

Frequently Asked Questions

Is this the same as Zelle and Venmo?

No. Zelle and Venmo are “peer to peer” payment rails and do not settle in real time. They are batched and settle between banks at the end of the business day. The majority of payments on these rails also occur over ACH. Therefore, they do not have the “finality” of an RTP. Lastly, Venmo and Zelle have much lower dollar limits than RTPs.

Is this something that the “average consumer” (older/less sophisticated) will have access to and/or will their bank have this setup? Many banks still don’t have Zelle/QuickPay.

The consumer’s bank would have to allow their customers to accept an RFP. Acceptance of the RFP is done through the bank’s app on a smart phone/IPAD/laptop. Currently, very few banks are offering this to their consumer customers, so it is limited right now.

Are all major banks offering RTP?

Most major banks are RTP enabled, meaning business customers can send/receive RTP payments. With regards to RFP, only two banks have enabled consumer accounts with the ability to respond to an RFP request (US Bank and CitiBank). By the first quarter of 2023, it is anticipated that Wells Fargo and Bank of America may offer this to their consumer customers.

What are the costs?

RTP is vastly cheaper to sending a wire transfer. This will differ, however, from bank to bank; they decide what they charge their customers. U.S. Bank currently charges \$4 for title clients to send/receive a wire transfer. Our RTP cost is \$0.75 to send and free to receive.

Does the client have to have an app when the agent sends the request at the table?

Yes. Real Time Payments are handled through the banking app.

Most of our closings are no longer done “at the closing table.” Closings are mostly remote... so how do you obtain the account information if you’re saying you don’t/won’t email wire instructions?

There are ultimately two scenarios. Today, initiating an RTP payment is just like sending a wire transfer so you would need that information. You could collect that info at closing or prior to closing based on your processes.

If you are utilizing the RFP functionality of RTP, Title agents will no longer need to send THEIR wire instructions to a buyer for the cash due at closing. The buyer will need to provide their account information to the title agent in order for the title agent to send the buyer an RFP and this will need to be handled in a secure methodology.

Do consumers have to go through any special preapproval process for money to be drawn from their account via RFP?

No, however, their bank must have enabled consumer accounts to receive and respond to RFP’s.

We call out our wires with our bank. Can Real Time Payments only be done electronically?

Yes, only electronically.

Does the bank have to honor real time payments?

If the bank participates with the RTP system, they will credit the receiving account with the funds and will honor the transfer. If the bank does NOT participate in the RTP system, the payment will fail at the initiating bank and will not be processed/leave that institution.

Does the lender need to approve real time funds in a different method as they source funds of closing and verify wired info source when supplied?

The new lender would verify that the borrower/buyer has funds sufficient to close in their account prior to closing. To the best of our knowledge, this would not change if the buyer elects to send cash at closing to the closing agent via RTP.

Many of our clients are based in Canada. How will this work with Canadian banks?

At this time, RTP is only available in the US.

Wouldn't the buyer need to authorize this "debit" from their account in order for RTP to withdraw the funds to send to the title company, and why should they want a third party involved in their bank info?

The RTP is sent only UPON THE AUTHORIZATION of the buyer, through their banking app. RTPs are different from a wire transfer in that instead of the closing agent sharing their wire instructions with the buyer, the buyer must provide the closing agent with THEIR bank account information so that a proper RFP can be sent to the buyer.

Would a consumer have to have access to their bank account through the bank's app on their phone to receive an RFP?

Yes.

What if a bad actor impersonates the title company and sends a Request for Payment (RFP) to the buyer?

A fraudster would have to set up an account in the title company's name, with a bank that supports RFPs. Then the fraudster would have to "steal" the buyer's name, account information and routing number for their bank (within the realm of possibility if the title agent doesn't have a secure way to obtain that information from the buyer). This is a lot of work for the fraudster, and they would have to get through the bank's "know your customer" process in order to set up the fraudulent account under the title company's name.