

## **NEWS FOR IMMEDIATE RELEASE**

### **Billers and Bankers Issue Business Practices for Electronic Bill Presentment and Payment**

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**WASHINGTON, DC, & HERNDON, VA, February 11<sup>th</sup> 1999** -- The realization of the potential of the Internet for electronic billing and payment has taken a major step forward with the release of electronic bill presentment and payment (EBPP) business practices by the National Automated Clearing House Association (NACHA) and the Banking Industry Technology Secretariat (BITS). Developed by NACHA's Bill Payment Council as part of BITS' InteroperaBILL initiative, the business practices will facilitate the electronic delivery of a bill from any biller to any consumer, and the electronic payment of the bill.

The business practices, available on the Bill Payment Council's web site at <http://www.nacha.org/billpay/>, set forth recommended practices for billers, service and payment providers for both billers and customers, and for the customers themselves. Each practice is designated as either "required" or "suggested," depending on whether the practice is essential to EBPP interoperability or is merely a preferred business practice.

Kelly Marlar, co-chair of the working group that drafted the practices and Manager of Treasury Advisory Services at BellSouth Corporation, said, "The electronic bill presentment and payment business practices will allow billing companies to meet their customers' expectations regarding the billing process, and establish the minimum requirements necessary for any party to successfully interact with the other parties in an on-line billing transaction."

The EBPP business practices are part of InteroperaBILL, a BITS initiative to develop a framework of technical and business standards that allows all billers to reach on-line customers, and all on-line customers to receive and pay bills across suppliers and platforms.

Louis Fuertes, also a co-chair of the working group and Vice President, Treasury Solutions for Chase Manhattan Bank, said, "All parties involved in EBPP stand to benefit from the business practices because interoperability is critical in achieving acceptance by billing companies and consumers."

Companies, service providers and consumers routinely negotiate terms that provide for bilateral protection of interests. However, there are situations in which it is desirable to have business arrangements made within a widely adopted set of "business practices" that are recognized and supported by many different parties. Without accepted business practices, each participant might need to establish side agreements with every other potential industry participant, or devote significant resources to resolving problems or disputes with others.

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Elliott C. McEntee, President and Chief Executive Officer of NACHA, said, "In developing industry practices, it was vital to have billers, bankers, and service and technology companies all sitting at the same table. The Bill Payment Council was able to achieve consensus among all the stakeholders in EBPP as to what constitutes minimum required business practices."

The business practices are based on the following principles: 1) the security and privacy of the billing and payment information is essential; 2) EBPP participants must act upon requests and instructions in a timely manner; 3) participants must maintain adequate records and tracking systems; 4) problem notification must occur so that participants can take corrective action; and 5) contact information must be provided to other industry participants and to customers.

The business practices specify how these principles apply to the processes of customer enrollment, bill presentment, and bill payment. Furthermore, the document specifies that business practices for EBPP build on, and do not replace, existing billing practices used in the paper world.

McEntee said, "While electronic bill presentment and payment is likely to improve upon current billing practices, it should not fall below the safeguards and regulatory standards that apply to conventional bills. The recommended business practices do not set aside existing billing laws and regulations."

Other EBPP issues have been left to the marketplace to decide. Fuertes said, "Different participants in the EBPP industry will have different opinions about how bills should be presented, and which payment options should be available. These and other issues, including advertising, customer enrollment methods and biller activation, are likely to be addressed in a variety of ways, and are best left to business negotiations and the customer approval process."

"We need a truly open on-line marketplace that will maximize both efficiency and the level of service the banking industry provides its customers," said BITS Chairman Edward E. Crutchfield, Chairman and CEO of First Union Corporation. "These new business practices bring us one step closer to that objective, and the partnership that BITS and NACHA have facilitated is a real achievement for the industry."

**The Bill Payment Council** was formed in 1993 as an open forum to facilitate, educate and promote the use of electronic consumer-initiated billing and payment programs and services. Its 60 members represent all interested stakeholders in the payments industry. The council provides a forum for learning, education and the exchange of knowledge and information about the electronic bill payment industry, promotes the use of such payments, ensures that payments are processed in a reliable, standard, secure, and cost-effective manner, and acts as a voice for the industry.

**The National Automated Clearing House Association (NACHA)** represents more than 13,000 financial institutions through its 34 regional ACH associations, six councils and corporate Affiliate Membership program. A leader in the payments industry, NACHA develops operating rules for the Automated Clearing House Network and for emerging electronic payment solutions in the areas of Internet commerce, bill payment and presentment, financial electronic data interchange, cross-border transactions, electronic checks, and electronic benefits transfer. Visit NACHA on the Internet at [www.nacha.org](http://www.nacha.org).

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**The Banking Industry Technology Secretariat (BITS)** was created to foster the growth and development of electronic banking and commerce in an open environment that will encourage greater choices in banking software, access devices, networks and processing capabilities for the benefit of financial institutions and their customers. BITS is a division of The Bankers Roundtable, an organization with a membership base of the largest 125 banks in the country. BITS is governed by a Board of Directors comprised of the Chairmen and CEOs of 13 of the largest U.S. bank-holding companies as well as representatives of the American Bankers Association (ABA) and the Independent Bankers Association of America (IBAA). Visit BITS on the Internet at [www.bitsinfo.org](http://www.bitsinfo.org).

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