

Remote Electronic Deposit

ACH-RED is an Internet-based, privately labeled, front-end solution for financial institutions and their commercial customers.

Merchants scan, truncate, and submit checks electronically through a secure, 128-bit RS4 encrypted Internet connection. Financial institutions process the standardized X9.37 image files electronically or on paper as substitute checks, making implementation of **ACH-RED** independent of an institution's Check 21 readiness on the backend.

Financial Institution's commercial clients want to make deposits quickly and conveniently. Having to drive to a branch everyday is time consuming, and that time can be better spent on more important activities. With **ACH-RED**, commercial clients scan, submit, and deposit all of their customer's checks electronically.

ACH-RED Remote Electronic Deposit Processing allows merchants to scan images and MICR coding of checks to be deposited, enter the amounts, balance the deposits, and securely transmit the files to their bank. It also provides the merchant a local database of checks deposited.

Clearly there are numerous advantages to **ACH-RED** for Financial Institutions:

- **Nationwide Commercial Customer Market**
- **Strengthens Existing Depository Relationships; Client Retention**
- **Brings in new Commercial Deposits**
- **Increases Competitive Commercial Offerings**
- **Defensive measure against Competitive Encroachment**
- **Requires No Backend Check-21 Capabilities**

There are six steps in the **ACH-RED** daily process:

1. The merchant scans the deposit tickets and checks and enters the amounts.
2. The merchant transmits the check files to the bank via a secure file transfer link
3. The bank imports the incoming files and stores them on the remote deposit database
4. The bank creates X9.37 image presentment files from the merchant check files
5. If the bank is not doing image presentment, IRD's and cash letter bundle listings may be printed for the checks.
6. The bank creates COF files to update the main bank image archive, and proof transfer files are reformatted to the host system input format.

At the bank, the system provides for accumulating the transmissions from merchants, indexing them into a database, creating X9.37 image presentment files from them, and creating proof input files to update the bank host system and COF files to update the bank image database. The X9.37 files can be sent to the image clearing facility, or used to create IRD's and cash letter bundle listings if the checks are to be cleared as physical documents.

Who We Are

Affirmative Technologies, Inc. is a member of NACHA's Electronic Check Council, an associate member of EastPay, Payment Resource One, and the Alabama ACH Association, all Regional Payment Associations affiliated with the National Automated Clearing House Association (NACHA). See Affirmative's multiple service offerings in NACHA's buyers guide under the Resources Tab at www.nacha.org.

Affirmative's applications address the following electronic payment/processing channels:

- Retail businesses processing Consumer payments electronically via Point-Of-Sale (**POS**), Back Office Conversion (**BOC**), Telephone (**TEL**), Accounts Receivable Conversion (**ARC**), Pre-Authorized Debits (**PPD**), and all other electronic payment methods authorized by NACHA
- Internet businesses processing Consumer payments (**WEB**) electronically
- Business-To-Business (B2B) payments (**CCD**)
- NSF Check Electronic Recovery Application for businesses' in-house collection efforts
- NSF Check Electronic Recovery Internet Application designed specifically for NSF Check Recovery Entities processing high volume (**RCK**) transactions
- Check Verification Services
- Check reader, scanning, and imaging solutions for businesses and financial institutions (Check 21 Compliance Solutions)
- Core ACH Network Processing Application for ODFI-Financial Institutions
- ACH Network Processing Risk Management Application for Financial Institutions
- Remote Deposit Application for Financial Institutions and their commercial clients
- ACH Network Processing Application for Third Party ACH Processors/Senders and Payment Aggregators
- Software Integration Services to integrate licensed users into one payment platform
- ACH Network server based Secure File Transfer Program
- Consulting Services, custom development and programming for clients with complex payment processing needs and systems integration requirements

Affirmative's Websites:

www.affirmativeusa.com
www.achnow.com
www.nsfcheckprocessing.com
www.achprocessor.com
www.achhub.com
www.achachiever.com

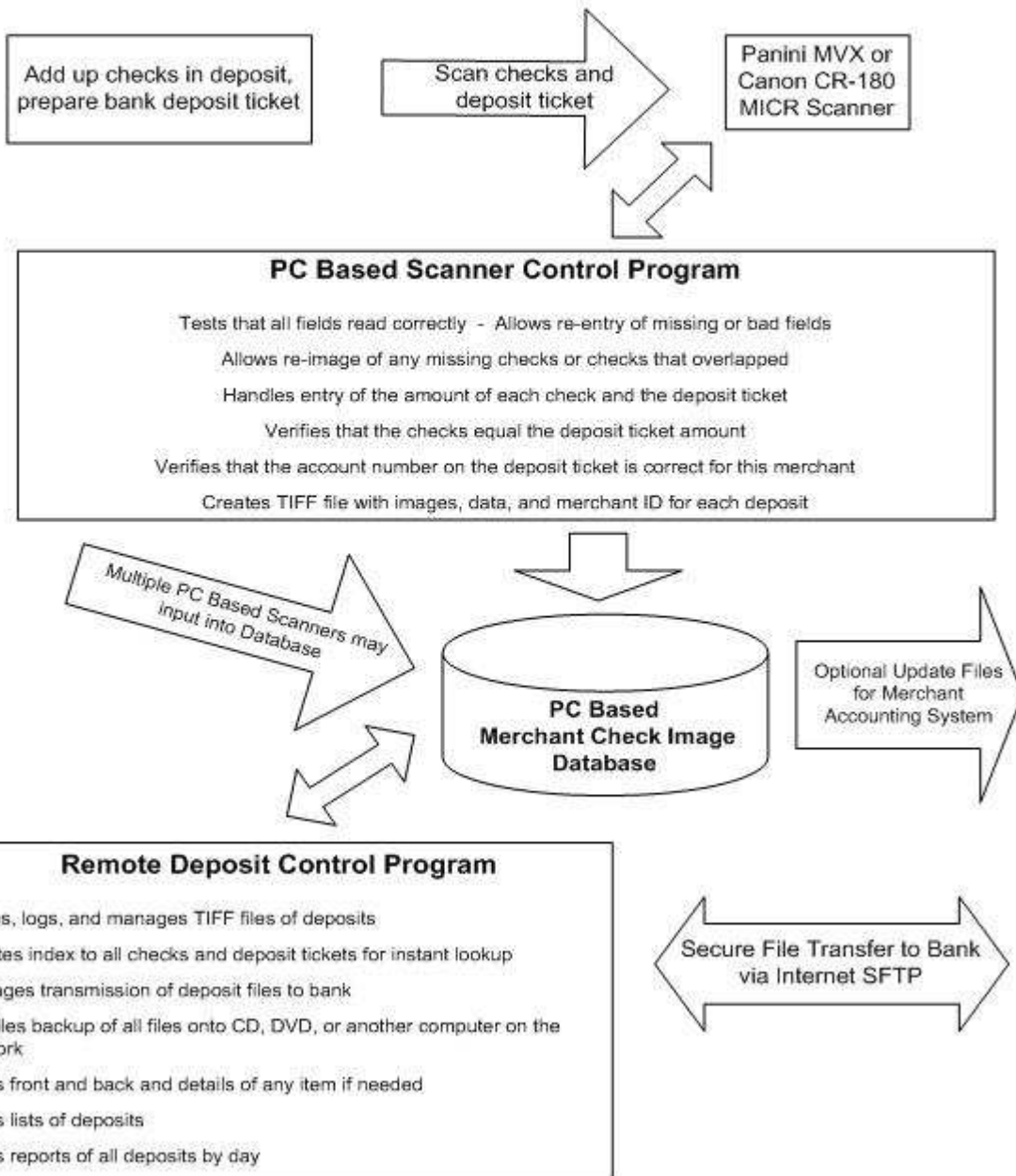
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The block diagrams on the following pages show the work flow and the location of logical elements in the system. The screens showing the major functions on the following pages provide a step by step illustration.

Remote Deposit Processing - Merchant

Send Images, Not Checks, To The Bank



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