



FOR IMMEDIATE RELEASE

NACHA Reports More than 18.2 Billion ACH Payments in 2008
ACH Transaction Volume Up by 1.2 Billion Payments
Despite Economic and Industry Pressures;
Consumer ACH Bill Payments Made Via Internet Near \$1 Trillion

ORLANDO, Fla. – April 6, 2009 – The number of ACH payments in 2008 topped 18.2 billion, representing an increase of 1.2 billion over 2007, according to statistics released today by NACHA – The Electronic Payments Association at its PAYMENTS 2009 conference.

“Consumers, businesses, and government are continuing to embrace the safe, smart, and green attributes of ACH payments and choosing electronic over paper,” said Janet O. Estep, NACHA president and chief executive officer. “Despite the overall economy slowing in 2008, the ACH Network continues to see positive growth.”

The portion of ACH payment volume passing through the ACH Operators grew in 2008 to nearly 15 billion transactions. The number of ACH Network transactions in 2008 was 14,960,689,587, which is 7.1 percent more than 2007. The dollar value of these payments was \$29.96 trillion, an increase of 4 percent over 2007.

Internet Payments

Internet-initiated ACH debits (WEB) experienced robust growth in 2008, increasing by 19.7 percent to almost 2.1 billion payments. When combined with consumer-initiated credit payments (CIE), the dollar value of consumer ACH payments made via the Internet is nearing \$1 trillion annually (\$939 billion in 2008).

Business-to-Business (B2B) Payments/Financial EDI

More than 1 billion EDI-formatted addenda records were transmitted across the ACH Network in 2008, a 14.6 percent increase over 2007. Businesses use EDI-formatted addenda records to send and receive invoice- and other payment-related information. The volume of CTX payments, which can carry up to 9,999 addenda records, increased by 16.1 percent, and the number of CCD payments carrying an addenda record increased by 17.9 percent.

Back Office Conversion (BOC)

In its first full year of availability, the newest e-check transaction – BOC – grew by 1,772 percent in 2008 to a total of 78,460,461 payments. This volume is comparable to the original Point-of-Purchase (POP) check conversion application when accounting for the significant decline in consumer check-writing over the past eight years. At the same time period after its introduction, the annualized volume of POP transactions was 101 million; however, consumer check-writing has been declining during this time period by about 4 percent per year.

Federal Government Payments

The Federal government used the ACH Network for more than 30 million Direct Deposits as part of 2008's economic stimulus package. This contributed to an overall growth of Federal government ACH payments of 10.2 percent, to 1,145,895,074 payments in 2008. According to the Financial Management Service, the Federal government saves \$0.925 for every Direct Deposit that replaces a check payment. With over 1 billion Direct Deposits, the Federal government saved at least \$925 million in 2008 by using the ACH Network.

Network Risk and Quality Indicators

The most significant ACH Network risk and quality indicators improved moderately in 2008. Overall, the rate at which ACH debits are returned as unauthorized declined slightly from 0.041 percent to 0.040 percent, and there were no SEC codes that had a significant increase in its unauthorized rate.

ACH Transaction Volume (millions)

	2008	% Change	2007	% Change	2006
Commercial - Network - Off-Network	13.815 3.324	7.07% 6.14%	12.934 3.131	13.39% 12.49%	11.320 2.783
Commercial ACH Total Volume	17.139	6.68%	16.065	13.91%	14.103
Government ACH Total Volume	1.146	10.23%	1.040	3.58%	1.004
ACH Network Total Volume (millions)	14.961	7.07%	13.973	13.39%	12.323
Grand Total ACH Volume (millions)	18.285	6.90%	17.105	13.22%	15.107

**Effective 2009, NACHA has adopted the same methodology that has been used by the Federal Reserve in its payments system research, reflecting Network Volume (transactions passing through the ACH Operators), and Off-Network Volume (on-us and direct send volume as reported to NACHA by financial institutions), with no adjustments or estimates. In order to provide year over year calculations, NACHA has provided data from previous years using this methodology.*

NACHA — The Electronic Payments Association

NACHA — The Electronic Payments Association is a not-for-profit association that oversees the Automated Clearing House (ACH) Network, a safe, efficient, green, and high-quality payment system. More than 15,000 depository financial institutions originated and received 18.2 billion ACH payments in 2008. NACHA is responsible for the administration, development, and enforcement of the *NACHA Operating Rules* and sound risk management practices for the ACH Network. Through its industry councils and forums, NACHA brings together hundreds of payments system stakeholder organizations to encourage the efficient utilization of the ACH Network and develop new ways to use the Network to benefit its diverse set of participants. NACHA represents nearly 11,000 financial institutions through direct membership and 19 regional payments associations. NACHA and its members provide education, tools, and resources to increase the adoption of ACH payments to benefit businesses, consumers, and governments. To learn more, visit www.nacha.org and www.electronicpayments.org.

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