

Interledger Foundation Takes Its First Steps to Bring Instant Payments to Community Lenders

As big banks race to adopt real-time payments, ILF is laying the groundwork so community lenders and the borrowers they serve aren't left behind.

SAN FRANCISCO, CA, UNITED STATES, October 15, 2026 /EINPresswire.com/ -- [The Interledger Foundation](#) (ILF) is working with five community development financial institutions (CDFIs) and fintech organizations to lay the groundwork for instant payments adoption across community lending, where most institutions still run on rails that take days to settle. Large financial institutions have leveraged instant payments for years, accessing and deploying funds faster. Community-based lenders, though, have lagged, held back by technical, regulatory and resource barriers. Through five projects, Interledger Foundation is mapping those barriers to develop a roadmap that gives CDFIs and the borrowers they serve access to the same infrastructure.

FedNow, the Federal Reserve's instant payment rail, lets financial institutions send and receive funds in seconds around the clock. While large banks have adopted it steadily, CDFIs, which have deployed [\\$272 billion in cumulative financing](#) to underserved communities, have been far slower to connect, with most still relying on infrastructure that settles in days rather than seconds. That gap means borrowers face loan disbursements that don't arrive when they need cash most and payment friction that pushes small businesses toward less favorable options. The regulatory environment is also shifting with the Federal Reserve's proposed skinny master account, a limited-access account that would include direct FedNow and Fedwire connectivity. If that eligibility broadens, it would give those institutions a direct route onto instant payment rails.

Against this backdrop, ILF is coordinating an initiative across five community-based financial institutions to map what blocks the sector from reaching instant payment infrastructure and what becomes possible when those blocks are removed. The five organizations include:

- Village Micro Fund — Connecting cooperative finance to modern payment rails. Village Micro Fund is examining whether cooperative finance models, including investment clubs and community savings pools, can be connected to modern payment rails without requiring participants to interact with cryptocurrency. The organization is researching how its platform, EnDAO, which allows community groups to pool and manage money with shared governance, can integrate with ACH, wire transfers and FedNow.
- Kiva — Understanding barriers to capital for Native communities. Kiva is examining what

barriers Native entrepreneurs and Tribal communities face in accessing affordable capital, rather than assuming a technology solution. Working with Native entrepreneurs, Tribal partners and Native-serving organizations, Kiva is conducting listening sessions to understand those barriers before making any technology decisions.

□ Access to Capital for Entrepreneurs (ACE) — Examining the link between payment infrastructure and credit qualification. ACE is exploring how open payments infrastructure can feed real-time cash flow data into its borrower portal in Georgia, building more secure, bank-connected payment functionality into its loan approval and repayment experience. The longer-term goal is underwriting approaches built on borrowers' real-time cash flow rather than historical averages, shifting criteria and making capital more accessible to borrowers historically marginalized by financial institutions.

□ Washington Area Community Investment Fund (WACIF) — Mapping the repayment friction that instant payments could solve. WACIF is researching how entrepreneurs whose cash flow doesn't follow predictable monthly patterns experience the current loan repayment system, identifying where more flexible, real-time payment options could reduce the friction that pushes otherwise viable businesses toward default.

□ AltCap — Building a modernization roadmap for post-closing payments. AltCap is building a modernization roadmap for post-closing payments for underserved small business owners in the Kansas City region, combining direct borrower feedback with an assessment of real-time payment options to produce a concrete plan for infrastructure improvement.

These projects are the first domestic application of the work Interledger Foundation has done since focusing internationally for years. Interledger Foundation's work centers on building the connections that allow payment systems to talk to each other, regardless of bank or network. Historically, it has applied that expertise to community-based financial institutions in Uganda, rural community banks in Mexico and payment ecosystems across Africa. This initiative extends that work to domestic community lending, where the same principles that have connected institutions abroad can address the payments infrastructure gap that has kept CDFIs and their borrowers off the same rails that large financial institutions have used for years.

"Community-based lenders have long operated on payment infrastructure that was never designed with them in mind," said Chris Lawrence, Chief Program Officer at Interledger Foundation. "This initiative gives us the opportunity to understand precisely where those barriers are and ensure CDFIs are positioned to use the same instant payment rails that larger institutions have accessed for years, so the borrowers they serve can more seamlessly access financial services."

The findings from these five projects will feed directly into Interledger Foundation's roadmap for community lender adoption of instant payment infrastructure, shaped by the borrowers and communities it is designed to serve. This cohort of organizations is only the first step in the organization's ongoing initiative to work with community-based financial institutions.

About Interledger Foundation

Interledger Foundation builds and advocates for an open, interoperable payment network where transactions are not limited to a particular bank, mobile money provider, or location. The organization works to increase access to digital financial services for the 1.3 billion people worldwide who are currently excluded from traditional banking systems through the Interledger Protocol (ILP). The organization works with partners to integrate its ILP into existing and emerging financial and payments infrastructures. It currently has large-scale projects underway with Wallet Guru, People's Clearinghouse, and miPlata.

Learn more at: www.interledger.org

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