

**Testimony of Rodney Williams
Co-Founder & Chief Commercial Officer
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**Before the House Committee on Financial Services
Task Force on Financial Technology
“The Future of Real-Time Payments”**

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Chairman Lynch, Ranking Member Hill, and members of the Task Force, thank you for the opportunity to testify today. My name is Rodney Williams and I am the Co-Founder and Chief Commercial Officer at LISNR, an ultrasonic proximity company that enables a universal & secure proximity mobile payment method. I am pleased to participate in this panel hearing along with my esteemed colleagues.

As a financial technology founder, I've spent the past seven years creating technology around inefficiencies in how we pay with LISNR and in how we give access to funds for individuals in need of discretionary capital with SoLo Funds where I currently serve as an advisor. Both innovations were driven by the limitations of our current payment infrastructure and my experience growing up disenfranchised.

LISNR was founded in 2012 with a simple idea - a way to transmit data between two devices using software and the mobile devices' speaker and microphone. Since then, LISNR has advanced the security and flexibility of our transmission method to support proximity-based mobile payments and checkout experiences. Today, LISNR is actively working with the world's leading merchants and card networks on what will become a better way to pay.

Proximity Payments

LISNR's premise in payments has always been straight forward, anyone with a mobile phone should be able to pay in proximity securely & universally. Today, secure mobile payments in-store are driven by card networks & mobile device manufacturers' use of Near Field Communication (NFC). This control limits the use of NFC only to mobile device manufacturer services as all other 3rd party mobile applications are restricted from using NFC for proximity payment services. This significantly restricts what is considered a safe & secure way to pay as it is limited to the mobile device manufacturers branded applications. This has driven many of our top retailers towards QR codes or barcodes as a method to pay in their mobile applications incurring additional transaction costs and risk which ultimately hurts the value that these merchants can give to their end consumer. Our company is addressing this core problem as LISNR allows a secure & universal way to pay for any mobile device or merchant at a better cost structure than today's alternatives.

We provide software that is inserted into merchant mobile wallet applications. Within these applications, we enable the speaker and microphone as a method to wirelessly send and receive proximity non-cloud based information between the consumer and merchant's point of sale system. Merchants can leverage this method to transmit any series of proximity-based security

and verification data points to initiate and complete a payment transaction at point of sale. A transaction can safely happen within a few inches or up to 10 feet across more payment and checkout experiences than ever before.

Today's consumers expect to pay wherever they are instantly. These experiences are expected to happen on every device and every retail environment. We see a world where ultrasonic proximity verification will live across all payment scenarios globally. As we think about a future real-time payment system, it must democratize the proximity payment method at the edge of the mobile device securely so that anyone with a phone can pay with whatever source their mobile wallet holds.

Our technology relies heavily on the financial regulatory infrastructure. An infrastructure that is due for innovation in real-time payments at proximity. We strongly agree that all payments should be instant and universal at proximity. We agree that the Federal Reserve should create a real-time payment system.

Financial Inclusion

I grew up in Baltimore, MD. As the offspring of hard-working Jamaican parents, I personally experienced the challenges of being underbanked and the costs associated with being poor as cash is expensive. As a kid, I can remember counting down to my parent's payday and the resulting trip to the 24-hour check cashing place just to then send a payment to keep our electricity from cutting off. In this simple scenario, we were being taken advantage of as the fees, delays in funds availability and manual tasks associated across this transaction were significant. My childhood was filled with many such memories as my parents tried to ensure proper cash flow to run the household. Walking to the ATM, money transfer services, paying bills by cash, taking on predatory cash advances for payday and standing in money order lines at the post office were far too normal experiences. Looking back, even where I grew up, there was a genuine desire for advancement and to play by the rules, except the rules were not written for them.

This situation highlights the silent cost of payments and its unfair transfer to the poor and certain segments of our population. There is a social cost that many pay for this form of 'invisible tax' in communities across the United States. It is time that we use data, networks and technology to eliminate the delays and reduce the costs. This is a global theme now. The global widespread use and access of real-time payment systems lends compelling evidence to our discussion and what's needed in the US. The US Federal Reserve must take the lead in building this vital social and commerce infrastructure with a heightened sense of urgency.

Conclusion

In conclusion, we believe that instant access to our funds is a right. We strongly agree that all payments should be instant and universal at proximity and the Federal Reserve is best positioned to deliver such a universal service.

Thank you again for this opportunity.