

FOR IMMEDIATE RELEASE
August 29, 2006

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Business Checks Added To Mix Of Electronic Payments Processing
Business checks can be converted to electronic payments starting September 15th

DENVER—New NACHA rules allowing for the conversion of business checks take effect September 15, 2006.

Under rules developed and issued by NACHA (www.nacha.org), The Electronic Payments Association, business checks up to \$25,000 are eligible to be converted into Automated Clearing House (ACH) transactions through Accounts Receivable Conversion (ARC) or Point-of-Purchase (POP) transactions.

“It’s both an opportunity and a threat for businesses and institutions processing such transactions,” said Paul Lufkin, CEO of electronic payments processing and financial services company ePayments Corp. of Denver, Colo.

Electronic check conversion is one of the fastest growing types of ACH transactions. Lufkin believes that electronic business check conversion has the potential to add more efficiency to the nation's payment system, as well as generate savings and improve cash flow for businesses. It also adds another layer of regulations and compliance concerns, and will certainly have a major impact on business operations.

For businesses and organizations writing checks, Lufkin said it’s important to understand how to opt out of having your checks electronically converted. For organizations accepting checks, it’s important to understand which checks received can and cannot be processed electronically, and the impact that electronic processing will have on cash flow.

“Electronic processing can help companies that accept business checks collect more quickly from their customers, thus providing financial benefits. However, businesses have to understand the rules that accompany conversion and the costs of non-compliance,” said Lufkin, whose company provides Electronic Payment Compliance Assessments in addition to electronic payment solutions.

Last year alone, nearly 14 billion ACH electronic payments were made, and NACHA estimates that 2.3 billion checks were converted into ACH payments in 2005. Electronic conversion of consumer checks has been available since September 2000, when NACHA's point-of-purchase (POP) rules went into effect. Additional consumer check conversion rules for accounts receivable (ARC) payments went into effect in March 2002.

About ePayments Corp.

Offering a complete range of merchant check and credit card payment processing and support services, ePayments helps businesses who receive non-cash payment transactions to reduce their risk while increasing cash flow. Unlike the traditional support players (such as banks), ePayments has evolved the technologies and processes associated with accepting checking payments to reduce the costs required to process all forms of payment. The company provides the complete range of processing services, including electronic returned check collection (RCK), electronic check conversion (ARC), check authorization, check guarantee, check-by-phone/web, consolidated returns, Electronic Payments Compliance Assessments and credit card processing. For more information on ePayments Corp., call 303-486-0850 or visit www.epaymentscorp.com.

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