

Sheshunoff™

Dear Valued Customer,

With the dramatic rise in unemployment, financial institutions can expect an increase in attempted frauds. You need to be particularly careful in payment processing so as to avoid losses, and *Automated Clearing House Transactions* continues to provide guidance on reducing your fraud potential by using electronic payments. The most recent update of this manual addresses the following new topics:

- *Protecting Against ACH Fraud.* A new chapter on fraud helps originators protect against fraud when originating transactions and provides guidance on how to protect against fraudulent incoming ACH transactions.
- *ACH Rules.* Optimizing your use of the ACH Rules can help reduce risk when processing both originated and received ACH transactions. Familiarizing yourself with the layout of the ACH Rules book will make it easier to look to the proper section when you need to find information on how to handle a particular transaction or situation. Chapter 1 contains an overview and explanation of the content of the ACH Rules.
- *Annual ACH Audit.* Chapter 12 was revised to address new information to help you conduct your ACH audit as required by the ACH Rules. While the rules do not specify how the ACH audit should be conducted, new discussions on Audit Standards and Audit Samplings will help each financial institution stay in compliance with ACH-related areas.
- *Mergers and Acquisitions.* Financial institutions that are merging with or acquiring another institution or branches of another institution, need to take into consideration the effect it will have on the processing of originated and received ACH transactions. It is critical that certain factors are controlled when integrating ACH processing in order to limit any disruption to account holders. See new Appendix H.
- *Remote Deposit Capture.* Chapter 11 was expanded to include information on risk management of remote deposit capture (RDC) systems. RDC introduces additional risks to those typically inherent in traditional deposit delivery systems. Financial institutions must manage RDC internal deployment and other forms of electronic deposit delivery systems, including ACH check conversions.

Our goal is to make *Automated Clearing House Transactions* a vital part of monitoring your financial institution's compliance and operations efforts. If you have any suggestions regarding this manual, please let us know! You can e-mail me directly at robyn.sandoval@sheshunoff.com. You can also call our customer service representatives at 1-800-456-2340 or visit our website at www.sheshunoff.com if you have any questions regarding any of our products.

Sincerely,

Robyn M. Sandoval
Editor