

# Compliance Brief: Check 21

EfficiencyNOW! ControlNOW! MoneyNOW! ECMNOW!



## Applicability

Congruent with the digital age, the Check Clearing for the 21<sup>st</sup> Century Act (Check 21) allows businesses to create a digital version of an original check, fostering a national transition from a paper-based to an image-based payment system. Formed by the Federal Reserve System in 2004, Check 21 affects any organization in the business of banking. The law also makes legal the process of scanning or capturing images of checks and depositing them electronically, a process known as remote deposit.

## Banking Industry Impact

While the regulation doesn't require companies to change current check processing methods, it establishes that a properly prepared electronic check, or substitute check, is the legal equivalent of the original. In order to process checks electronically, accurately and legally, banks are investing in technologies that enable them to:

- Use electronic checks for improved check processing **efficiency**.
- Electronically **control** check images in a secure Enterprise Content Management (ECM) system.
- Distribute consumer disclosures quickly, easily and affordably to save **money**.



*"The Federal Reserve's 2010 study of noncash payments revealed that in 2009 more than three-quarters of all U.S. noncash payments were made electronically, a 9.3 percent annual increase since the Federal Reserve's last study in 2007. This growth and other statistics in the study emphasize consumers' increasing adoption of electronic alternatives for payments in the United States."*

*~James Savage*

*Financial Services Policy Committee, Federal Reserve System*

## ECMNOW! Enables Check 21 Compliance

Banks invest in **ECMNOW!** because it simplifies the management of electronic check images. You can reduce Check 21 compliance costs while enabling operational **efficiency** and enhancing information security and **control**. Accurate check scanning, automated check processing and a centralized information system allow you to save **money** and to build confidence in your compliance strategy.

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## Improve Check Processing Efficiency

Check 21 influences the use of electronic information management to improve check processing **efficiency**. *ECMNOW!* enables automated processing and contributes to a more productive working environment, creating a strong competitive advantage for your business.

- Automatically route documents through your bank's customized procedures to expedite check processing.
- Prioritize work queues and create time-sensitive alerts to ensure your bank responds to customer request in a timely manner.

## Control Electronic Checks in a Secure ECM System



Check 21 releases you from physically transferring paper checks, so you have a more secure and **controlled** method of check processing. PaperVision® Capture and PaperVision® Enterprise allow you to accurately capture check data, to process information and to securely manage check images in a single, searchable source.

- Verify check imaging and enable automated processing through fast and accurate capture technology.
- Eliminate the transfer of paper checks by giving other banks document grants that allow limited, secure access to check images online.

## Simplify Information Disclosures to Save Money

Each time a customer requests a copy of a check and you respond with a substitute check, a disclosure must be given to the customer. Save **money** with PaperVision Enterprise and ImageSilo® by implementing easy and cost-effective disclosure procedures, and keep detailed records of each one.

- Easily and securely share disclosures with customers using unlimited document distribution.
- Enable **money**-saving record keeping with disclosure reports that can be printed, exported and archived.