

Compliance Deep Dive: Jack Henry Rapid Transfers & Tap2Local

Based on the Q&A report from the February 17, 2026 Compliance Meetup, here is the formatted summary for your attendees. This guide focuses on the key operational and regulatory questions surrounding Jack Henry™ Rapid Transfers and Tap2Local™.

Operational Readiness and Support

Q: Does this compliance session apply to Mastercard-based (in addition to Visa-based) institutions?

A: Yes. While Visa was a primary topic, Rapid Transfers is a card-rail-based mechanism that leverages both Mastercard Send and Visa Direct to provide near-immediate funds availability.

Q: Is Rapid Transfers the same as RTP or FedNow?

A: No. Rapid Transfers is an entirely different platform that uses card rails rather than banking rails to move funds.

Q: Are we required to update our disclosures in order to use Rapid Transfers?

A: While not strictly required, many institutions choose to add product-specific disclosures to the FI-managed portion of their End User License Agreement (EULA).

Q: Where can we get more detailed advice on implementation for Rapid Transfers and Tap2Local?

A: We are hosting weekly Office Hours for both [Jack Henry Rapid Transfers](#) and [Tap2Local](#), which we highly recommend to gain insight into how other banks and credit unions are handling disclosures and technical configurations.

Risk & Fraud Controls

Q: How does the system verify the cardholder's name when adding a card to make a Rapid Transfer?

A: The platform uses Account Name Inquiry (ANI), which requires a 100% match on the last name and a partial match on the first and middle names.

Q: Does Address Verification (AVS) check physical or mailing addresses?

A: The system verifies the address on file with the issuing bank. For most institutions, this is the physical address, though it can vary.

Q: Can we implement a "wait period" for new accounts before they can use Rapid Transfers?

A: Yes. Linking a card is treated as a [High-Risk Action \(HRA\)](#). You can utilize existing Banno HRA settings to enforce wait periods for new devices or accounts.

Q: Can we block pre-paid debit cards from using Rapid Transfers?

A: Currently, there is no manual toggle to turn off pre-paid cards. However, only pre-authorized reloadable cards with an associated name are allowed; many standard pre-paid cards are automatically ineligible.

Transaction Limits & Overdrafts

Q: Can we set limits at an individual user level for Rapid Transfers?

A: Currently, limits are set globally for Retail and Business segments. However, a feature allowing specific limits per user is on the roadmap.

Q: How are overdrafts (OD) handled with Rapid Transfers?

A: Rapid Transfers follow your core's standard available balance calculations. If your core settings prevent overdrafts, the transfer will not fund. If an OD does occur, it is treated as a standard card debit according to your financial institution's policy.

Compliance & Reporting

Q: Do these transactions flow to Yellow Hammer for monitoring?

A: They are not real-time to Yellow Hammer, but because they settle on your existing core, they flow into Yellow Hammer for Fraud/BSA checks during your standard data processing cycles.

Q: Are real-time alerts available for these transaction types?

A: Yes. The platform supports sending alerts to Financial Crime Defender (FCD) for High-Risk Action exceptions. This is currently in BETA.

Q: What reporting is available for settlement?