

FOR IMMEDIATE RELEASE

Take a New Look at Direct Deposit and Direct Payment *May is National Direct Deposit and Direct Payment Month*

HERNDON, Va. – May 7, 2008 – A financial industry group is encouraging consumers and businesses to take a new look at using Direct Deposit and Direct Payment. Although the two payments options have been around for more than 30 years, the group will use the national awareness month in May to update information on old assumptions about the two payment options.

Three out of four workers who are offered Direct Deposit use it. However, there are still many workers who are not offered this benefit, primarily employees of small businesses.

“Most small business owners still think Direct Deposit is only efficient for large corporations. That’s simply not the case any more,” said Lisa Monroe, EPS manager at Evangelical Christian Credit Union and the chairperson of NACHA’s Marketing Management Group (MMG). “Businesses with fewer than 100 employees can save more than \$7000 per year by offering Direct Deposit to employees. The cost savings per employee is approximately \$3 per paycheck.”

Not only can small businesses save money, they will also save the time it takes to process checks each pay period. And they will provide a benefit that U.S. employees have come to expect from their companies.

“Direct Deposit programs are easy to set up. Companies should speak with the small-business expert at their financial institutions to find the most cost-effective way to offer this valuable benefit,” said Monroe.

Direct Deposit provides a simple, safe and smart benefit for employees. Consumers who use Direct Deposit to save by splitting their paychecks into more than one account save \$25 more per month than those who save by other means. That’s \$300 more in savings every year just by using Direct Deposit to save.

Although virtually all large corporations offer Direct Deposit for pay, very few consistently offer Direct Deposit for expense reimbursement, bonus payments and pension payments. Businesses that are using Direct Deposit can include these payments easily into existing Direct Deposit programs to provide even more benefit to employees.

Direct Payment is an option to pay bills electronically without using a computer. The service is set up directly with the companies that send you bills. Once Direct Payment is set up, you don’t have to do anything. Your bills are paid automatically.

“Consumers may have outdated assumptions about Direct Payment. First, it’s very easy to set up,” said George Roach, systems specialist at Con Edison and a member of MMG. “And, it’s one of the safest ways to pay your bills. Direct Payment travels securely from

your financial institution to the companies that send you bills. It's the most private way to pay bills."

According to a Javelin Strategy & Research study, the majority of identity theft starts with someone seeing your personal information on a check, billing statement or bank account statement. With Direct Payment, far fewer people see your personal financial information.

Like online bill payment, Direct Payment is electronic. However, with Direct Payment, you don't need a computer to pay your bills and your bills are paid automatically each month to ensure on-time payments.

"Online bill payment is a good option for paying bills electronically too," said Roach. "However, Direct Payment is often overlooked and it's the easiest payment option out there."

Having your bills paid automatically each month could help improve your credit score. About 35% of the FICO score is based on payment history including detail on timely payments and late or missed payments. Direct Payment ensures that you will never have another late or missed payment.

More than half of households use Direct Payment for at least one recurring payment. Almost 3.5 billion payments were made by Direct Payment in 2007.

For more information on how to start using Direct Deposit and Direct Payment, visit www.electronicpayments.org.

NACHA—The Electronic Payments Association

NACHA—The Electronic Payments Association is a not-for-profit association that oversees the Automated Clearing House (ACH) Network, one of the largest electronic payment networks in the world. More than 18 billion ACH payments were exchanged in 2007. NACHA is responsible for the administration, development, and enforcement of the *NACHA Operating Rules* and sound risk management practices for the ACH Network. Through its industry councils and forums, NACHA brings together hundreds of diverse payments system stakeholder organizations to enable the development of new network services and applications. NACHA represents more than 11,000 financial institutions through direct membership and 19 regional payments associations. NACHA and its members provide education, tools, and resources to increase the adoption of ACH payments to benefit businesses, consumers, and governments. To learn more, visit www.nacha.org and www.electronicpayments.org.

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