



ELECTRONIC CURRENTS

December 1995

News and Views
on
Electronic Services

Fed Helps Promote Direct Deposit

In the first quarter of 1996, the Federal Reserve Bank of St. Louis will join forces with the National Automated Clearing House Association, the Social Security Administration and local Automated Clearing House associations to help promote direct deposit to financial institutions, companies and consumers through direct mail, public service announcements and video news releases.

The five-phase campaign, expected to kick off this January, is somewhat uncharacteristic

for the Fed in its scope and visibility, but Fed leaders say it's just what's called for at this time.

"A more aggressive, comprehensive marketing and educational effort is needed to increase people's awareness of the convenience, safety and reliability of electronic payments," says Hank Bourgaux, the St. Louis Fed's senior vice president of Operations. "It's another way the Fed can show its commitment to maintaining the integrity, efficiency and

accessibility of the country's payments system."

The Fed's involvement in promoting direct deposit comes on the heels of a similar nationwide campaign launched by SSA this fall. With the theme, "Use the smart choice — the safe choice. Use direct deposit,"

(See **Direct Deposit**, back page)

The New Electronic Currents

The new year marks a time of change and new beginnings, and *Electronic Currents* is no exception. Starting in 1996, the newsletter will have a new content, function and look.

Electronic Currents will still be written for all Federal Reserve electronic connection customers, but articles will focus solely on technical, software and training issues. This information will be consolidated into one source, so you'll always know where to find current news about Fedline, EDITH

and other electronic connections. Because of its narrower scope, *Electronic Currents* will be reduced to two pages and be published more frequently to keep you up-to-date on the news you need to know.

Information on Fed services, initiatives and customer experiences will be included in *Payments Quarterly*, a new newsletter that will cover all financial services. Operational information, such as holiday hours, fees, procedures, etc., will be quickly conveyed to our

customers on an as-needed basis in a new bulletin, *Fed Extra*.

The new *Electronic Currents*, *Payments Quarterly* and *Fed Extra* are all scheduled to debut in early 1996. If you have any questions about the publications, call Kathy Paese at (314) 444-8453 or Cheryl McCarthy at (314) 444-8459.

Fedline Training Schedule

The following training sessions are scheduled for the first half of 1996.

Date	Class	Location
Feb. 6	Fedline ACH Origination Training	St. Louis
Feb. 7-9	Fedline Training	St. Louis
Feb. 13-15	Fedline Training	Memphis
Mar. 12	Fedline ACH Origination Training	Memphis
Mar. 13-15	Fedline Training	Memphis
Mar. 19-21	Fedline Training	St. Louis
Apr. 9	Fedline ACH Origination Training	St. Louis
Apr. 10-12	Fedline Training	St. Louis
Apr. 16-18	Fedline Training	Memphis
May 14	Fedline ACH Origination Training	Memphis
May 15-17	Fedline Training	Memphis
May 21-23	Fedline Training	St. Louis
June 11-13	Fedline Training	Memphis
June 18	Fedline ACH Origination Training	St. Louis
June 19-21	Fedline Training	St. Louis

As a reminder, the Fedline training sessions last three days — a half day for Local Security Administration (LSA) training and 2 1/2 days for Fedline training. The ACH Origination sessions are one-day sessions for current Fedline customers only. Each financial institution may send two staff members to a training session.

For pricing or registration information, please contact Customer Access Support at (314) 444-8680 or toll-free at 1-800-333-0869.

Expanded Funds Format to Debut

In December 1994, the Federal Reserve Board of Governors approved a plan to expand the funds transfer format to include a more comprehensive set of data elements by year-end 1997. This new format will provide additional space and fields to help you comply with the Treasury Department's "travel rule," which is made up of regulations that limit money laundering.

The new format will be implemented in two phases — receipt and origination. The receipt phase, scheduled for July 1996 through May 1997, begins the conversion process. During this phase, you'll receive a patch that enables your Fedline software to receive funds transfers

in the new format, while continuing to send transfers in the old format. Transfers originated in the old format will be "mapped" into the new format before being sent to the receiver.

The origination phase is scheduled for June 1997; you'll receive more information about it closer to the date. During both phases, you'll electronically receive a patch that implements the necessary changes to your Fedline software. Additional documentation will be sent to you before the conversion.

As a Fedline user, the new format will affect you in several ways. First, you'll need to become accustomed to new alpha field tags. In addition,

if you upload data from Fedline onto another system, the new format will require changes to that system. Finally, if you use preprinted forms, you'll need to revise these forms on your Fedline printer. If either of the last two situations applies to your financial institution, please call us for a copy of the technical specifications.

To obtain a copy of these technical specifications, or if you have any questions about them, call Anne Hoerner at (314) 444-8537 or 1-800-333-0810, extension 8537. You can also call (314) 444-8711 or 1-800-333-0861 and press "1" to speak to a Customer Access Support staff member.

Many Thanks

The following institutions volunteered their time and personnel to assist Customer Access Support with the Fed's system tests that were conducted during the second, third and fourth quarters of 1995. Many thanks to all who participated!

Customers who tested three times:

Union Planters National Bank;
Cordova, TN

Customers who tested twice:

First Commercial Bank,
National Association;
Little Rock, AR
Mercantile Bank of St. Louis,
National Association;
St. Louis, MO
National Bank of Commerce;
Memphis, TN
Ozark Mountain Bank; Branson, MO
Pine Bluff National Bank;
Pine Bluff, AR
Simmons First National Bank
of Pine Bluff; Pine Bluff, AR

Customers who tested once:

Bank One; Louisville, KY
Bank of Friendship; Friendship, TN
Boone County National Bank;
Columbia, MO
Central Bank of Lake of the Ozarks;
Osage Beach, MO
Central Bank; Fairview Heights, IL
Citizens First Bank; El Dorado, AR
City Bank and Trust Company
of Moberly; Moberly, MO
Elliott State Bank; Jacksonville, IL
First National Bank of
Sharp County; Ash Flat, AR
First National Bank and Trust
Company Inc.; Rogers, AR
First National Bank; Camdenon, MO
First National Bank; Mexico, MO
First Community Bank of
Taney County; Branson, MO
Fort Knox National Bank;
Radcliff, KY
Granite City Steel and Community
Federal Credit Union;
Granite City, IL
Magna Bank of Missouri;
St. Louis, MO
Mark Twain Bank; St. Louis, MO
Mercantile Bank of Illinois
National Association; Alton, IL
Merchants & Planters Bank;
Manila, AR

(See **Many Thanks**, back page)

Introducing FASTPATCH

Are you tired of coming to work early or staying late to load new Fedline patches? Now you don't have to because this past summer, the St. Louis Fed introduced FASTPATCH, a system that electronically delivers Fedline patches to your Fedline connection over Session 4 – Bulk Data. By installing patches automatically, FASTPATCH saves you the time and effort of doing it manually.

Unless otherwise stated, patches will activate when they are received by your Fedline terminal. Patches that have a specific implementation date will implement when the cycle date rollover runs that day.

Upon implementation, release notes detailing changes in the patch will be printed. To verify that FASTPATCH has been received and executed, press "Alt" + "V" after your cycle date rollover is complete, and your screen will display the current Fedline version.

Your Local Security Administrator should save, or "export," all patches to a blank, formatted diskette within four days of receipt. This will serve as your only backup of the patch and will be needed if you ever have to reload your Fedline software. (Instructions for exporting to diskette are on Page 44 of the November 1994 Local Security

Administrator Guide.) Please write the Fedline version on each diskette and store them with your Fedline software.

Additional patches, including FedACH and the new funds format, will be downloaded in 1996. We will inform you of when each patch will be delivered, so you can watch for them.

Below is a Fedline software inventory list that you can use to log your software. Please keep this list with your software so you can update it with future patch information. If you are missing software or have any questions about FASTPATCH, contact Customer Access Support at (314) 444-8711 or 1-800-333-0861.

Fedline Software Inventory

Version	3 1/2-inch Diskette	5 1/4-inch Diskette
Configuration diskette	1	1
Utility diskette	1	1
Rekap (for encryption)	1	1
2.4 Core	14	28
2.40.10	2	2
2.40.21	4	4
2.40.30	1	1
2.40.50	10	19
2.40.51 sent via FASTPATCH	1	1
2.40.60 sent via FASTPATCH	1	1
2.40.61 sent via FASTPATCH	1	1
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Direct Deposit

(continued from front page)

SSA is hoping to develop a partnership with financial institutions to increase both consumer acceptance of direct deposit and the number of Social Security payments delivered via the ACH.

"We have a joint mission with financial institutions," says Michael Johnson, director of SSA's Payment and Recovery Policy staff. "It's in both our interests to get people signed up for direct deposit."

To support this goal, SSA has developed marketing materials, including statement stuffers, for financial institutions. In addition, SSA and NACHA have released direct deposit public service announcements, featuring Ricardo Montalban, to television and radio stations across the country. So far this

year, more than 3,700 financial institutions have taken part in SSA's campaign.

Direct deposit provides many advantages to financial institutions and consumers. By offering it, financial institutions can lower their processing costs, increase their portfolio of financial services, improve customer service and gain a competitive advantage in the banking industry. Consumers benefit by knowing their money will always be deposited in their accounts on time. They also never have to worry about their checks being lost or stolen.

While direct deposit has many benefits for financial institutions and consumers, it also benefits SSA by cutting the cost of each check disbursement by 40 cents. Today, 55 percent of the 50 million people who receive monthly

Social Security or Supplemental Security Income benefits use direct deposit.

SSA is also investigating ways to make signing up for direct deposit quicker and easier. Johnson says that SSA is currently in the process of developing Quick\$tart[®], an automated enrollment system that will allow financial institutions to send direct deposit sign-up information to SSA through the ACH.

For information on originating direct deposit through the ACH, contact Langston Scott of the St. Louis Fed at 1-800-333-0810, extension 8461. For general information on direct deposit, contact Kathy Paese of the St. Louis Fed at (314) 444-8453. You can also call NACHA at (703) 742-9190 or your local ACH association for information.

Many Thanks

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Nokomis Savings Bank; Nokomis, IL
O'Bannon Banking Company;
Buffalo, MO
Old National Bank; Evansville, IN
Owensboro National Bank;
Owensboro, KY
PNC Bank, Kentucky, Inc.;
Louisville, KY
River Valley Bank and Trust;
Barling, AR
South Central Bank of Barren
County, Inc.; Glasgow, KY
Sunburst Bank; Grenada, MS
The Peoples Bank;
Mount Washington, KY
The Twin City Bank;
North Little Rock, AR
The Boatmen's National Bank
of St. Louis; St. Louis, MO
The First National Bank
of Central City; Central City, KY
Wilson & Muir Bank & Trust
Company; Bardstown, KY

If you are interested in participating in future tests, please call Barb Mettelle of Customer Access Support at (314) 444-8504 or toll-free at 1-800-333-0861.

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