

Sheshunoff™

Dear *ACH Transactions Question & Answer Book* 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 *ACH Transactions Question & Answer Book* 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*. **New Chapter 11.A, Fraud Risk**, helps originators protect against fraud when originating transactions, provides guidance on how to protect against fraudulent incoming ACH transactions, and includes information on risk management of remote deposit capture (RDC) systems.
- *International ACH Transactions*. The new international ACH transaction (IAT) becomes operational with the ACH Rules amendment that goes into effect on September 18, 2009. Financial institutions and third-party service providers are encouraged to have production software implemented (but not processing) by the original effective date of March 20, 2009. Updated **Chapter 2, ACH Transaction Types, Codes, Flow Charts, and Security**, also contains new transaction flow charts for inbound and outbound international payments.
- *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 **Chapter 11, Risk Management**, for the new merger/acquisition checklist and important information on remote deposit capture. 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.

As always, your comments are welcome and we encourage your response to the *ACH Transactions Question & Answer Book* — how it has helped you, how it can be improved, or additional topics to include. To submit such comments, to ask questions, or for information about additional Sheshunoff products, please call 1-800-456-2340, or visit our web site at www.sheshunoff.com.

Sincerely,

Linda Ofshe
Editor