



LEND

CONNECT 2020

SMALL DOLLAR, SHORT-TERM, CONSUMER LENDING CONFERENCE

**ValidiFI**<sup>TM</sup>

Eliminating ACH Headaches

Jesse Berger



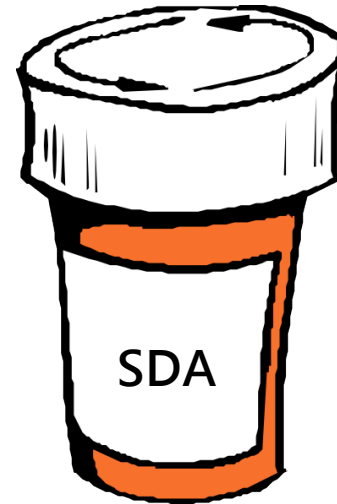
A word cloud featuring various terms related to the financial and payment industries. The words are arranged in a dynamic, overlapping layout. The most prominent words are 'WEB', 'RISK', 'PROCESSORS', 'SYSTEM', 'SETTLEMENTS', 'COMPLIANCE', 'DEBIT', 'EXPERIENCE', 'COMPLAINTS', 'BANKS', 'WITHDRAWAL', 'PAYMENT', 'DELAYS', 'FEES', 'NSF', 'RETURNS', 'NACHA', 'PROCESS', 'CEPB', and 'NSF'. The colors used for the words are primarily green, blue, and black, with some words in grey.

EXPERIENCE DEBIT  
SETTLEMENTS  
COMPLIANCE SYSTEM  
WEB RISK PROCESSORS  
WITHDRAWAL  
PAYMENT COMPLAINTS  
BANKS  
DELAYS  
FEES  
NSF  
RETURNS  
NACHA  
PROCESS  
CEPB





# How Do We Eliminate ACH Headaches?





- The Payment Risk Optimizer (PRO) is a platform as a service that reduces returns and increases the amount of monies collected.
- PRO is integrated into Bank Aggregation services to check for real-time funds availability.
- PRO is integrated into ValidiFI's proprietary Bank Account Validation services that check for funds availability.
- PRO automates the decisioning process for whether to present a payment based on funds availability.
- PRO has many other features to solve for compliance management, Web Debit, and Payment Withdrawal rules.



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## ValidiFI PRO

Jesse Berger

- Dashboard
- Screening
- Processing
  - ACH
  - Card
- Compliance
- Transactions
- Customer Profiles
- Reports
- Client Settings
- Administration

### Processing - ACH

Week-to-Date

#### Totals

Total Transactions	Cleared	Bounced
1,200	1,164 97.0 % in the period	36 3.0 % in the period

#### KPI's

Conversion Rate	Settlement Rate	Return Rate
97%	100%	14.00%

#### » Conversion Rate - Bottom 5 Banks

MUFG UNION BANK	71%
BANK OF THE WEST	73%
BBVA COMPASS BANK	88%
CAPITOL ONE	90%
CITIBANK	96%

Threshold: 95.0%

#### « Return Rate - Top 5 Banks

FROST BANK	13.0%
WEX BANK	13.0%
KEY BANK NATIONAL ASSOCIATION	10.0%
COMERICA BANK CALIFORNIA	9.0%
H&R BLOCK BANK	6.0%

Threshold: 15.0%

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## ValidiFI PRO

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### Screening Batches

Upload a New Batch

Choose File No file chosen

Upload Close

ID	Uploaded	File Name	Completed Records	Start	End	Duration	Results
238	12-19-2019 14:30	TRNS201912190001.TRN		12-19-2019 14:30	12-19-2019 14:30	00:00:06	<a href="#">Results</a>
237	12-19-2019 12:47	TRNS201912190002.TRN		12-19-2019 12:48	12-19-2019 12:48	00:00:03	<a href="#">Results</a>
236	12-19-2019 12:36	TRNS201912190002.TRN		12-19-2019 12:36	12-19-2019 12:37	00:00:40	<a href="#">Results</a>
235	12-19-2019 11:12	TRNS201912190002.TRN		12-19-2019 11:12			<a href="#">Refresh</a>
234	12-19-2019 11:09	TRNS201912190002.TRN	C 1	12-19-2019 11:09	12-19-2019 11:09	00:00:06	<a href="#">Results</a>
233	12-19-2019 10:00	TRNS201912190002.TRN	C 1	12-19-2019 10:00	12-19-2019 10:00	00:00:12	<a href="#">Results</a>
232	12-19-2019 09:33	TRNS201912190002.TRN	C 1	12-19-2019 09:33	12-19-2019 09:33	00:00:26	<a href="#">Results</a>
231	12-19-2019 09:31	TRNS201912190002.TRN	C 1	12-19-2019 09:31	12-19-2019 09:31	00:00:09	<a href="#">Results</a>
230	12-19-2019 09:26	TRNS201912190002.TRN	C 1	12-19-2019 09:26	12-19-2019 09:26	00:00:26	<a href="#">Results</a>
229	12-19-2019 09:22	TRNS201912190002.TRN	C 1	12-19-2019 09:23	12-19-2019 09:23	00:00:05	<a href="#">Results</a>

Showing 1 to 10 of 149 entries

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ID	Existing Customer	Version	Created At	Status	Actions	Actions
69	Collections	1.0	09-20-2019 14:48	Draft	<a href="#">Set Default</a>	<a href="#">Delete</a>
70	Pending	1.1	09-20-2019 14:48	Draft	<a href="#">Set Default</a>	<a href="#">Delete</a>

Showing 1 to 5 of 8 entries

Criteria Execution Flow

[Edit](#)

BLACKLIST

TEST: STEP2.RESULT

STEP : 3

FUNDS VERIFICATION

TEST: STEP3.RESULT

STEP : 4

ABA LOOKUP

TEST: STEP4.RESULT

Step1.1 Test Condition Missing Value in Expression Result

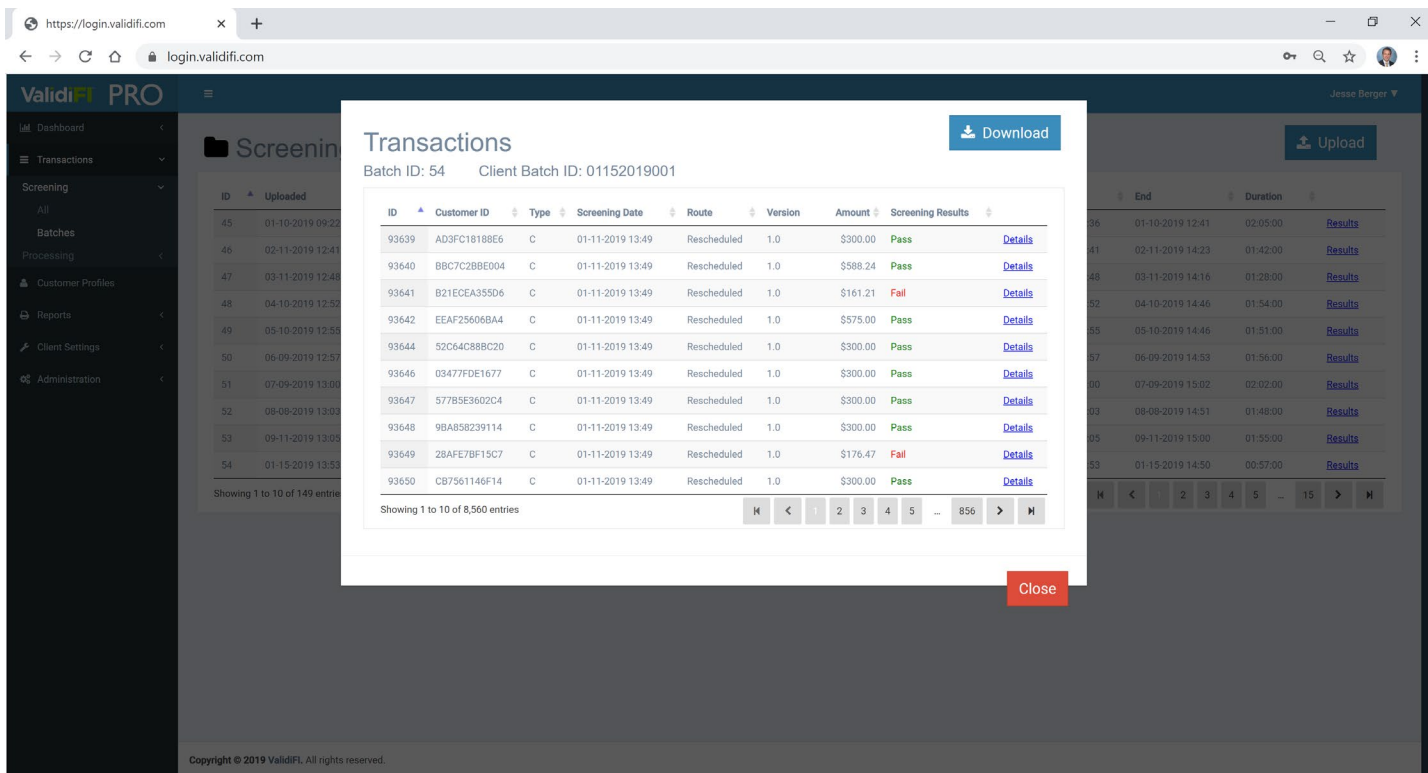
Step1.1 Test Condition Missing Value in Expression Operator

Step1.1 Test Condition Missing Value in Expression DataType

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### Transactions

Batch ID: 145 Client Batch ID: 201911180001

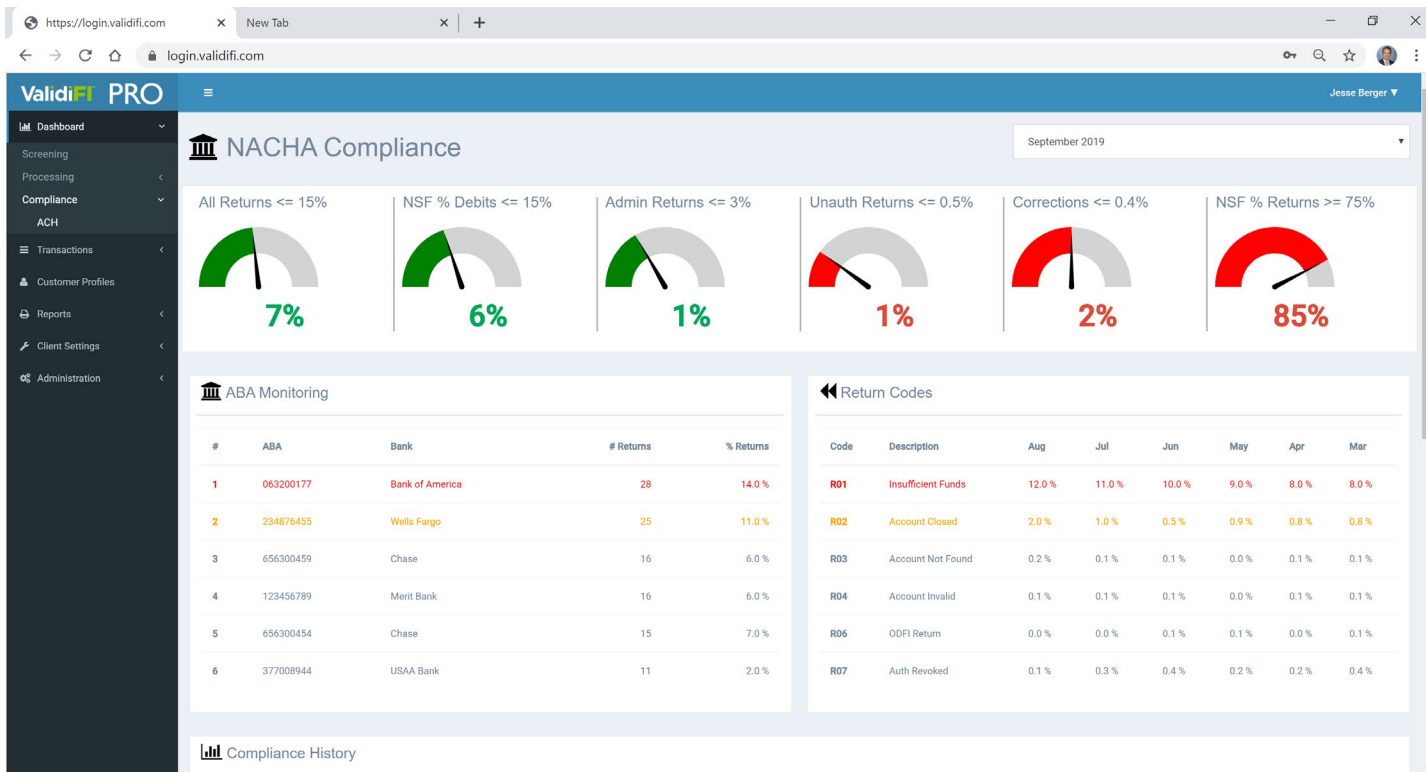
Download

ID	Processing Date	Payment Method	Customer ID	Requested Amount	Authorized Amount	Type	Processing Results	Authorization Code	Message	AVS	CVV
131719	12-31-1969 19:00	ACH	AD3FC18188E6	\$300.00		Sale	New				
131720	12-31-1969 19:00	ACH	BBC7C28BE004	\$588.24		Sale	New				
131721	12-31-1969 19:00	ACH	B21ECEA355D6	\$161.21		Sale	New				
131722	12-31-1969 19:00	ACH	EEAF25606BA4	\$575.00		Sale	New				
131723	12-31-1969 19:00	ACH	52C64C88BC20	\$300.00		Sale	New				
131724	12-31-1969 19:00	ACH	03477FDE1677	\$300.00		Sale	New				
131725	12-31-1969 19:00	ACH	577B5E3602C4	\$300.00		Sale	New				
131726	12-31-1969 19:00	ACH	9BA858239114	\$300.00		Sale	New				
131727	12-31-1969 19:00	ACH	2BAFE7BF15C7	\$176.47		Sale	New				
131728	12-31-1969 19:00	ACH	CB7561146F14	\$300.00		Sale	New				

Showing 1 to 10 of 8,900 entries

Close

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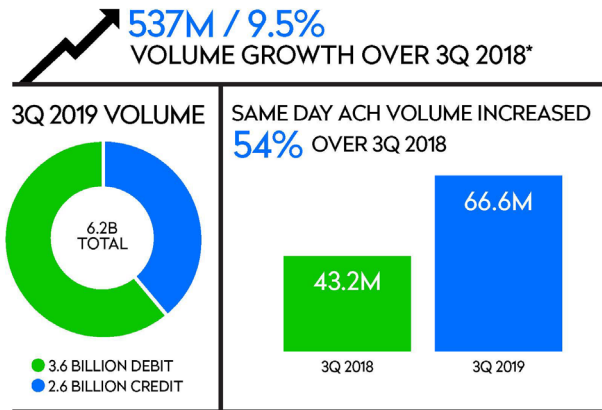




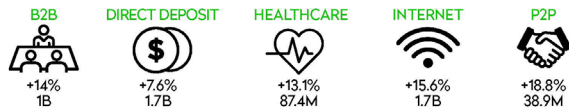
- Currently, most ACH payments, "Standard ACH", are settled within the next 1 to 3 business days.
- In 2016, NACHA adopted a Rule to enable the same-day processing of virtually any ACH payment.
- The Rule includes a "Same Day Fee" on each Same Day ACH transaction.
- A morning submission deadline at 10:30 AM ET, with settlement occurring at 1:00 PM.
- An afternoon submission deadline at 2:45 PM ET, with settlement occurring at 5:00 PM.
- RDFIs will be mandated to make funds available from same day ACH credits to their depositors by 5:00 PM at the RDFI's local time.



## 3Q 2019 ACH NETWORK VOLUME TOTALS 6.2 BILLION



## VOLUME INCREASED ACROSS MAJOR TRANSACTION TYPES COMPARED TO 3Q 2018



\*With one additional banking day in 3Q 2019 compared to 3Q 2018, ACH Network volume compared on a per-day basis increased by 78%.

Learn more at [nacha.org](https://nacha.org)

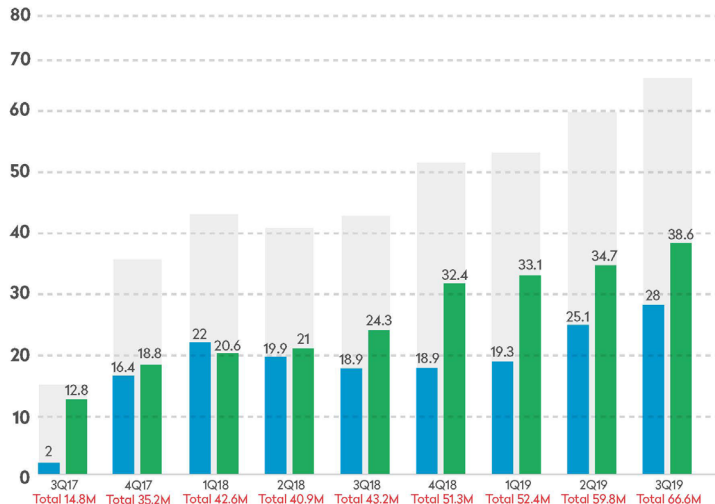


704-19-15

## SAME DAY ACH TRANSACTION VOLUME



Millions ● Debits ● Credits



Learn more at [nacha.org](https://nacha.org)



704-19-13



ACH Transactions	1,000,000
Return Rate	10%
Number of Returns	100,000

Returns from 2nd Attempts	50%
Number of 2nd Attempts	50,000



Processing Fee	\$1.00
Return Fee	\$5.00
Cost of Returns	\$300,000

Reduced Processing Fees	-\$25,000
Reduced Return Fees	-\$125,000
Total Reduced Fees	-\$150,000

Cost of PRO	\$25,000
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ROI	6:1
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- Reduced Return Rates
- Improved Compliance
- Increased Collections
- Better Cash Flow
- Happy Customers
- No Headaches!



Questions?