

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Date: November 14, 2025

To: Board of Governors

From: Staff¹

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

ACTION REQUESTED

Staff request approval to publish the attached *Request for Information* (RFI), which seeks public input on questions related to the future of the Federal Reserve Banks' (Reserve Banks') check services. Staff also request authority to make technical, non-substantive changes to the RFI prior to publication in the *Federal Register*.

DISCUSSION

For the reasons discussed below, staff believe now is an appropriate time to seek public input on questions related to the future of the Reserve Banks' check services. Responses to the RFI can be used to assess possible strategies for the future of the Reserve Banks' check services, and other actions that the Federal Reserve System could consider with respect to checks, in partnership with the industry, to support the overall safety and efficiency of the payments system.

Several trends have impacted check usage since their peak in 1992. For example, the RFI discusses the ongoing declines in check volumes, the increasing availability and use of alternative payment channels, and rising levels of fraud in the check space. At the same time, the RFI acknowledges that millions of checks are still written each year, and discusses why certain

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consumers and businesses continue to favor checks as an instrument. As these trends in check usage unfold, the Reserve Banks' check-processing infrastructure is aging and will soon require substantial investments relative to ongoing operating costs to support existing service levels. At the same time, parts of the federal government are transitioning away from check usage.²

Given these factors, staff recommends the Board seek views from the payments industry and wider public on potential strategies for the future of the Reserve Banks' check services. As described in the RFI, these potential future strategies could range from foregoing needed investments to keep operating costs at existing levels, with expected service degradation over time; to significantly simplifying the service, with reduced operating costs; to substantially winding down the service and eliminating significant operating costs; to investing heavily to maintain and potentially improve the service with higher operating costs. The operating costs of the Reserve Banks' check services must be recovered by law, over the long run, through fees charged to depository institutions.³ The range of potential strategies would have different implications for the fees charged as well as the level of service provided.

The RFI is not a proposal for any specific action but rather seeks input from different stakeholders, including banks, businesses, and individual consumers on a range of factors and preferences. For example, the RFI includes questions on current use of the Reserve Banks' check services, impacts from possible changes to those services, the expected evolution of check use over time, and willingness to incur costs or make additional investments to continue to use

² Specifically, the U.S. Department of Treasury released an RFI on May 30, 2025, seeking input on its implementation of Executive Order 14247, which calls for the federal government to transition away from checks to electronic payments for both disbursements and collections (with limited exceptions) and could lead to a continued or even accelerated decline in check volumes. U.S. Department of the Treasury, "Treasury Releases Request for Information related to the Executive Order 14247 'Modernizing Payments To and From America's Bank Account'" (2025), <https://home.treasury.gov/news/press-releases/sb0150>. The comment period closed on June 30, 2025.

³ 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.

checks. This approach aims to ensure that any future strategies for the check services will be well-informed, associated tradeoffs will align with stakeholder needs, and the direction will support an efficient and secure payments system.

RECOMMENDATIONS:

Based on the foregoing, staff recommend that the Board approve the attached RFI for publication in the *Federal Register*. Staff also recommend that the Board delegate to staff authority to make technical, non-substantive changes to the attached materials to prepare them for publication in the *Federal Register*.

Attachment