$2,100.00.</b>
Premier reports (per report generated): <sup>66</sup>	
ACH Volume Summary by SEC Code Report—Depository Financial Institution:	
For 1 through 5 reports	\$10.00.
For 6 through 10 reports	\$6.00.
For 11 or more reports	\$1.00.
On Demand Surcharge	\$1.00.
ACH Routing Number Activity Report:	
For 1 through 5 reports	\$10.00.
For 6 through 10 reports	\$6.00.
For 11 or more reports	\$1.00.
On Demand Surcharge	\$1.00.
ACH Originated Batch Report (monthly):	

<sup>65</sup> Premier reports generated on demand are subject to the package/tiered fees plus a surcharge.

<sup>66</sup> Premier reports generated on demand are subject to the package/tiered fees plus a surcharge.

## FedACH Services 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices**]

	<b>Fee</b>
For 1 through 5 reports	\$10.00.
For 6 through 10 reports	\$6.00.
For 11 or more reports	\$1.00.
On Demand Surcharge	\$1.00.
ACH Originated Batch Report (daily):	
Scheduled Report	\$0.65.
On Demand Surcharge	\$1.00.
On-us inclusion:	
Participation (monthly fee per RTN)	\$10.00.
Per-item	\$0.0030.
Per-addenda	\$0.0015.
Report delivery via encrypted email (per email)	\$0.20.
Other Fees and Discounts:	
Monthly fee (per RTN):	
<b>FedACH Participation Fee</b> <sup>67</sup>	<b>\$80.00.</b>
Same Day Service Origination Participation Fee <sup>68</sup>	\$10.00.
FedACH Settlement Fee <sup>69</sup>	
Premium Receivers, Level One and Level Two	\$60.00.
Non-Premium Receivers when volume is 1,500,000 items or less per month, Tier 2	\$110.
Non-Premium Receivers when volume is more than 1,500,000 items per month, Tier 3	\$250.00.
FedACH Information File Extract Fee	\$180.00.
IAT Output File Sort Fee	\$150.00.
Fixed Participation Fee—Automated NOCs <sup>70</sup>	\$5.00.
Non-Electronic Input/Output fee: <sup>71</sup>	

<sup>67</sup> The fee applies to RTNs that have received or originated FedACH transactions during a month. Institutions that receive only U.S. government transactions or that elect to use a private-sector operator exclusively are not assessed the fee.

<sup>68</sup> This surcharge is assessed to any RTN that originates at least one item meeting the criteria for same-day processing and settlement in a given month.

<sup>69</sup> The fee is applied to any RTN with activity during a month, including RTNs of institutions that elect to use a private-sector operator exclusively but also have items routed to or from customers that access the ACH network through FedACH. This fee does not apply to RTNs that use the Reserve Banks for only U.S. government transactions.

<sup>70</sup> Fee will be assessed only when automated NOCs are generated.

<sup>71</sup> Limited services are offered in contingency situations.

## FedACH Services 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices**]

	<b>Fee</b>
CD/DVD (CD or DVD)	\$50.00.
Paper (file or report)	\$50.00.
Fees and Credits Established by Nacha: <sup>72</sup>	
Nacha Same-Day Entry fee (per item)	\$0.052.
Nacha Same-Day Entry credit (per item)	\$0.052 (credit).
Nacha Unauthorized Entry fee (per item)	\$4.50.
Nacha Unauthorized Entry credit (per item)	\$4.50 (credit).
Nacha Admin Network fee (monthly fee per RTN)	\$30.50.
Nacha Admin Network fee (per entry)	\$0.000185.
FedGlobal <sup>®</sup> ACH Payments: <sup>73</sup>	
Fixed Monthly Fee (per RTN): <sup>74</sup>	
Monthly origination volume more than 500 items	\$185.00.
Monthly origination volume between 161 and 500 items	\$60.00.
Monthly origination volume less than 161 items	\$20.00.
Per-item Origination Fee for Monthly Volume more than 500 Items (surcharge): <sup>75</sup>	
Mexico service	\$0.55.
Panama service	\$0.60.
Per-item Origination Fee for Monthly Volume between 161 and 500 items (surcharge): <sup>75</sup>	
Mexico service	\$0.80.
Panama service	\$0.85.
Per-item Origination Fee for Monthly Volume less than 161 items (surcharge): <sup>75</sup>	
Mexico service	\$1.05.
Panama service	\$1.10.
Other FedGlobal ACH Payments Fees:	
Mexico service:	

<sup>72</sup> The fees and credits listed are collected from the ODFI and credited to Nacha (admin network) or to the RDFI (same-day entry and unauthorized entry) in accordance with the ACH Rules.

<sup>73</sup> The international fees and surcharges vary from country to country as these are negotiated with each international gateway operator.

<sup>74</sup> A single monthly fee based on total FedGlobal ACH Payments origination volume.

<sup>75</sup> This per-item surcharge is in addition to the standard domestic origination fees listed in this fee schedule.

## FedACH Services 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices**]

		Fee
	Return received from Mexico <sup>76</sup>	\$0.91 (surcharge).
	Item trace <sup>77</sup>	\$13.50.
to Mexico <sup>75</sup>	Foreign currency to foreign currency (F3X) item originated	\$0.67 (surcharge).
	Panama service:	
	Return received from Panama <sup>71</sup>	\$1.00 (surcharge).
	Item trace <sup>72</sup>	\$7.00.
	NOC	\$0.72.
	Exception Resolution Service:	
	Monthly Fees (applies to cases only at the parent RTN): <sup>78</sup>	
	Up to 5 cases	\$20.00.
	6-25 cases	\$40.00.
	26-50 cases	\$60.00.
	51-100 cases	\$100.00.
	101-1,000 cases	\$250.00.
	1,001-5,000 cases	\$400.00.
	5,001 cases and above	\$500.00.
	Offline Service Participant—Case Fees: <sup>79</sup>	
	Case Open Fee	\$5.00.
	Case Response Fee	\$5.00.

### FedACH Receipt Discount Program Introduced in 2024<sup>80</sup>

<sup>76</sup> This per-item surcharge is in addition to the standard domestic receipt fees listed in this fee schedule.

<sup>77</sup> U.S. ODFIs are responsible for any investigation fees should they be assessed by foreign RDFIs or downstream payment participants.

<sup>78</sup> The monthly fee is rolled up to the parent DI level, such that a DI that opts into the FedACH Exception Resolution Service under two separate RTNs would pay a single monthly fee based on the total number of cases opened for their two RTNs combined.

<sup>79</sup> A financial institution may enroll in the Service as an Offline Service Participant by designating the Reserve Bank to access and use the functionality of the application on behalf of the Offline Participant.

<sup>80</sup> Federal Reserve Financial Services offers a five-year discount program to financial institutions that receive at least 5 million items per month through FedACH and meet the qualifications for Premium Receiver Level One or Level Two status. [View code details and text on the FedACH Receipt Discount Program page.](#)

FedACH Services 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices**]

	Fee
Customers with more than 30 million FedACH receipt items per month:	
Per-item discount on all forward receipt items received through FedACH for the full five-year length of the agreement	\$0.0002
Percentage discount on the FedACH FedPayments Reporter Service for two years at any point during participation in the program	50 percent
Percentage discount on the FedACH Exception Resolution Service for two years at any point during their participation in the program	100 percent
Percentage discount on the FedACH FedPayments® Insights Service for two years at any point during their participation in the program	100 percent
Customers with between 5 and 30 million FedACH receipt items per month:	
Per-item discount on all forward receipt items received through FedACH for the full 5-year length of the agreement	\$0.0001
Percentage discount on the FedACH FedPayments Reporter Service for two years at any point during their participation in the program	25 percent
Percentage discount on the FedACH Exception Resolution Service for two years at any point during their participation in the program	50 percent
Percentage discount on the FedACH FedPayments Insights Service for two years at any point during their participation in the program	50 percent

Fedwire Funds Service and National Settlement Service 2025 Fee Schedules

[Effective January 1, 2025. **Bold indicates changes from 2024 prices.**]

	Fee
<b>Fedwire Funds Service</b>	
<b>Monthly Participation Fee</b>	<b>\$120.00</b>
<b>Basic volume-based pre-incentive transfer fee (originations and receipts)—per transfer for</b>	
<b>Tier 1: The first 14,000 transfers per month</b>	<b>\$0.970</b>
<b>Tier 2: Additional transfers up to 90,000 per month</b>	<b>\$0.300</b>
<b>Tier 3: Every transfer over 90,000 per month</b>	<b>\$0.195</b>
<b>Monthly Fixed Fee</b>	

Fedwire Funds Service and National Settlement Service 2025 Fee Schedules

[Effective January 1, 2025. **Bold indicates changes from 2024 prices.**]

	Fee
<b>Tier 2 Monthly Fixed Fee<sup>81</sup></b>	<b>\$250.00</b>
<b>Tier 3 Monthly Fixed Fee<sup>82</sup></b>	<b>\$500.00</b>
<b>Volume-based transfer fee with the incentive discount (originations and receipts)—per eligible transfer for<sup>83</sup></b>	
<b>Tier 1: The first 14,000 transfers per month</b>	<b>\$0.194</b>
<b>Tier 2: Additional transfers 14,001 to 90,000 per month</b>	<b>\$0.060</b>
<b>Tier 3: Every transfer over 90,000 per month</b>	<b>\$0.039</b>
Surcharge for Offline Transfers (Originations and Receipt) <sup>84</sup>	\$75.00
Surcharge for End-of-Day Transfer Originations <sup>85</sup>	\$0.26
<b>Monthly FedPayments Manager Import/Export fee<sup>86</sup></b>	<b>\$65.00</b>
Surcharge on transfers >\$10 million Origination and Receipt	\$0.14
Surcharge on transfers >\$100 million Origination and Receipt	\$0.36
Surcharge for Payment Notification:	
Origination Surcharge <sup>87</sup>	\$0.01
Receipt Volume <sup>88</sup>	N/A
Delivery of Reports—Hard Copy Reports to On-Line Customers	\$50.00
Special Settlement Arrangements (charge per settlement day) <sup>89</sup>	\$150.00

**National Settlement Service**

Basic:

<sup>81</sup> This fee applies at the parent level to any bank which has at least 1 unit of volume in the Tier 2 Pre-Incentive Discount range and no volume in the Tier 3 Pre-Incentive Discount range.

<sup>82</sup> This fee applies at the parent level to any bank which has at least 1 unit of volume in the Tier 3 Pre-Incentive Discount range.

<sup>83</sup> The incentive discounts apply to the volume that exceeds 60 percent of a customer's historic benchmark volume. Historic benchmark volume is based on a customer's average daily activity over the previous five calendar years. If a customer has fewer than five full calendar years of previous activity, its historic benchmark volume is based on its daily activity for as many full calendar years of data as are available. If a customer has less than one year of past activity, then the customer qualifies automatically for incentive discounts for the year. The applicable incentive discounts are as follows: \$0.752 for transfers up to 14,000; \$0.232 for transfers 14,001 to 90,000; and \$0.152 for transfers over 90,000.

<sup>84</sup> The offline service, which was originally scheduled to be discontinued as of December 31, 2024, will be extended to no later than February 2025 to accommodate financial institutions' readiness.

<sup>85</sup> This surcharge applies to originators of transfers that are processed by the Reserve Banks after 5:00 p.m. ET.

<sup>86</sup> This fee is charged to any Fedwire Funds participant that originates a transfer message via the FedPayments Manager Funds tool and has the import/export processing option setting active at any point during the month.

<sup>87</sup> Payment Notification and End-of-Day Origination surcharges apply to each Fedwire funds transfer message.

<sup>88</sup> Provided on billing statement for informational purposes only.

<sup>89</sup> This charge is assessed to settlement arrangements that use the Fedwire Funds Service to affect the settlement of interbank obligations (as opposed to those that use the National Settlement Service). With respect to such special settlement arrangements, other charges may be assessed for each funds transfer into or out of the accounts used in connection with such arrangements.

Fedwire Funds Service and National Settlement Service 2025 Fee Schedules

[Effective January 1, 2025. **Bold indicates changes from 2024 prices.**]

	<b>Fee</b>
<b>Settlement Entry Fee</b>	<b>\$1.95</b>
<b>Settlement File Fee</b>	<b>\$40.00</b>
Surcharge for Offline File Origination <sup>90</sup>	\$45.00
Minimum Monthly Fee <sup>91</sup>	\$60.00

Fedwire Securities Service 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices.** ]

	<b>Fee</b>
Basic Transfer Fee: <sup>92 93</sup>	
Agency Securities: Transfer or reversal originated or received	\$0.61
Treasury Securities: Transfer or reversal originated or received	\$0.61
Surcharge: <sup>94</sup>	
Agency Securities: Offline origination & receipt surcharge	\$80.00
Treasury Securities: Offline origination & receipt surcharge	\$80.00
Monthly Maintenance Fees: <sup>95</sup>	
Agency Securities: Account maintenance (per account) <sup>96</sup>	\$57.50

<sup>90</sup> An organization that is a settlement agent may be able to use the National Settlement Service offline service if it is experiencing an operational event that prevents the transmission of settlement files via its electronic connection to the Federal Reserve Banks. The Federal Reserve Banks have limited capacity to process offline settlement files. As a result, while the Federal Reserve Banks use best efforts to process offline settlement file submissions, there is no guarantee that an offline settlement file, in particular one that is submitted late in the operating day or that contains a large number of entries, will be accepted for processing. Only those persons identified as authorized individuals on the National Settlement Service 04 Agent Contact Form may submit offline settlement files. For questions related to the National Settlement Service offline service, please contact National Settlement Service Central Support Service Staff (CSSS) at 800-758-9403, or via email at [csss.staff@ny.frb.org](mailto:csss.staff@ny.frb.org).

<sup>91</sup> Any settlement arrangement that accrues less than \$60 during a calendar month will be assessed a variable amount to reach the minimum monthly fee.

<sup>92</sup> Restricted Securities Accounts maintained by the Reserve Banks under the Loans and Discounts program and the 31 CFR part 202 program are not assessed for monthly account maintenance fees or fees for Transfers of Book-Entry Securities to or from such Restricted Securities Accounts. Restricted Securities Accounts maintained by the Reserve Banks under the 31 CFR part 225 program are subject to monthly account maintenance fees but not fees for Transfers of Book-Entry Securities to or from such Restricted Securities Accounts.

<sup>93</sup> These fees are set by the Federal Reserve Banks.

<sup>94</sup> This surcharge is set by the Federal Reserve Banks. It is in addition to any basic transfer or reversal fee.

<sup>95</sup> Restricted Securities Accounts maintained by the Reserve Banks under the Loans and Discounts program and the 31 CFR part 202 program are not assessed for monthly account maintenance fees or fees for Transfers of Book-Entry Securities to or from such Restricted Securities Accounts. Restricted Securities Accounts maintained by the Reserve Banks under the 31 CFR part 225 program are subject to monthly account maintenance fees but not fees for Transfers of Book-Entry Securities to or from such Restricted Securities Accounts.

<sup>96</sup> These fees are set by the Federal Reserve Banks.

## Fedwire Securities Service 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices.** ]

	Fee
Agency Securities: Issue maintenance (per issue/per account) <sup>97</sup>	\$0.61
Treasury Securities: Account maintenance (per account) <sup>98</sup>	None
Treasury Securities: Issue maintenance (per issue/per account) <sup>99</sup>	None
ACAP Fees: <sup>100 101</sup>	
Claims Adjustment Fee	\$1.00
Tracking Indicators Fee	\$0.10
Position Maintenance Fee (per position maintained/per business day) <sup>102 103</sup>	\$0.03
GNMA Serial Note Stripping or Reconstitution Fee <sup>104</sup>	\$9.00
Joint Custody Origination Surcharge <sup>105 106</sup>	\$46.00
Delivery of Reports—Hard Copy Reports to On-Line Customers <sup>107</sup>	\$50.00

## FedNow Service 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices.** ]

	Fee
Customer Credit Transfer (per item) PACS.008 Origination	\$0.045.
<b>PACS.008 Origination – On-Us</b>	<b>\$0.000.</b>
Customer Credit Transfer Returns (per item) PACS.004 Origination	\$0.045.

<sup>97</sup> These fees are set by the Federal Reserve Banks.

<sup>98</sup> The U.S. Department of the Treasury absorbs the cost of monthly account maintenance for securities accounts that contain only Treasury securities and reimburses the Federal Reserve Banks.

<sup>99</sup> The U.S. Department of the Treasury absorbs the cost of monthly issue maintenance for custody holdings of Treasury securities and reimburses the Federal Reserve Banks.

<sup>100</sup> These fees are set by the Federal Reserve Banks.

<sup>101</sup> Automated Claim Adjustment Process (ACAP) fees apply to all ACAP-eligible security types. Phase 2 of the ACAP enhancement project will include expanding ACAP tracking to all coupon-paying securities issued over the Fedwire Securities Service and adding securities lending as a transaction type. For information about the ACAP enhancement project, please visit: <https://www.frbservices.org/resources/financial-services/securities/acap/>.

<sup>102</sup> Participants are charged the Repo Position Maintenance Fee for both a Repo-Out balance and a Repo-In balance. These fees will be assessed every business day.

<sup>103</sup> Participants are charged the Securities Lending Position Maintenance Fee for both a Securities Borrowed balance and a Securities Lent balance. These fees will be assessed every business day. Securities lending positions will be available when Phase 2 of the ACAP enhancement project is implemented. For information about the ACAP enhancement project, please visit: <https://www.frbservices.org/resources/financial-services/securities/acap/>

<sup>104</sup> This fee is set by and remitted to the Government National Mortgage Association (GNMA).

<sup>105</sup> The Federal Reserve Banks charge participants a Joint Custody Origination Surcharge for both Agency and Treasury securities.

<sup>106</sup> These fees are set by the Federal Reserve Banks.

<sup>107</sup> These fees are set by the Federal Reserve Banks.

FedNow Service 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices.** ]

	Fee
<b>PACS.004 Origination – On-Us</b>	<b>\$0.000.</b>
Liquidity Management Transfer (LMT) (per-item) PACS.009 Origination	\$1.00.
Request for Payment (RFP) (per-item) PAIN.013	\$0.01.
<b>PAIN.013 – On-Us</b>	<b>\$0.000.</b>
PACS.008 Origination Discount	–\$0.045 per item for up to 2,500 customer credit transfers per month (in 2025).
Participation Fee—General (per month)	\$25.00, discounted to \$0.00 in 2025.

FedLine 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices.**]

	Fee
FedComplete Packages (monthly) <sup>108,109</sup>	
<b>FedComplete 100A Plus</b> <sup>110</sup>	<b>\$1,150.00.</b>
<b>FedComplete 200A Plus</b>	<b>\$1,725.00.</b>
FedComplete Excess Volume and Receipt Surcharge: <sup>111</sup>	
FedForward® <sup>112</sup>	\$0.03700/item.
FedReturn®	\$0.82000/item.
FedReceipt	\$0.00005/item.
Fedwire Funds Origination	\$0.97000/item.
Fedwire Funds Receipt	\$0.09700/item.
FedACH Origination	\$0.00350/item.
FedACH Receipt	\$0.00035/item.
FedComplete credit adjustment	various.
FedComplete debit adjustment	various.
<hr/> FedLine Solutions (monthly) <hr/>	

<sup>108</sup> FedComplete Packages are all-electronic service options that bundle payment services with an access solution for one monthly fee.

<sup>109</sup> FedComplete customers that use the email service would be charged the FedMail Email a la carte fee and for all FedMail Subscriber 5-packs.

<sup>110</sup> Packages with an “A” include the FedLine Advantage channel.

<sup>111</sup> Per-item surcharges are in addition to the standard fees listed in the applicable priced services fee schedules.

<sup>112</sup> FedComplete customers will be charged \$4 for each FedForward cash letter over the monthly package threshold. This activity will appear under billing code 51998 in Service Area 1521 on a month-lagged basis.

## FedLine 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices.**]

	<b>Fee</b>
FedMail <sup>113</sup>	\$100.00.
FedLine Web <sup>114</sup>	\$110.00.
FedLine Web Plus <sup>106</sup>	\$160.00.
FedLine Web Premier <sup>106</sup>	\$200.00
includes:	
Services included in the FedLine Web Plus package	
Check File Automation	
FedLine Advantage <sup>106, 115</sup>	\$415.00.
FedLine Advantage Plus <sup>106, 107</sup>	\$460.00.
FedLine Advantage Premier <sup>106, 107</sup>	\$570.00.
Includes:	
FedLine Advantage Plus package	
Two VPN devices	
Fedwire Funds FedPayments Manager Import/Export (more than 250 Fedwire transactions or more than one routing number in a given month)	
FedTransaction Analyzer (more than 250 Fedwire transactions or more than one routing number per month)	
<b>FedLine Command Plus</b>	<b>\$1,185.00.</b>
<b>FedLine Direct Plus</b> <sup>116</sup>	<b>\$5,750.00.</b>
<b>FedLine Direct Premier</b> <sup>108</sup>	<b>\$11,000.00.</b>
includes:	
Services included in the FedLine Direct Plus package	
Two 2 Mbps dedicated WAN Connections	
One Network Diversity	

<sup>113</sup> FedMail package does not include user credentials, which are required to access priced services and certain informational services. Credentials are sold separately in packs of five via the FedMail Subscriber 5-pack.

<sup>114</sup> FedLine Web and Advantage packages do not include user credentials, which are required to access priced services and certain informational services. Credentials are sold separately in packs of five via the FedLine Subscriber 5-pack.

<sup>115</sup> Qualifying institutions who upgrade from FedMail or FedLine Web to FedLine Advantage or establish a new FedLine Advantage connection for the FedNow Service will receive 12 months of credits from FedLine Advantage billing eligibility.

<sup>116</sup> Early termination fees and/or expedited order fees may apply to all FedLine Direct packages and FedLine Direct à la carte options.

## FedLine 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices.**]

	Fee
Two VPN devices	
<b>A la carte options (monthly) <sup>117</sup></b>	
<b>Electronic Access:</b>	
FedMail—Pack of 5	\$25.00.
FedLine Subscribers—Pack of 5	\$100.00.
Additional VPNs <sup>118</sup>	\$100.00.
Additional 2 Mbps WAN connection <sup>108</sup>	\$3,000.00.
WAN Connection Upgrade	
10 Mbps <sup>119</sup>	\$1,700.00.
30 Mbps <sup>111</sup>	\$3,000.00.
50 Mbps <sup>119</sup>	\$4,000.00.
100 Mbps <sup>119</sup>	\$7,000.00.
200 Mbps <sup>119</sup>	\$11,000.00.
FedLine International Setup (one-time fee)	\$5,000.00.
FedLine Custom Implementation Fee (one-time fee) <sup>120</sup>	\$2,500-\$5,000.
Network Diversity	\$2,500.00.
FedMail Email (for customers with FedLine Web and above) <sup>121</sup>	\$100.00.
VPN Device Modification (one-time fee)	\$200.00.
VPN Device Missed Activation Appointment (one-time fee)	\$175.00.
VPN Device Expedited Hardware Surcharge (one-time fee)	\$100.00.
VPN Device Replacement or Move (one-time fee)	\$300.00.
E-Payments Automated Download Codes (Add'l Codes-Pack of 5) <sup>122</sup>	\$75.00/month.
E-Payments Automated Download Codes (Add'l Codes-Pack of 20) <sup>114</sup>	\$150.00/month.

<sup>117</sup> These add-on services can be purchased only with a FedLine Solution.

<sup>118</sup> Additional VPNs are available for FedLine Advantage, FedLine Command, and FedLine Direct packages only.

<sup>119</sup> Fee is in addition to the FedLine Direct package fees or Additional 2Mbps WAN Connection fee.

<sup>120</sup> The FedLine Custom Implementation Fee is \$2,500 or \$5,000 based on the complexity of the setup.

<sup>121</sup> Available only to customers with a priced FedLine package and does not include user credentials, which are required to access priced services and certain informational services. Credentials are sold separately in packs of five via the FedMail Subscriber 5-pack

<sup>122</sup> Five download codes are included at no cost in all Plus and Premier packages.

## FedLine 2025 Fee Schedule

[Effective January 1, 2025. **Bold indicates changes from 2024 prices.**]

	<b>Fee</b>
E-Payments Automated Download Codes (Add'l Codes-Pack of 50) <sup>122</sup>	\$300.00/month.
E-Payments Automated Download Codes (Add'l Codes-Pack of 100) <sup>122</sup>	\$500.00/month.
E-Payments Automated Download Codes (Add'l Codes-Pack of 250) <sup>122</sup>	\$1,000.00/month.
E-Payments Automated Download Codes (Add'l Codes->250) <sup>122</sup>	\$2,000.00/month.
Daily Statement of Account Activity and Monthly Statement of Service Charges (monthly) <sup>123,124</sup> :	
End-of-Day Financial Institution Reconciliation Data (FIRD) File	\$200.00.
Statement of Account Spreadsheet File (SASF)	\$200.00.
Cash Management Service (CMS) Plus and Intra-day Service (monthly):	
Cash Management System (CMS) Plus—Own report—up to 12 files with <sup>125</sup>	
no OSRTN, respondent/sub-account activity	\$75.00.
Up to nine OSRTNs, respondents and/or sub-accounts	\$150.00.
10-50 OSRTNs, respondents and/or sub-accounts	\$300.00.
51-100 OSRTNs, respondents and/or sub-accounts	\$600.00.
101-500 OSRTNs, respondents and/or sub-accounts	\$900.00.
>500 OSRTNs, respondents and/or sub-accounts	\$1,200.00.
Intra-day Download Search Results in Spreadsheet Format (with AMI) <sup>126</sup>	\$200.00.
Other:	
Replacement Copies <sup>127</sup>	
Daily Statement of Account	\$10.00/copy

<sup>123</sup> Available for FedLine Web Plus, FedLine Web Premier, FedLine Advantage Plus, and FedLine Advantage Premier packages. It is also available for no extra fee in FedLine Command Plus and Direct packages.

<sup>124</sup> The End of Day Financial Institution Reconciliation Data (FIRD) and Statement of Account Spreadsheet File (SASF) are available for Master accounts only.

<sup>125</sup> Available with FedLine Plus and Premier packages.

<sup>126</sup> Available for FedLine Web Plus and Premier packages. Available for no extra fee in FedLine Advantage and higher packages.

<sup>127</sup> Charging the \$10 Replacement Copy Fee is at the discretion of Reserve Banks.

Monthly Statement of Service Charges	\$10.00/copy
Vendor Pass-Through Fee	various.
Electronic Access Credit Adjustment	various.
Electronic Access Debit Adjustment	various.

By order of the Board of Governors of the Federal Reserve System.

**Ann E. Misback,**  
*Secretary of the Board.*

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