

DIRECT DEPOSIT MESSAGES

Businesses can use these messages and proof points throughout all of their written and verbal Direct Deposit customer communications.

When your employer sends your pay directly to your checking or savings account rather than issuing you a paper check, you are participating in Direct Deposit.

Direct Deposit puts you in control and gives you peace of mind.

- ✓ Direct Deposit puts you in control. In fact, financial planners recommend Direct Deposit as one way to gain control of your finances. At your request, we will divide your Direct Deposit among two or more accounts, which can help jump-start your savings program.
- ✓ Consumers who use Direct Deposit to save for education save \$90 more per month than those who use other methods to save. Those who save for reasons other than education save \$25 more per month when they save electronically versus manually (NACHA 2006).
- ✓ Direct Deposit gives you peace of mind. Your money is deposited on time, every time – no matter what.

Direct Deposit is simple, safe, and smart – and green.

Simple

- ✓ Once you sign up for Direct Deposit, your pay is deposited automatically into the account(s) you designate. The money is there when you need it.
- ✓ With Direct Deposit, you are paid while you sleep. On payday, your money is in your account when you wake up.
- ✓ With Direct Deposit, it is simple to save. Just ask us to split your Direct Deposit between your checking and savings accounts. The sign-up process is quick and easy.

Safe

- ✓ Unlike paper checks, Direct Deposit payments cannot be lost.
- ✓ Direct Deposit is confidential. From three to nine people at a financial institution handle each check compared to just one or two people who handle an electronic transaction.
- ✓ Direct Deposit uses the same safeguards and security used by the government and other organizations for transmitting money.
- ✓ Nearly 85 percent of identity theft starts with someone seeing your personal financial information on a paper check, billing statement, or bank account statement. Once electronic payments are set up, the money travels electronically, greatly reducing the number of people who see your personal information.

Smart

- ✓ Direct Deposit gives you access to your money earlier than check deposits.

- ✓ We will issue a payment summary for every deposit that will look much like your pay stub looks today. It will show deductions for taxes, insurance, and other obligations, and will reflect the balance that was deposited into your account(s).

Green

- ✓ Direct Deposit is inherently “green.” The environmental benefits are evident in six main areas – wood, fiber, greenhouse gas emissions, water, fuel, and waste.
- ✓ If 300 people who receive paychecks every two weeks switched to Direct Deposit, annually they would:
 - Save 121 pounds of paper
 - Avoid the release of 1,159 gallons of wastewater into the environment
 - Save 45 gallons of gas
 - Avoid the release of 346 pounds of greenhouse gases into the atmosphere. This amount of greenhouse gases is the equivalent of:
 - 1,231 miles not driven in your car
 - 15 trees planted (and grown for 10 years)
 - 151 square feet of forest preserved from deforestation

Direct Deposit benefits us all – consumers, businesses, the nation, and the environment.

- ✓ You save time, often gain access to your money earlier, and know your money is in your account regardless of where you are.
- ✓ Your total direct and indirect costs of depositing a check instead of using Direct Deposit is \$5.88 according to a study conducted for NACHA by Tinucci & Associates.
- ✓ Businesses can save from \$2.87 to \$3.15 per payment by using Direct Deposit instead of checks (NACHA 2008).
- ✓ For businesses, Direct Deposit reduces costs, increases productivity, streamlines payment processes, and enhances employee satisfaction.
- ✓ The country saves billions of tax dollars and the nation’s payments systems gain efficiency because federal payments are made using Direct Deposit.
- ✓ For the environment, Direct Deposit offers quantifiable benefits. Each year, the movement of checks through the payment cycle uses more than 674 million gallons of fuel and adds 3.6 million tons of carbon dioxide to the environment.
- ✓ According to the Bureau of Labor Statistics, there were approximately 144,046,000 people employed in the U.S. during the fourth quarter of 2008¹. Based on a 2008 survey conducted by the Consumer Federation of America, 85 percent of U.S. employees have access to Direct Deposit for their pay, but only 66 percent of employees use Direct Deposit. Assuming that the average American employee is paid every two weeks (26 times a year), if the remaining 19

¹ Information from the Bureau of Labor Statistics, December 2008 Employment Situation News Release. Available at http://www.bls.gov/news.release/archives/empsit_01092009.htm.

percent of employees or 27,368,740 people who have access to Direct Deposit but do not use it chose Direct Deposit for their pay, annually they would:

- Save 11,082,971 pounds of paper
- Avoid the release of 105,709,380 gallons of wastewater into the environment
- Save 4,105,889 gallons of gas
- Avoid the release of 31,581,675 pounds of greenhouse gases into the atmosphere. This amount of greenhouse gases is the equivalent of:
 - 112,329,703 miles not driven in your car
 - 1,345,379 trees planted (and grown for 10 years)

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DIRECT PAYMENT MESSAGES

Businesses can use these messages and proof points throughout all of their written and verbal Direct Payment customer communications.

If any of your recurring bill payments are automatically drawn from a checking or savings account, you're participating in Direct Payment - a reliable, accurate, and confidential way to pay your bills.

Direct Payment saves you time and money, and takes the hassle out of paying bills.

- ✓ Direct Payment takes the hassle out of paying bills. No more checks to sign, stamps to buy, or worries about mailing your bills on time.
- ✓ People who use Direct Payment instead of paper checks could save more than \$100 a year by eliminating the cost of postage and paper check stock.

Direct Payment is simple, safe, and smart – and green.

Simple

- ✓ Direct Payment requires an easy, one-time setup process. With Direct Payment, your bills are paid every time, on time. No more checks to write, stamps to buy, or last-minute trips to the post office.
- ✓ Direct Payments are automatic: you don't have to be in town to pay your bills. This is perfect when you are traveling or on vacation.
- ✓ Record keeping is simple, too. Each bill paid from your checking account appears on your monthly bank statement.

Safe

- ✓ Direct Payment has been around for almost 40 years and uses the same network as Direct Deposit. More than 3 billion bills are paid each year using Direct Payment.

- ✓ With Direct Payment, your personal information remains safe and secure. Your bank or credit union protects your personal account information. In fact, you gain financial privacy with Direct Payment because the payment is made electronically.
- ✓ Almost 85% of identity theft cases are due to "offline" transactions such as lost checkbooks and stolen bills, statements and check payments. Direct Payment significantly reduces this risk.
- ✓ The Electronic Funds Transfer Act of 1978, known as Federal Regulation E., protects consumers who use Direct Payment.

Smart

- ✓ Each Direct Payment is deducted from your account automatically, making it easy to keep track of your payments.
- ✓ Your credit rating is one of your most valuable financial assets. About 35 percent of your FICO score is based on payment history, including detail on timely payments and late or missed payments. A late payment can stay on your report for up to seven years. Electronic payments ensure that you will never have another late or missed payment.²
- ✓ According to a 2006 consumer survey, consumers who use Direct Payment or Direct Deposit to save for education save \$90 more per month than those who use another method to save. Those who were saving for reasons other than education saved \$25 per month more if they saved electronically versus manually.
- ✓ With Direct Payment, you never have to worry about missing or forgetting payments. Mailing a payment just a few days late or losing a payment in the mail could result in late fees as high as \$30 per payment and could potentially damage your credit score.
- ✓ Direct Payment can be used for all types of payments, including mortgage, insurance, utilities, cable TV, investments, health club, car loan, credit cards, and donations to non-profit organizations.
- ✓ Many companies currently sending paper bills offer an automated alternative where monthly billing statements can be sent via secure e-bill.

Green

- ✓ The average American household receives approximately 19 bills and statements and makes approximately 7 payments in paper form per month. By switching to electronic bills, statements, and payments, the average American household on an annual basis:
 - Save 6.6 pounds of paper
 - Avoid releasing 63 gallons of wastewater into the environment
 - Avoid using 4.5 gallons of gasoline to mail bills, statements, and payments
 - Avoid producing 171 pounds of greenhouse gases, which is the equivalent of:
 - the emissions avoided by not driving 169 miles
 - the emissions avoided by not consuming 8.8 gallons of gasoline
 - planting 2 tree seedlings and allowing them to grow for 10 years, and

² According to FICO Web site: <http://www.myfico.com/CreditEducation/WhatsInYourScore.aspx>, Viewed online 3/23/09.

- preserving 24 square feet of forest from deforestation
- ✓ The U.S. Postal Service reported that 19 billion bills – 533 million pounds of paper – were delivered to American households in 2006. To transport 533 million pounds of paper, it requires an estimated 235 million gallons of fossil fuels, resulting in more than 1.3 tons of carbon dioxide emissions, according to a 2007 study conducted by Dove Consulting.