

16 APIs That Will Transform the Financial Services Industry

Many payments providers, financial institutions and leading financial services firms have been using APIs to broaden and enhance services, increase automation and strengthen security. But without standardization businesses – and their consumers – cannot reap the full the potential of APIs.

In recognition of the importance of API standardization, the API Standardization Industry Group has identified the first 16 APIs determined to have an immediate impact on the payments ecosystem and the financial services industry. They fall into three categories: Fraud & Risk Reduction, Data Sharing and Payment Access. **The highlighted APIs will be developed first.**



FRAUD & RISK REDUCTION

1. API: Account Validation*

This API ensures target accounts are valid and payments are posted as desired.

2. API: Federal & State Tax Payment Receiver Account Validation for Credit Payments*

This API uses a standardized process to provide improved safety for government disbursements.

3. API: Get Bank Contact Information

This API allows originating financial institutions to quickly alert receiving financial institutions of potential fraud to help ensure funds are not distributed.

4. API: Industry Notification of Account Closure

This API allows financial institutions to provide information on closed accounts in a more timely manner to prevent fraud.

5. API: Payer & Payee Identity Verification

This API provides for a centralized model allowing participants in payments systems to verify the identity of payers or payees, reducing fraud.

6. API: Request Account Token

This API standardizes the process utilized by financial institutions for tokenization to protect consumer's sensitive information.



DATA SHARING

7. API: Credit Decisions

This API provides the ability to gather information needed to make credit decisions from providers and receive the information in a standard method/format.

8. API: Get Account Balance**

This API provides for the ability to request account balance and receive that data in a standardized method /format, standardizing security, data access, and messaging for permissions-based transactions.

9. API: Get Account History**

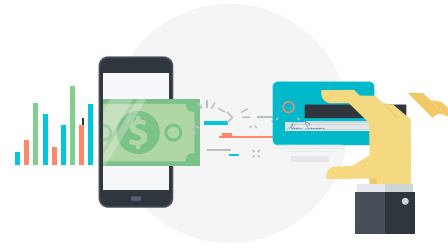
This API provides for the ability to request account history and receive that data in a standardized method/format, standardizing security, data access, and messaging for permissions-based transactions.

10. API: Marketing Purpose

This API improves the ability to efficiently gather customer data from and deliver it in a standard method/format.

11. API: Single Sign On

This API provides an easy-to-support method for financial institutions' customers to connect to multiple applications requiring a log in through a single sign on capability.



PAYMENT ACCESS

12. API: Financial Institution Approval/Enrollment of ACH Originators

This API speeds up the process of enrolling for ACH origination - as risk management and regulatory compliance can make the process cumbersome for financial institutions - and lowers the costs for financial institutions.

13. API: Human-to-Machine (IoT)

This API supports inclusion of payments into more devices including wearables, single-purpose payment devices, ATMs and vending machines.

14. API: Interoperability

This API supports interoperability by creating a set of standards for payment initiation and routing determination between payers and payees using different networks.

15. API: Real-Time Messaging & ACH Network Interoperability for "Credit Push" Payments

This API enables real-time messaging between the sender and receiver or processor so that payment instruction may be accepted in real time and processed with ACH batch settlement, providing enhanced visibility into payments and better cash management for businesses.

16. API: Transaction Status

This API provides the Originator of a payment with the status of the transaction via real-time message.

*API: Account Validation and API: Federal & State Tax Payment Receiver Account Validation for Credit Payments will be combined and developed as a single API.

**API: Get Account Balance and API: Get Account History will be combined and developed as a single API.

ABOUT THE API STANDARDIZATION INDUSTRY GROUP

The API Standardization Industry Group is a diverse group of organizations and individuals working to support advancement and use of standardized APIs within the U.S. financial services industry.

The Group is made up of leaders from financial institutions, fintechs, businesses, service providers, standards organizations and others, all of whom have a desire to further efforts to standardize the use of APIs in the U.S. The API Standardization Industry Group is sponsored by NACHA's Payments Innovation Alliance. For more information or to join, visit www.nacha.org/content/api-standardization-industry-group.