

PACE Act Fact Sheet

America's payment system needs an upgrade.

Sending money should be as easy and seamless as sending a text or streaming a TV show. Faster, cheaper payments will help businesses control their cash flow – settling invoices and paying vendors more quickly – while allowing everyday Americans to get paid and move money with the touch of a button.

Our system was built for the brick-and-mortar era of bank branches, physical checks, and paper invoices, not digital innovation. As a result, even though Americans rely on digital payment providers, only legacy banks have direct access to the Federal Reserve's clearing and settlement system. Entities with direct access pay the Fed [\\$0.0035 per item](#), but charge innovative payment firms up to a 100x markup, with costs passed on to consumers and businesses. And just two banks [originate](#) nearly 50% of U.S. ACH transactions, a sign of reduced competition and system resiliency.

The PACE Act modernizes our payment system.

The bipartisan Payment Access and Consumer Efficiency (PACE) Act – introduced by Rep. Young Kim (CA-40) and Rep. Sam Liccardo (CA-16) – helps solve this problem by modernizing our system to allow regulated payment firms to directly access some of the Federal Reserve's payment rails – with appropriate safeguards. The PACE Act creates an optional federal supervisory framework for nonbank payment service providers (companies like money transmitters that hold 40 state licenses) administered by the Office of the Comptroller of the Currency (OCC). Registered providers would gain access to certain Federal Reserve payment rails (Fedwire, FedNow, FedACH), allowing them to move money more quickly and efficiently.

Key Safeguards:

- Registered providers must maintain 1:1 reserves in safe, liquid assets backing customer obligations
- Providers must meet risk management and recordkeeping standards
- Providers must comply with fair access requirements

At a time of rising prices, Americans want faster, cheaper payments.

Recent [voter polling](#) conducted by the Alliance for Secure and Affordable Payments (ASAP) found that three in four voters (76 percent) support efforts to modernize payment regulations, and a clear majority of digital payment users (58 percent) believe regulated payment companies should be able to access national payment networks directly.

The U.S. is the only G7 economy without a faster payments system. In other advanced economies, payment firms have direct access, the system is safe and secure, and consumers benefit. When the UK granted payment firms direct access to its real-time system, one company [cut costs by 20%](#) and reduced transaction speeds from 15 minutes to just 20 seconds.