

judge shall be issued by December 5, 2026, and the final decision of the Commission shall be issued by June 21, 2027.

(Authority: 46 U.S.C. 41301; 46 CFR 502.61(c))

Served: December 5, 2025.

David Eng,

Secretary.

[FR Doc. 2025–22376 Filed 12–8–25; 8:45 am]

BILLING CODE 6730–02–P

FEDERAL RESERVE SYSTEM

[Docket No. OP–1873]

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 2026 of \$34.1 million and the 2026 fee schedules for Federal Reserve priced services and electronic access. These actions were taken in accordance with the Monetary Control Act of 1980 (MCA), 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, 2026.

FOR FURTHER INFORMATION CONTACT: For questions regarding the fee schedules: Ian Spear, Deputy Associate Director, (202) 285–2732; Neha Contractor, Manager, (202) 568–0125; Baran Cansever, Senior Financial Institution Policy Analyst, (202) 580–9880; 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; Sarah Skariah, Senior Financial Institution Policy Analyst, (202) 407–2042; 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 2026 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.

SUPPLEMENTARY INFORMATION:

I. Overview

As required by the 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.¹ The imputed costs and imputed profit are collectively referred to as the PSAF.

1. *Cost Recovery*—From 2015 through 2024, the Reserve Banks recovered 103.5 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® Funds Service, the National Settlement Service, the Fedwire® Securities Service, and FedACH® Services achieved full cost recovery.

In addition to long-run cost recovery as required by the MCA, the Reserve Banks also seek to manage their cost recovery any given year. For 2025, the Reserve Banks forecast that they will recover 107.8 percent of the costs of providing all mature priced services in 2025 compared with a 2025 budgeted recovery rate of 104.4 percent. The Reserve Banks forecast that each mature service will achieve full cost recovery in 2025 except for Check Services. Check Services are anticipated to recover below 100 percent because of projected declines in volume.

2. *Summary of 2026 Pricing, Project Performance, and PSAF*—The Reserve Banks are making price changes in 2026 in order to offset rising costs, diversify revenue sources, and reduce pricing volatility for customers. These changes generally include modest increases in certain fixed fees for FedACH Services, the Fedwire Funds Service, and FedLine Solutions; decreases to Fedwire Securities Service transfer and

¹ 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. 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 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 \$574.5 million cumulative reduction in equity related to the priced services’ benefit plans through 2024. Including this cumulative reduction in equity from 2015 to 2024 results in cost recovery of 103.5 percent for the 10-year period. This measure of long-run cost recovery is also published in the Board’s *Annual Report*.

maintenance fees considering the service’s cost recovery position; and significant increases to paper check fees for Check Services due to continued decline in check volumes. The Reserve Banks are not making any changes to fees for the FedNow® Service. These changes collectively will result in an average price increase of 0.9 percent for customers.

In addition to fee changes, the Reserve Banks will make changes to their service offerings in 2026. First, the Reserve Banks will introduce a new Payee Name Verification tool to support customers in efforts to reduce fraud and misdirected payments. Additionally, the Reserve Banks will sunset three products in 2026: FedComplete® Packages, the Foreign and Canadian Check Service, and FedGlobal® ACH Payments. The Foreign and Canadian Check Service and FedGlobal ACH Payments will be discontinued at the end of 2026 because of declining volumes and rising operational costs. FedComplete Packages will sunset as of January 1, 2026. Lastly, the Reserve Banks will expand eligibility for the FedACH Receipt Discount Program by lowering the required monthly threshold of ACH receipt volume.

Other than those changes discussed in Section II, all other previously approved fees and discounts currently in effect across the Reserve Banks’ Check Services, FedACH Services, Fedwire Funds Service, Fedwire Securities Service, National Settlement Service, FedNow Service, and FedLine Solutions will be maintained at this time. For a full list of fees, please refer to the Reserve Banks’ published fee schedules available at: <https://www.frb-services.org/resources/fees>.

Based on these pricing changes, the Reserve Banks project a mature priced services cost recovery rate of 108.0 percent in 2026, with a net gain of \$53.9 million and targeted ROE of \$12.6 million. The Reserve Banks project that each of the individual mature service lines will achieve full cost recovery in 2026 except for Check Services, which is expected to under recover because of projected declines in volume. The primary risk to the Reserve Banks’ current projections are unanticipated volume and revenue reductions as well as the potential for cost overruns from infrastructure maintenance and upgrades.

These estimates include a PSAF of \$34.1 million.² This amount is an

² The FedNow Service launched in July 2023. Inclusive of the FedNow Service, the PSAF increases to \$42.7 million for 2026. Per its 2019 notice entitled *Federal Reserve Actions to Support*

increase of \$2.2 million from the 2025 PSAF of \$31.9 million, an increase attributable to a \$2.8 million increase in the cost of capital partially offset by a \$0.4 million decrease in Board of Governors' expense and a \$0.2 million decrease in sales taxes. Additional details on the methodology and computation of this year's PSAF are provided in the included appendix.

Additionally, the Board has published separately a request for information and comment (RFI) on the future of the

Reserve Banks' check services, in light of the steady decline in check use, the Reserve Banks' aging check infrastructure, and other factors. The Board will use responses to this RFI to assess possible strategies for the future of the Reserve Banks' check services, including potentially substantial changes that may have longer-run effects on the payments system. Comments are due 90 days after publication.

3. *Data Tables*—The tables below provide additional details for all mature priced services.³ Table 1 summarizes 2024 actual, 2025 forecast, and 2026 budgeted annual cost recovery rates for all mature priced services. Table 2 provides an overview of cost recovery budgets, forecasts, and performance for the 10-year period from 2015 to 2024, 2024 actual, 2025 budget, 2025 forecast, and 2026 budget by mature priced service.

TABLE 1—AGGREGATE MATURE PRICED SERVICES PRO FORMA COST AND REVENUE PERFORMANCE ^a
[Dollars in millions]

Year	Revenue	Total expense	Net income (ROE)	Targeted ROE	Recovery rate after targeted ROE (%)
	1 ^b	2 ^c	3 [1 – 2]	4 ^d	5 ^e [1/(2 + 4)]
2024 (actual)	\$524.3	\$464.2	\$60.1	\$9.7	110.6
2025 (forecast)	543.8	493.7	50.4	10.8	107.8
2026 (budget)	556.0	502.1	53.9	12.6	108.0

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

^b 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 2026, the budgeted revenue assumes implementation of the fee changes.

^c 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.

^d Targeted ROE is the after-tax ROE included in the PSAF.

^e 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—MATURE PRICED SERVICES COST RECOVERY
[Percent]

Priced service	2015–2024	2024 Actual	2025 Budget ^a	2025 Forecast	2026 Budget ^b
All mature services	103.5	110.6	104.4	107.8	108.0
Check	105.6	104.2	98.2	98.6	95.0
FedACH	101.6	111.7	105.9	110.0	112.8
Fedwire Funds and NSS	102.7	110.1	103.5	106.6	108.0
Fedwire Securities	108.5	124.8	115.8	125.6	120.9

^a The 2025 budget figures reflect the final budgets as approved by the Board in December 2024. See Board of Governors of the Federal Reserve System, *2025 Federal Reserve Banks Budgets*, <https://www.federalreserve.gov/foia/files/2025ReserveBankBudgets.pdf>.

^b The 2026 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 2025.

II. Pricing Changes

Check Services

Table 3 shows the 2024 actual, 2025 forecast, and 2026 budgeted cost

recovery performance for commercial check services.

Interbank Settlement of Instant Payments (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 2026.

³ FedNow Service revenue and expenses are excluded from the overall performance projections. In its 2019 Notice, the Board communicated that it expects the FedNow 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; 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). The FedNow Service is discussed in section II.

TABLE 3—CHECK 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 ^b	2 ^c	3 [1–2]	4 ^d	5 ^e [1/(2 + 4)]
2024 (actual)	\$111.1	\$104.5	\$6.6	\$2.1	104.2
2025 (forecast)	108.7	108.1	0.6	2.1	98.6
2026 (budget)	109.8	112.7	(2.9)	2.8	95.0

1. *2025 Forecast*—The Reserve Banks forecast that Check Services will recover 98.6 percent of total expenses and targeted ROE, compared with a 2025 budgeted recovery rate of 97.5 percent.

Through August 2025, total commercial forward and total commercial return check volumes were 5.0 percent lower and 0.7 percent lower, respectively, than they were during the same period last year. For full-year 2025, the Reserve Banks estimate that total forward check volume will decline 5.4 percent (compared with a budgeted decline of 6.9 percent) and total return check volume will fall 1.3 percent (compared with a budgeted decline of 3.9 percent) from 2024 levels. The Reserve Banks expect that check volumes will continue to decline because of ongoing substitution away from checks to other payment instruments.

2. *2026 Pricing*—The Reserve Banks expect Check Services to recover 95.0

percent of total expenses and targeted ROE in 2026. The Reserve Banks project revenue to be \$109.8 million, an increase of \$1.1 million, or 1.0 percent from the 2025 forecast. Total expenses for Check Services are projected to be \$112.7 million, an increase of \$4.6 million, or 4.3 percent, from 2025 forecast expenses.

Pricing increases are intended to help stabilize check revenues given continued check volume declines and rising operational costs. To that end, in 2026, the Reserve Banks will increase fixed monthly participation fees for all tiers, all forward paper fees, certain return paper fees, and fees for certain Premium Delivery options in the FedReceipt suite of service offerings. These fee changes support the cost of maintaining FRFS Check Services infrastructure, as fewer checks are written each year. The fee changes also follow the Check Services business line's pricing strategy to increase the

share of revenue collected through fixed fees. In light of the steeper volume declines in foreign check items as compared to all check items, the 2026 pricing increases for foreign check items are intended to address rising operational costs. The Reserve Banks intend to sunset the foreign check service at the end of 2026.⁴ Tables 4–7 show the 2025 and 2026 tiered participation fees, forward paper fees, return paper fees, and Premium Delivery fees.

TABLE 4—CHECK 21 PARTICIPATION FEE STRUCTURE

Tier ⁵	2025 Monthly fee	2026 Monthly fee
1	\$550	\$1,100
2	340	500
3	215	250
4	90	100

TABLE 5—FORWARD PAPER CHECK CLEARING FEES

Forward paper check	2025 Monthly fee		2026 Monthly fee	
	Fixed/CL	Items	Fixed/CL	Items
Canadian Items—U.S. Funds	\$19.00	\$6.50	\$40.00	\$10.00
Canadian Items—Canadian Funds	19.00	6.50	40.00	10.00
Canadian CL Correction Fee		22.00		40.00
Foreign Items—GBP and EURO	15.00	25.00	40.00	40.00
Foreign Items—All Other Funds	15.00	95.00	40.00	100.00
Amount Encoding		2.50		5.00
Mixed Forward Paper Deposits	19.00	5.00	40.00	10.00

TABLE 6—RETURN LEGACY/PAPER FEES

Return paper check	2025 Monthly fee		2026 Monthly fee	
	Fixed/CL	Items	Fixed/CL	Items
Canadian Items—Returns		\$16.50		\$40.00
Foreign Items—Returns		44.00		100.00
Mixed Return Paper Deposits	19.00	8.50	40.00	10.00

⁴ More detailed communication will be forthcoming from the Reserve Banks on the wind-down of Foreign and Canadian Check Services.

⁵ 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.

TABLE 7—PREMIUM DELIVERY FEES

Premium delivery fees	2025 Monthly fee	2026 Monthly fee
8:00 a.m. ET Target	\$0.037	\$0.048
10:00 a.m. Local Target	0.022	0.029
12:00 p.m. Local Target	0.016	0.021

Additionally, the Reserve Banks evaluate and set tier assignments every other year based on changes in the volume of items received by endpoints. These tier changes are designed to keep customers assigned to the appropriate tier based on their volume. In 2026, the Reserve Banks will reassign the tier placement of about 306 customers in the FedForward Standard tiers, 354 customers in the FedForward Premium Daily tiers, 26 customers in the FedReturn® Standard tiers, and 26 customers in the FedReturn Premium Daily tiers. Following these reassignments, the Reserve Banks will charge these customer segments in accordance with their tier's

participation fee. Additionally, the Reserve Banks will reduce the volume thresholds in the Accelerated Forward Delivery service 8 percent for both Retail Payments Premium Receiver (RPPR) customers and non-RPPR customers to reflect ongoing volume declines.

The primary risk to Reserve Banks' current projections for Check Services is a greater-than-expected decline in check volumes. Check volume declines are due to the general reduction in check writing and to competition from correspondent banks, aggregators, and direct exchanges. Should those declines be greater than expected, anticipated revenue would be lower. The Reserve

Banks estimate that these cumulative price changes will result in a 5.9 percent average increase for Check Services customers.

All other previously approved prices and discounts in the Check Services Fee Schedule that are currently in effect will be maintained in 2026. For full details, please refer to the Reserve Banks' Check Services Fee Schedule available at <https://www.frb services.org/resources/fees>.

FedACH Services

Table 8 shows the 2024 actual, 2025 forecast, and 2026 budgeted cost recovery performance for commercial FedACH Services.

TABLE 8—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)]
2024 (actual)	\$190.0	\$166.5	\$23.5	\$3.7	111.7
2025 (forecast)	199.3	177.4	21.9	3.7	110.0
2026 (budget)	203.7	175.9	27.8	4.6	112.8

1. *2025 Forecast*—The Reserve Banks forecast that FedACH Services will recover 110.0 percent of total expenses and targeted ROE, compared with a 2025 budgeted recovery rate of 105.9 percent.

Through August 2025, FedACH commercial origination and receipt volume were 9.6 percent higher and 5.9 percent higher, respectively, than they were during the same period last year. For full-year 2025, the Reserve Banks estimate that FedACH commercial origination and receipt volume will increase 8.6 percent and 5.4 percent, respectively, from 2024 levels, compared with a budgeted increase for commercial origination of 4.9 percent and receipt of 3.9 percent.

2. *2026 Pricing*—The Reserve Banks expect FedACH Services to recover 112.8 percent of total expenses and targeted ROE in 2026. The Reserve Banks project revenue to be \$203.7 million, an increase of \$4.4 million, or 2.2 percent, from the 2025 forecast. Total expenses are projected to be

\$175.9 million, a decrease of \$1.5 million, or 0.8 percent, from the 2025 forecast.

The Reserve Banks will expand eligibility for the FedACH Receipt Discount Program in 2026 by lowering the Level Two monthly receipt discount threshold from 5 million to 1 million items. As a result, depository institutions that receive between 1 million and 5 million items per month and enroll in the program will be eligible for the same benefits currently available to institutions receiving between 5 million and 30 million items, as outlined at <https://www.frb services.org/financial-services/ach/receipt-discount-program>.

The Reserve Banks will also increase the FedACH Information File Extract Fee per routing transit number by 6 percent from \$180 to \$190 per month. The service provides subscribing financial institutions an information-only copy of a FedACH file, allowing them to perform additional processing outside of their core ACH system. The

fee increase is intended to address rising operational costs and enhancements across the FedACH product suite.

The Reserve Banks also will introduce a new Payee Name Verification tool to support customers in efforts to reduce fraud and misdirected payments. This expansion of the FedDetect® Notification Services will help FedACH customers assess whether the information supplied by the sender corresponds with the intended destination account. Payee Name Verification will work by searching historic FedACH data for past transactions to that payee account, comparing the submitted name with previous recipients. The Payee Name Verification will be priced at \$0.02 per transaction. The service will initially only be available for FedACH customers, but the Reserve Banks may expand service access via other payment rails in the future.

The Reserve Banks ended FedGlobal ACH Payments service to Europe and Canada in 2023 because of low

transaction volumes. Given continued FedGlobal ACH Payments volume declines and rising operational costs, the Reserve Banks intend to sunset the remaining FedGlobal ACH Payments services to Mexico and Panama at the end of 2026.⁶

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

customer attrition or economic conditions. The Reserve Banks estimate these cumulative price changes will result in a 0.1 percent average decrease for FedACH customers.

All other previously approved price points and discounts in the FedACH Fee Schedule that are currently in effect will be maintained in 2026. For full details, please refer to the FedACH Fee

Schedule available at <https://www.frb services.org/resources/fees>.

Fedwire Funds Service and National Settlement Service

Table 9 shows the 2024 actual, 2025 forecast, and 2026 budgeted cost recovery performance for the Fedwire Funds Service and the National Settlement Service.

TABLE 9—FEDWIRE FUNDS SERVICE AND NATIONAL SETTLEMENT SERVICE 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)]
2024 (actual)	\$170.3	\$151.7	\$18.6	\$3.0	110.1
2025 (forecast)	178.0	162.7	15.2	4.1	106.6
2026 (budget)	181.8	164.4	17.4	4.0	108.0

1. *2025 Forecast*—The Reserve Banks forecast that the Fedwire Funds Service and the National Settlement Service will recover 106.6 percent of total expenses and targeted ROE, compared with a 2025 budgeted recovery rate of 103.5 percent.

Through August 2025, Fedwire Funds Service online volume has been 3.5 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 2025. Through August 2025, the National Settlement Service settlement file volume was 1.3 percent lower than it was during the same period last year, and settlement entry volume was 0.3 percent higher. For full-year 2025, the Reserve Banks estimate that settlement file volume will decrease 1.3 percent (compared with a budgeted increase of 0.4 percent) and settlement entry volume will increase 0.3 percent (compared with a budgeted 0.4 percent decrease) from 2024 levels.

2. *2026 Pricing*—The Reserve Banks expect the Fedwire Funds Service and the National Settlement Service to

recover 108.0 percent of total expenses in 2026. The Reserve Banks project revenue to be \$181.8 million, an increase of \$3.8 million, or 2.1 percent, from the 2025 forecast. The Reserve Banks project total expenses to be \$164.4 million, an increase of \$1.7 million, or 1.0 percent, from the 2025 forecast.

The Reserve Banks will increase the Fedwire Funds Service participation fee from \$120 to \$125. In addition, the Tier 2 and Tier 3 monthly fixed fees will increase from \$250 to \$300 and \$500 to \$600, respectively.⁷ The Reserve Banks will also change National Settlement Service fees for 2026. The per-file fee will increase from \$40 to \$45, and the per-entry fee will increase from \$1.95 to \$2.10.

These fee increases are intended to offset rising costs, primarily from the transition to the ISO® 20022 message format, and to better balance fixed fees with variable revenue.⁸ Further, the fee increases are intended to be commensurate with customer usage and are structured so that smaller customers are not disproportionately impacted. In

addition, the fee increases serve 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 primary risk to Reserve Banks’ 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.⁹ The Reserve Banks estimate that these cumulative price changes will result in a 2.8 percent average price increase for Fedwire Funds Service and National Settlement Service customers.

All other previously approved prices and discounts in the Fedwire Funds Service and National Settlement Service Fee Schedules that are currently in effect will be maintained in 2026. For full details, please refer to the Reserve Banks’ Fedwire Funds Service and National Settlement Service Fee Schedules available at <https://www.frb services.org/resources/fees>.

⁶ More detailed communication will be forthcoming from the Reserve Banks on the full wind-down of FedGlobal ACH Payments.

⁷ This fee is based on the volume tier thresholds. 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). The 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. For example, if a parent customer has affiliates in the Tier 2 and Tier 3 volume thresholds, the parent will be assessed the corresponding \$600 Tier 3 monthly fee.

⁸ The Federal Reserve Banks adopted the ISO 20022 message format for the Fedwire Funds Service on July 14, 2025. For additional information see <https://www.frb services.org/resources/financial-services/wires/iso-20022-implementation-center>.

⁹ 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 [FRB services.org](https://www.frb services.org), *Fedwire Funds Service—Annual Statistics*, <https://www.frb services.org/resources/financial-services/wires/volume-value-stats/annual-stats.html>.

Fedwire Securities Service

recovery performance for the Fedwire Securities Service.¹⁰

Table 10 shows the 2024 actual, 2025 forecast, and 2026 budgeted cost

TABLE 10—FEDWIRE SECURITIES SERVICE 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)]
2024 (actual)	\$53.0	\$41.6	\$11.4	\$0.9	124.8
2025 (forecast)	58.2	45.5	12.7	0.9	125.6
2026 (budget)	60.8	49.1	11.7	1.1	120.9

1. *2025 Forecast*—The Reserve Banks forecast that the Fedwire Securities Service will recover 125.6 percent of total expenses and targeted ROE, compared with a 2025 budgeted recovery rate of 115.8 percent.

Through August 2025, Treasury security transfer volume was 14.6 percent higher than it was during the same period last year. For full-year 2025, the Reserve Banks estimate that Treasury security transfer volume will increase 15.4 percent from 2024 levels, compared with a budgeted increase of 9.9 percent. Through August 2025, Agency security transfer volume was 3.3 percent higher than it was during the same period last year. For full-year 2025, the Reserve Banks estimate that Agency security transfer volume will increase 1.1 percent from 2024 levels, compared with a budgeted increase of 0.4 percent.

Through August 2025, account maintenance volume was nearly unchanged (0.02 percent increase) compared with the same period last year. For full-year 2025, the Reserve Banks estimate that account maintenance volume will remain nearly unchanged (0.03 percent decrease), consistent with recent trends and primarily driven by a reduction in joint custody accounts, compared with a budgeted decline of 0.8 percent. Through August 2025, the volume of Agency issues maintained was 2.1 percent higher than it was during the same period last year. For full-year 2025, the Reserve Banks estimate that the volume of Agency issues maintained will increase 2.0 percent from 2024 levels, compared with a budgeted change of 0.1 percent.

2. *2026 Pricing*—The Reserve Banks expect the Fedwire Securities Service to recover 120.9 percent of total expenses

and targeted ROE in 2026. Revenue is projected to be \$60.8 million, an increase of \$2.6 million, or 4.4 percent, from the 2025 revenue forecast. The Reserve Banks also project that 2026 expenses will be \$49.1 million, an increase of \$3.6 million, or 7.9 percent from the 2025 forecast.

The Reserve Banks will decrease the transfer and monthly maintenance fees and moderately raise fees related to the Automated Claim Adjustment Process (ACAP). The transfer fees will decrease from \$0.61 per transfer to \$0.55 per transfer. The monthly account maintenance fee will also decrease from \$57.50 to \$51.50 per account, and the issue maintenance fee will decrease from \$0.61 to \$0.55 per issue per account. Separately, the ACAP-related fees will increase based on the table below to better align the cost of providing these services with overall revenue.

TABLE 11—FEDWIRE SECURITIES SERVICE ACAP FEE SCHEDULE CHANGES

ACAP fees	Current 2025 fee	Proposed 2026 fee
Fail Claim Adjustment Fee (debit/credit)	\$1.00	\$1.10
Interim Claim Adjustment Fee	1.00	1.10
Repo Claim Adjustment Fee	1.00	1.10
Securities Lending Claim Adjustment Fee	1.00	1.10
Repo Start Fee/Reversal Fee	0.10	0.11
Repo Close Fee/Reversal Fee	0.10	0.11
Repo Balance Only Adjustment Fee/Reversal Fee	0.10	0.11
Securities Lending Start Fee/Reversal Fee	0.10	0.11
Securities Lending Close Fee/Reversal Fee	0.10	0.11
Securities Lending Balance Only Adj Fee/Rev Fee	0.10	0.11
Repo Position Maintenance Fee	0.03	0.04
Securities Lending Position Maintenance Fee	0.03	0.04

The volume of Treasury security transfers is projected to continue its

¹⁰ The Reserve Banks provide transfer services for securities issued by the U.S. Treasury, federal government agencies, government-sponsored enterprises, and certain international institutions. Before 2023, the priced component of this service consisted of revenues, expenses, and volumes

record growth trend primarily because of debt issuance by the Treasury. The volume of accounts maintained are

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.

expected to decrease consistent with recent trends and primarily driven by a reduction in joint custody accounts. The volume of Agency issues maintained is expected to increase in line with the increasing count of unique securities outstanding on the service.

The primary risks to the Reserve Banks' current projections for the Fedwire Securities Service include variations in product volume forecasts stemming from an uncertain macroeconomic outlook and market conditions. The Reserve Banks estimate these cumulative price changes will result in a 9.4 percent average price decrease for Fedwire Securities Service customers.

All other previously approved prices and discounts in the Fedwire Securities Service Fee Schedule that are currently in effect will be maintained in 2026. For full details, please refer to the Reserve Banks' Fedwire Securities Fee Schedule available at <https://www.frbsservices.org/resources/fees>.

FedNow Service

1. **2025 Forecast**—The Reserve Banks forecast that the FedNow Service will generate a total of \$235.1 million in operating expenses in 2025.

The number of transactions processed by the FedNow Service in 2025 is modest and consistent with the Federal Reserve's expectations for a new service line. From January through August 2025, the transaction volume of the FedNow Service totaled 5,140,518 transactions. Broad adoption of the FedNow Service across an industry with more than 9,000 financial institutions will be a gradual journey, similar to that of other new payment services, such as 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.¹¹

2. **2026 Pricing**—In 2026, the Reserve Banks project total operating expenses to be \$230.3 million, which will be a decrease of \$4.8 million, or 2.0 percent from the 2025 forecast.¹²

The FedNow Service intends to continue the discounts and incentives currently in place through 2026. These include the participation fee discounted to \$0, the first 2,500 transactions per month discounted to \$0, and the FedLine connectivity discount program. These continued discounts reflect the nascency of the FedNow Service and the desire for financial institutions to

experiment with new use cases. The Reserve Banks will revisit FedNow discounts and pricing structures after 2026.

For full details concerning FedNow pricing and discounts, please refer to the Reserve Banks' FedNow Service Fee Schedule available at <https://www.frbsservices.org/resources/fees>.

FedLine Solutions

There are currently five FedLine Solutions channels through which customers can access the Reserve Banks' priced services: FedMail®, FedLine Web®, FedLine Advantage®, FedLine Command®, and FedLine Direct®. The Reserve Banks currently bundle these channels into 10 FedLine Solutions packages that are supplemented by a number of premium (or à la carte) access and accounting information options.

In 2026, the Reserve Banks will increase the monthly fee for the FedLine Direct Solution's additional 2 mbps (megabits per Second) WAN (Wide Area Network) Connection service from \$3,000 to \$3,300. This is an à la carte upgrade to the FedLine Direct Solution that offers enhanced connection reliability, network performance, and operational continuity during failovers or maintenance. The price change to this component of the FedLine Direct Solution is primarily driven by rising costs related to recent network vendor changes, hardware upgrades, and operational enhancements to the FedLine channels' infrastructure.

Beginning in January 2026, the Reserve Banks will discontinue FedComplete packages, which are bundled offerings of FedLine connections and a fixed number of FedACH Services, Fedwire Funds Services, and Check Services transactions. These changes are intended to simplify the billing process for customers and to streamline internal operations across the FedLine product suite. There will be no disruption in service for customers currently using FedComplete Packages; these institutions will maintain electronic access and payment service connectivity but will be billed as an unbundled FedLine Advantage base, Plus, or Premier customer.

The Reserve Banks estimate these cumulative price changes will result in a 2.5 percent average price increase for FedLine customers. All other previously approved price points and discounts in the FedLine Fee Schedule that are currently in effect will be maintained in 2026. For full details, please refer to the FedLine Fee Schedule available at <https://www.frbsservices.org/resources/fees>.

III. 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*.¹³ Under this policy, the Board 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 2026 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 dominant 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.

¹¹ 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.

¹² During the time in 2023 when the FedNow Service was in production, expenses (including imputed costs) totaled \$99.7 million.

¹³ See Board of Governors of the Federal Reserve System, *Policies: The Federal Reserve in the Payments System*, https://www.federalreserve.gov/paymentsystems/pfs_frpaysys.htm.

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

Benjamin W. McDonough,
Deputy Secretary of the Board.

Appendix

Private-Sector Adjustment Factor Methodology and Computation

The imputed debt financing costs, targeted ROE, and effective tax rate are based on a U.S. publicly traded market model.¹⁴ 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.¹⁵

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-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.

¹⁴ Data for U.S. publicly traded firms is from the Standard and Poor's Compustat® 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.

¹⁵ The pension assets are netted with the pension liabilities and reported as a net asset or net liability as required by ASC 715.

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.¹⁶ 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*.¹⁷ 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.¹⁸ 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

¹⁶ 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).

¹⁷ 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. See also CPMI-IOSCO, *Principles for Financial Market Infrastructures* (April 2012), <https://www.bis.org/cpmi/publ/d101a.pdf>.

¹⁸ 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.

services. The Fedwire Funds 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.¹⁹ 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 2026 budget, six months of current operating expenses is \$71.4 million. In 2026, equity was sufficient to meet the FDIC capital and 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 2026 PSAF is \$34.1 million, compared with \$31.9 million in 2025. The increase of \$2.2 million is attributable to a net \$2.8 million increase in the cost of capital, partially offset by a decrease in Board of Governors' expense, \$0.4 million, and a decrease in sales taxes, \$0.2 million. The net \$2.8 million increase in cost of capital is driven by a \$3.6 million increase in ROE, primarily from higher equity resulting from an increase in long-term assets to finance as noted in Table 12 and higher long-term debt resulting in a \$0.5 million increase in cost of debt.

The PSAF expense of \$34.1 million, detailed in table 14, includes \$22.6 million for capital funding, \$7.2 million for Board of Governors' expense, and \$4.3 million in sales tax expense.

As shown in table 12, 2026 total assets of \$991.9 increased by \$101.6 million from 2025. The net increase in total assets includes an additional \$82.6 million in imputed investments and short-term assets and a \$19.0 million increase in long-term assets driven by an increase in pension assets.

The net increase of \$82.6 million primarily consists of a \$68.2 million increase in the

¹⁹ 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.

imputed investments and a \$14.4 million increase driven by short-term assets. The imputed investment increase reflects a \$75.0 million increase from float.¹³ The \$14.4 million increase in short-term assets is driven by an increase in prepaid expenses.

The \$19 million increase in the long-term assets is primarily driven by a \$24.4 million increase in the net pension asset, partially offset by a \$3.2 million decrease in furniture and equipment and a \$5.7 million decrease in software and leasehold improvements.

The capital structure of the 2026 pro forma balance sheet, provided in table 13, is

composed of equity of \$91.5 million, or 15 percent of the 2026 risk-weighted assets detailed in table 15, and long-term debt of \$135.1 million. The 2026 capital structure aligns with that of 2025, which was composed of \$91.5 million of equity and \$135.1 million of long-term debt. As shown in table 14, the 2026 imputed equity required to fund assets and meet the publicly traded firm model capital requirements is \$91.5 million. As long-term assets are marginally greater than long-term liabilities, long-term debt of \$135.1 million was imputed at the observed market ratio of 59.6 percent. The

equity of \$91.5 million was adequate to meet the FDIC capital requirements for a well-capitalized institution and satisfy PSR policy requirements.

The net accumulated other comprehensive loss is \$553.0 million, compared with \$563.3 million in 2025. The \$10.3 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.

TABLE 12—COMPARISON OF PRO FORMA BALANCE SHEETS FOR BUDGETED FEDERAL RESERVE MATURE PRICED SERVICES^a

[Millions of dollars—projected average for year]

	2026	2025	Change
Short-term assets:			
Receivables	\$46.3	\$44.3	\$2.0
Inventory	0.1	0.4	(0.3)
Prepaid expenses	39.9	34.2	5.7
Items in process of collection ²⁰	65.0	58.0	7.0
Total short-term assets	\$151.3	\$136.9	\$14.4
Imputed investments: ²¹			
Imputed investment in Treasury securities	\$0.0	\$6.8	\$(6.8)
Imputed investment in Fed Funds	368.0	293.0	75.0
Total imputed investments	\$368.0	\$299.8	\$68.2
Long-term assets:			
Premises ²²	\$108.2	\$105.3	\$2.9
Furniture and equipment	57.6	60.8	(3.2)
Software and leasehold improvements	68.8	74.5	(5.7)
Net pension asset	106.8	82.4	24.4
Deferred tax asset	131.2	130.6	0.6
Total long-term assets	\$472.6	\$453.6	\$19.0
Total assets	\$991.9	\$890.3	\$101.6
Short-term liabilities:			
Deferred credit items	\$433.0	\$351.0	\$82.0
Short-term debt	9.0	42.2	(33.2)
Short-term payables	77.3	36.8	40.6
Total short-term liabilities	\$519.3	\$430.0	\$89.3
Long-term liabilities:			
Postemployment/postretirement benefits and net pension liabilities ²³	\$246.0	\$292.5	\$(46.3)
Long term debt	135.1	96.1	39.0
Total liabilities	\$900.4	\$818.6	\$81.8
Equity ²⁴	\$91.5	\$71.7	\$19.8
Total liabilities and equity	\$991.9	\$890.3	\$101.6

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

²⁰ Credit float, which is 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.

²¹ 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 \$71.6 million. In 2026, imputed equity was sufficient to meet PSR policy requirements.

²² Includes the allocation of Board of Governors assets to priced services of \$7.2 million for 2026 and \$5.2 million for 2025.

²³ Includes the allocation of Board of Governors liabilities to priced services of \$1.2 million for 2026 and \$1.4 million for 2025.

²⁴ Includes an accumulated other comprehensive loss of \$553.0 million for 2026 and \$563.3 million for 2025, 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 14 for calculation of required imputed equity amount.

TABLE 13—IMPUTED FUNDING FOR MATURE PRICED SERVICES ASSETS A
[Millions of dollars]

	2026	2025
A. Short-term asset financing:		
Short-term assets to be financed:		
Receivables	\$46.3	\$44.3
Inventory	0.1	0.4
Prepaid expenses	39.9	34.2
Total short-term assets to be financed	\$86.3	\$78.9
Short-term payables	77.3	36.8
Net short-term assets to be financed	\$9.0	\$42.2
Imputed short-term debt financing ²⁵	\$9.0	\$42.2
B. Long-term asset financing:		
Long-term assets to be financed:		
Premises	\$108.2	\$105.3
Furniture and equipment	57.6	60.8
Software and leasehold improvements	68.8	74.5
Net pension asset	106.8	82.4
Deferred tax asset	131.2	130.6
Total long-term assets to be financed	\$472.6	\$453.6
Postemployment/postretirement benefits and net pension liabilities	246.0	292.5
Net long-term assets to be financed	\$226.6	\$161.1
Imputed long-term debt ²⁹	135.1	96.1
Imputed equity ²⁹	91.5	65.0
Total long-term financing *	\$226.6	\$161.1

^a Excludes amounts related to the FedNow Service.

TABLE 14—DERIVATION OF THE PSAF FOR MATURE PRICED SERVICES ^a
[Dollars in millions]

	2026		2025	
	Debt	Equity	Debt	Equity
A. Imputed long-term debt and equity:				
Net long-term assets to finance	\$226.6	\$226.6	\$161.1	\$161.1
Capital structure observed in market	59.6%	40.4%	59.7%	40.3%
Pre-adjusted long-term debt and equity	\$135.1	\$91.5	\$96.1	\$65.0
Equity adjustments: ²⁶				
Equity to meet capital requirements		\$91.5		\$65.0
Adjustment to debt and equity funding given capital requirements ²⁷				
Adjusted equity balance		\$91.5		\$65.0
Equity to meet capital requirements ²⁸				
Total imputed long-term debt and equity *	\$135.1	\$91.5	\$96.1	\$65.0
B. Cost of capital:				
Elements of capital costs:				
Short-term debt ²⁹	\$9.0 × 4.4% = \$0.4		\$42.2 × 5.4% = \$ 2.3	
Long-term debt ³⁰	\$135.1 × 4.9% = \$6.6		\$96.1 × 4.4% = \$4.2	
Equity ³⁰	\$91.5 × 17.1% = \$15.6		\$65.0 × 18.6% = \$12.1	

²⁵ Imputed short-term debt financing is computed as the difference between short-term assets and short-term liabilities. As presented in table 14, 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.

²⁶ 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 13 and 15). In 2026, the amount of imputed equity met the minimum equity requirements for risk-weighted assets.

²⁷ 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.

²⁸ Additional equity in excess of that needed to fund priced services assets is offset by an asset balance of imputed investments in Treasury securities.

²⁹ Imputed short-term debt and long-term debt are computed in table 13.

³⁰ The 2026 ROE is equal to a risk-free rate plus a risk premium (beta * market risk premium). The 2026 after-tax CAPM ROE is calculated as 4.43% + (1.0 * 9.30%) = 13.73%. Using a tax rate of 19.54%, the after-tax ROE is converted into a pretax ROE, which results in a pretax ROE of (13.73% / (1 - 19.54%)) = 17.07%. Calculations may be affected by rounding.

TABLE 14—DERIVATION OF THE PSAF FOR MATURE PRICED SERVICES ^a—Continued
[Dollars in millions]

	2026		2025	
	Debt	Equity	Debt	Equity
C. Incremental cost of PSR policy: Equity to meet policy*	\$— × 17.1% = —		\$0 = \$6.8 × 18.6% = \$1.3	
D. Other required PSAF costs:				
Sales taxes		\$4.3		\$4.5
Board of Governors expenses		7.2		7.6
		\$11.5		\$12.1
E. Total PSAF:		\$34.1		\$31.9
As a percent of assets		3.4%		3.6%
As a percent of expenses		3.8%		3.4%
F. Tax rates		19.54%		18.91%

^aExcludes amounts related to the FedNow Service.

* Total equity to meet policy has been restated for 2025.

TABLE 15—COMPUTATION OF 2026 CAPITAL ADEQUACY FOR FEDERAL RESERVE MATURE PRICED SERVICES ^a
[Dollars in millions]

	Assets	Risk weight	Weighted assets
Imputed investments:			
1-Year Treasury securities ³¹	\$	0.0	\$
Federal funds ³²	368.0	0.2	73.6
Total imputed investments	368.0		73.6
Receivables	\$46.3	0.2	\$9.3
Inventory	0.1	1.0	0.1
Prepaid expenses	39.9	1.0	39.9
Items in process of collection	65.0	0.2	13.0
Premises	108.2	1.0	108.2
Furniture and equipment	57.6	1.0	57.6
Software and leasehold improvements	68.8	1.0	68.8
Pension asset	106.8	1.0	106.8
Deferred tax asset	131.2	1.0	131.2
Total	\$991.9		\$608.5
Imputed equity:			
Capital to risk-weighted assets	15.0%		
Capital to total assets	9.2%		

^aExcludes amounts related to the FedNow Service.

[FR Doc. 2025–22268 Filed 12–8–25; 8:45 am]

BILLING CODE 6210–01–P

FEDERAL RESERVE SYSTEM

[Docket No. OP–1874]

Request for Information and Comment on the Future of the Federal Reserve Banks' Check Services

AGENCY: Board of Governors of the
Federal Reserve System.

ACTION: Request for information and
comment.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) seeks public input on questions related to the future of the Federal Reserve Banks' (Reserve Banks') check services. The Board will use responses to this request for information (RFI) to assess possible strategies for the future of the Reserve Banks' check services, including potentially substantial changes that may have longer run effects on the payments system. In addition, the Board will use

³¹ 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/>.

³² The investments are imputed based on the amounts arising from the collection of items before providing credit according to established availability schedules.