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May is the Month to Move Consumers to Electronic Payments

Financial Groups Will Work Together to Increase Usage During Direct Deposit and Direct Payment Month

HERNDON, Va. – April 12, 2006 – This May, banks, credit unions, non-profit associations, businesses, and governments across the nation will once again be asking consumers to increase their use of Direct Deposit and Direct Payment in place of paper checks. An industry group led by NACHA, Electronic Payments Network (EPN) and the Federal Reserve Banks, is sponsoring the month and encouraging financial institutions and businesses to actively promote these services to their customers and employees.

A recent study sponsored by NACHA (The Response Center 2005) shows that large companies are much more likely to use Direct Deposit than small (2-49 employees) and medium (50-499) size businesses. Although 75 percent of small businesses surveyed were aware of Direct Deposit, only 26 percent used the service to pay their employees.

Of small business owners, 42 percent that don't use Direct Deposit said they thought the service was designated for larger companies. However, a 2003 survey by Tinucci showed that even small businesses can save more than \$5,000 per year by switching employees to Direct Deposit for paychecks.

“This survey points to a real opportunity for us in the electronic payments business to reach out and engage small and medium size businesses to increase their understanding and use of ACH payments,” said Mark Tizzard, Vice President of Strategic Migration, Wachovia Bank, and 2006 Chairman of NACHA's Marketing Management Group**. “As we continue our consumer advertising campaign, we also need to strengthen our industry messages that the ACH network is for all businesses, not just large corporations. The cost and time savings of Direct Deposit and Direct Payment could prove especially helpful to organizations looking to trim budgets and when time is at a premium.”

Businesses and financial institutions can visit www.electronicpayments.org for ideas about how to inform, educate and market to their audiences about Direct Deposit and Direct Payment. These ideas include special sign-up events, advertising, media campaigns and direct mail. Resource materials are available that will help convince any size business about the convenience and time and money saving advantages of these services.

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DDDP Month Trade/Add One

“During May, we encourage businesses and financial institutions to educate their employees and customers about the convenience, security and financial benefits of Direct Deposit and Direct Payment,” said Elliott C. McEntee, president and CEO of NACHA. “These services are no longer the wave of the future. They are widely used by millions of Americans who understand that they can save valuable time and money by getting paid and paying bills electronically.”

Additional information about Direct Deposit and Direct Payment, including sign-up information, can be found at www.electronicpayments.org.

About NACHA - The Electronic Payments Association

NACHA is the leading organization in developing electronic solutions to improve the payments system. NACHA represents more than 11,000 financial institutions through direct memberships and a network of regional payments associations, and 650 organizations through its industry councils. NACHA develops operating rules and business practices for the Automated Clearing House (ACH) Network and for electronic payments in the areas of Internet commerce, electronic bill and invoice presentment and payment (EBPP, EIPP), e-checks, financial electronic data interchange (EDI), international payments, and electronic benefits transfer (EBT). Visit NACHA on the Internet at www.nacha.org.

****About NACHA’s Marketing Management Group**

The Marketing Management Group is an industry representative group appointed with the responsibility to develop and execute the long-term marketing strategy and annual tactical plans to promote electronic payments and build market awareness. The funding to implement the annual tactical plans is provided by the Electronic Payments Network and the Federal Reserve Banks. More information can be found at the industry Web site, www.electronicpayments.org.

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