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By Roy W. Urrico

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● NACHA - The Electronic Payments Association selected Capital One Financial Corp., WorldCom, Inc., Tower Federal Credit Union, and Wells Fargo & Company as winners of the 2002 ACH Quality Awards.

“The ACH is a high-quality payments system, and the ACH Quality Award showcases best practices and forward-looking business practices among ACH participants,” says Mary Ann Francis, chair/NACHA's ACH Quality Task Force and an svp/National City Corp., in a company statement.

- Capital One is acknowledged as a corporate originator of ACH payments. In 1999, Capital One offered customers the facility to view statements and make payments over the Internet. With over five million customers recruited, electronic payments have grown to 18% of all payments. Capital One also offers telephone payments and monthly automatic debits, and receives electronic payments from consumer bill payment and home banking services. As a result of its use of electronic payments, Capital One's ACH origination volume increased by 985% in 2001. To sustain more than two million monthly ACH payments, Capital One employed automated notification of change processes and routing number verification. These alterations resulted in considerable cost savings through reduced administrative returns and fewer customer payment inquiries.
- WorldCom, Inc. is also being recognized as a corporate originator of ACH payments. WorldCom developed a computerized method for processing notifications of change (NOC) directly into its payroll system. NOCs are utilized by receiving FIs to notify originators that ACH data needs to be updated. Automation removed the numerous communication links previously required in the manual correction process. As a result, WorldCom improved in processing efficiency and accuracy, as well as a reduction in operational costs. Since implementation, WorldCom reports that 1,400 transactions have been automatically corrected, in addition to an annualized cost savings of more than \$65,000.
- Tower Federal Credit Union of Laurel, MD is recognized for improvements to its direct deposit services. Tower developed an automated program to review the more than 5,000 ACH payments received each day for data mismatches. This allows Tower to address any deposit problem on the day the deposit is received, eliminating delay or financial impact to the member. During the first six months, Tower prevented the delay of deposits totaling more than \$28,000. Tower also implemented a direct deposit allocation program that automatically disburses funds received via the ACH network.
- San Francisco-based Wells Fargo is recognized as an originating depository financial institution for its Check Truncation Decision Processing, which identifies checks that are ineligible for electronic conversion and ensures correct MICR line parsing. Wells Fargo's Check

Truncation Decision Processing was deployed during NACHA's Accounts Receivable Truncation pilot on behalf of an e-check customer. Item return rates were reduced from 10% to 1.1%.

The ACH Quality Award winners will receive the awards at NACHA's PAYMENTS 2002 conference in Dallas, TX, April 15th. For more information go to www.nacha.org.

● The U.S. financial services industry is escalating its investments in anti-money laundering technologies following the 2001 passage of the USA Patriot Act. Title III of the Patriot Act significantly adds to existing anti-money laundering (AML) laws, and initiates new anti-terrorist (AT) financing provisions into the AML compliance activities of financial institutions

New research from the Global Payments service of TowerGroup sees the demand for anti-money laundering technologies reaching well into 2003, with spending by U.S. banking institutions estimated to more than double from 2001 to 2002, and increase 15% from 2002 to 2003.

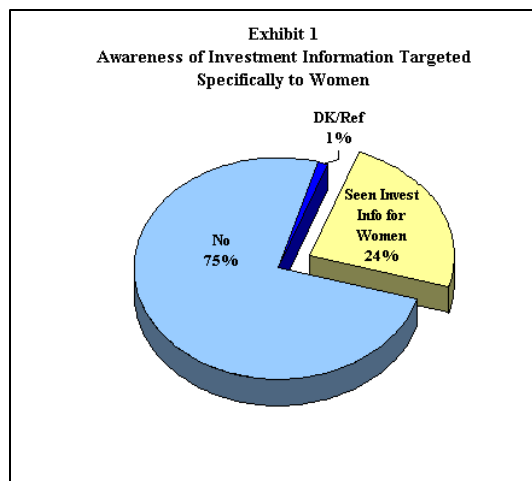
TowerGroup findings regarding the Patriot Act's impact include:

- By extending the requirements of the 1970 Bank Secrecy Act across the financial services industry, the Patriot Act starts to equalize requirements placed on both bank and nonbank institutions, such as securities brokers/dealers and other types of investment companies.
- The number and scope of the proposed regulations — especially the amplified “know your customer” necessities relative to account opening, ownership and usage patterns — will make manual compliance intricate for most institutions. The need for greater automation of the compliance process will drive investment in AML technologies well into 2003, especially among large banks and securities firms.
- TowerGroup expects spending by U.S. banking institutions on anti-money laundering and related technology to reach at least \$60 million by the close of 2002, with total financial services industry spending likely double that figure.

According to Tower Group, three major types of anti-money laundering are now being presented to the market: record-keeping and reporting products, rules-based products, and intelligent systems.

For more information go to www.towergroup.com.

● Only a small percentage of possible women investors have seen investment data or advertising specifically targeted to women. In addition, only a minority of these respondents reacted positively to what they saw, according *Financial Insights: Women As Investors* research study by SYNERGISTICS Research Corp.



Only one-quarter of the women in the survey report that they have seen investment information designed specifically for women in an investment organization's Web site, mailings, or other printed materials. Of the one-quarter who have seen this targeted investment information, one-third say it is very helpful to have data that speaks to women's particular needs. An almost equal number believe that this information is no different than promotions directed at consumers in general. One in six women say it is merely a ploy to draw women as clients, and one-tenth find this targeted information to be somewhat offensive because women are treated as a separate group.

"For the past few years, targeting women investors and developing special women's investment programs has been a key strategy for some investment providers. Our research shows clearly that providers need to step up their marketing efforts for their women's investment programs," states William H. McCracken, ceo.

For more information contact SYNERGISTICS at src@src-co.com or go to www.synergisticsresearch.com.

● A new RHI survey suggests that most of U.S. Chief information officers (CIOs) are promoting IT managerial talent from within their ranks. In addition to the obvious career advancement opportunities to internal staff, this method generates aspirants capable of hitting the ground running, which cuts down on the honeymoon period for both parties.

CIOs polled said more than 53% of their leadership positions are filled by candidates already working for their firm; while 32% of respondents said almost all IT managers were promoted from within at their company.

"Businesses that promote from within demonstrate to employees that their contributions are rewarded, which can be a tremendous tool for motivating and retaining top talent," says Katherine Spencer Lee, executive director/RHI Consulting. She added that elevating existing employees to more senior roles can also reduce the learning curve for a position, which ultimately decreases training costs.

Lee offers the following advice to IT professionals for positioning themselves now for a future promotion:

- **Find a need and fill it.** Make yourself essential to your company by becoming the authority in one or more areas. Ask your manager what is needed to be promoted, and follow through on his or her recommendations. Establish a timeline to mark your progress toward these goals.
- **Seek a mentor.** Look for someone who can advise you on technical questions as well as how to navigate office politics.
- **Increase your visibility.** Volunteer to take the lead on a high-profile project and don't shy away from opportunities to present to management.
- **Develop your skill set.** In addition to improving your technical expertise, enhance your "softer" skills such as leadership, business acumen, and verbal and written communication abilities. Company-sponsored professional development programs, online training, and community college courses are all effective resources.

For more information go to www.rhic.com or contact Joel Dibble at joel.dibble@rhi.com.

● On March 26th, SAGE Certification's first level, cSAGE, became available for registration through VUE testing Centers internationally at www.sagecert.org.

cSAGE certification is a multi-vendor certification designed for junior-level system administrators with 1-3 years of experience in a career, volunteer or student capacity. cSAGE certification consists of a core exam, plus a platform specific module. Currently, the module available for testing is UNIX. Additional modules under development and scheduled to be released later this year includes MS Windows.

The cost per exam is \$225. Discount pricing will be available for employers who wish to purchase vouchers in bulk for their employees, partners, or customers.

For more information on cSAGE, or the SAGE Certification Program, go to www.sagecert.org, or contact cert@sage.org.

● The Pen & Internet division of Parascript (Sunnyvale, CA) announced the availability of handwriting recognition technology — riteScript. According to Parascript, riteScript recognizes “unrestricted” English handwriting in any style and is designed for the Web Services market. riteScript users do not need to learn artificial alphabets, change their writing habits, write on a restrictive baseline, or teach riteScript the nuances of their personal handwriting. For more information go to www.ritemail.net.

● Somewhere, somehow there is a future banking application in the making for this...

A Romanian inventor is using mobile phones to help married men trap unfaithful wives. Vasile Prisca's device sends a text message when anyone heavier than the wife gets into bed. “I caught my wife in bed with my neighbor using the device,” the 47-year-old says. “I used it as evidence in the divorce court because I got the message on my phone and went home and caught them at it.”

We don't know what the financial application of this device might be but if you do send your suggestions to royurrico@microbanker.com.

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