

# WEB

(Internet-Initiated Entry)

## Transactions

More cashflow. More options. More results.



WEB transactions are debit entries (either recurring or a single entry) to a consumer's account pursuant to an authorization that is obtained via the Internet.



1.  
MERCHANT or CUSTOMER  
enters transaction online



2.  
EPN debits customer and  
handles returns/collections



3.  
MERCHANT receives money  
72 hours after settlement

### WEB Advantages

- Electronic items are processed before paper items
- Risk of NSF returns is reduced
- Return fees are lower than paper items
- Extend the life of the customer relationship automatically
- Reduce expenses — paper, postage and manual labor
- Increase office efficiency
- Increase fixed revenue with scheduled payments

### SAMPLE AUTHORIZATION WORDAGE:

By submitting payment information (clicking 'Submit'), you are authorizing (your company) to reproduce this (dollar amount) item as an ACH transaction for debit to checking account (account number) on (1/1/2006).

An ACH transaction will be produced utilizing the information from this form you are submitting.

If this transaction is returned for any reason, this same account will be debited for a state applicable return item fee.

# WEB

## Internet-Initiated Entry

This SEC Code is used for the origination of debit entries (either recurring or Single Entry) to a consumer's account pursuant to an authorization that is obtained from the Receiver via the Internet. This SEC Code helps to address unique risk issues inherent to the Internet payment environment through requirements for added security procedures and obligations.

An Internet-Initiated (WEB) entry may be transmitted by an Originator pursuant to an authorization that is obtained from the Receiver via the Internet to effect a transfer of funds from a Consumer Account of the Receiver.

In addition to the other warranties contained within these rules, each ODFI initiating a WEB entry warrants to each RDFI, ACH Operator, and Association that:

Each Originator for which the ODFI transmits WEB entries has employed a commercially reasonable fraudulent transaction detection system to screen each entry.

In the case of a WEB entry initiated by an Originator that is not a natural person, the ODFI has (1) utilized a commercially reasonable method to establish the identity of the Originator, (2) established procedures to monitor the credit-worthiness of that Originator on an on-going basis, (3) established an exposure limit for that Originator, (4) implemented procedures to review that exposure limit periodically, and (5) implemented procedures to monitor entries initiated by that Originator relative to its exposure limit across multiple settlement dates.

Each Originator that originates WEB entries has used commercially reasonable procedures to verify that routing numbers are valid. Each Originator that originates WEB entries has established a secure Internet session with each Receiver utilizing a commercially reasonable security technology providing a level of security that, at a minimum, is equivalent to 128-bit encryption technology prior to the Receiver's key entry and through transmission to the Originator of any banking information, including, but not limited to, the Receiver's routing number, account number, and PIN number or other identification symbol.

Each Originator that originates WEB entries shall conduct or have conducted annual audits to ensure that the financial information it obtains from Receivers is protected by security practices and procedures that include, at a minimum, adequate levels of (1) physical security to protect against theft, tampering, or damage, (2) personnel and access controls to protect against unauthorized access and use, and (3) network security to ensure against secure capture, storage and distribution.