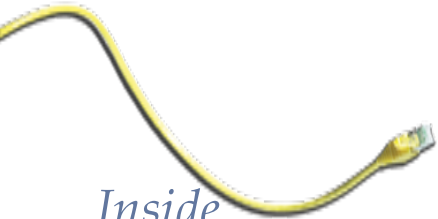




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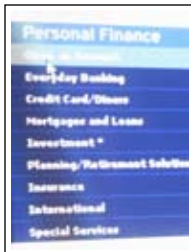
Online Nation

Online Bill Pay No Longer a Trend But a Preferred Method

It's estimated that Americans will spend \$228 billion shopping online this year. That's a far cry from the day when users were panicked about giving e-commerce firms their addresses, much less their credit card numbers.

Are risks still involved when shopping online?

It's estimated that as many as 77 percent of the online population over age 13 will shop online this year. Shopping and buying products online involves choosing a form of payment and sharing your financial information with an online merchant, which can lead to fraud and unauthorized charges. Internet fraud costs consumers more than \$200 million a



year. Furthermore, since the TJX incident in which more than 47 million credit- and debit-card numbers were stolen by hackers from retailer's computer systems, consumers have learned that no matter how careful they are, their financial information can be exposed to the risk of fraud.

What are the three safest forms of e-payment?

The most common forms of payment people use when shopping online are credit or debit cards. Both are reasonably safe but are still susceptible to fraud, especially if the fraud involves the theft of consumers' financial information directly from the vendor. Consumers need to think about their online transactions by asking themselves the following question: "How will my money be protected if the payment information I provide is compromised and used

fraudulently?" In addition, other important considerations include privacy, fees/costs, and ease of use.

Let's take a look at the way they compare to each other in several key categories. Which one is the easiest to use?

Credit and debit cards are very easy to use, as this transaction simply involves entering the requested account information that the merchants then provide through their payments processing systems to the card issuer.

It is also easier to pay for purchases with a credit or debit card than by writing a check. However, when consumers use debit cards, all of the transactions made with them are listed on the same bank statement that lists other transactions, such as cleared checks,

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Online Nation (continued)

ATM withdrawals and deposits. Furthermore, only one card is needed to make purchases and request cash from an ATM. Many debit-card users say they actually prefer using debit cards versus credit cards.

Which one is best in terms of costs and fees?

Because purchases made with a debit card are deducted directly from customers' bank accounts, consumers like these avoid increasing their debt and interest charges altogether. However, if consumers use credit cards and pay them in full each month, they will avoid any additional interest and fees. In addition, payments made by credit card allow consumers to keep the payment amounts in their bank accounts, earning interest, until their credit card bill is due.



Which one offers the most privacy and security?

People shopping online logged onto the Web an average of 63 times last year either to browse or purchase products. When consumers purchase a product online with a debt or credit card, they have to provide a great deal of personal information — street addresses, telephone numbers, e-mail addresses, card numbers, expiration dates, and so on — on the Web site, for every merchant from whom they buy things. The result of these specific activities means consumers have shared their financial information with many merchants, and this information can increase the risk that personal data could be compromised and used fraudulently.

What is the bottom line?

If used properly, credit cards are an easy and low-cost payment option for consumers buying products online. In addition, credit cards by far provide the best protection for consumers and are recommended for making purchases online and any place else that accepts them.

With consumer trends shifting, Electronic Payment Providers (EPP) can help you establish both ACH and Credit Card payment options along with an online payment site.

For a free evaluation of your current practices and a custom-benefits proposal regarding online billing, please contact EPP at (877) 377-2677 or visit our web site at the following address: expresspayments.com.

Online Bill Pay—A “Green” Activity

Javelin Strategy & Research has published a new report entitled “2007 Online Banking and Bill Payment: Trends, Forecasts, and Strategies for Reinvigorating Growth and Adoption,” suggesting that “consumers can financially do well by doing good [for the environment], improving financial control while eliminating the paper bills, statements, and checks that harm the environment through forest destruction, wastewater, fuel consumption, air pollution, and landfill waste.”

“Paper checks, bills, and statements will become historical artifacts with consumers,” said James Van Dyke, President of Javelin Strategy & Research, “as banks, credit card providers, and other companies increasingly offer online services that are ‘green, safe, and practical’ rather than just ‘new-and-cool’.” [Nevertheless,] we’re at a crossroads because the rate of new consumer adoption of online banking and bill payment has actually slowed. As environmental concerns increase, [however,] more people will understand that they can more effectively control their finances without causing damage to the environment.”

This report builds on an extensive new research survey to demonstrate the way current and emerging technologies actually fulfill common needs, ranging from the basic (access to one’s complete financial picture) to emerging capabilities (mobile banking and payments, live chat, banking blogs, Web 2.0 bank-sponsored community forums, or

bulletin boards). Companies can also provide important safety advantages with paperless options that minimize criminal mail access, user-defined activity alerts, fraud-loss guarantees, and the ability to log in safely and monitor activity from nearly any place of convenience.

Key Findings of the Javelin Strategy & Research Report

- Javelin’s report reveals that 61 million households currently bank online (53% of the U.S. household population) which is projected to reach 82 million households by 2012 (67% of U.S. households).
- Approximately 39 million households pay bills at individual biller sites today, and this number is projected to reach 50 million by 2012. Bills viewed or paid at bank sites will grow even faster as consumers receive the features they’ve wanted all along.

The Yearly Benefits – If All U.S. Households Viewed and Paid Bills Online

- Saves 2.3 million tons of wood, or 16.5 million trees.
- Reduces fuel consumption by 26 million BTUs — enough energy to provide residential power to San Francisco for a year.
- Decreases toxic air pollutants by 3.9 billion pounds of CO2 equivalents, akin

to having 355,000 fewer cars on the road.

- Reduces toxic wastewater by 13 billion gallons, equal to 20,000 swimming pools.
- Lowers solid waste generated by 1.6 billion pounds — equal to 56,000 fully loaded garbage trucks.
- Removes 8.5 million particulates and 12.6 million nitrogen oxides from the air, on par with removing 763,000 buses and 48,000 18-wheelers from the roadways.

In assessing other trends illustrated by the report, author Mary Monahan added, “People manage their assets and bills online to gain control of time, finances, and safety. Bankers can meet consumer needs while providing vital environmental benefits. In addition, emerging features, such as two-way mobile or email alerts and preset user-defined limits and prohibitions (UDLAPs) can transform today’s overwhelming flood of online information into an experience that is green, safe, and practical for everyone.”

Electronic Payment Providers (EPP) can help your business “go green” by reducing paper usage and accelerating the receivables processes by using electronic payment strategies. For an analysis of your organization’s payment practices, please contact EPP at (877) 377-2677 or visit our web site at expresspayments.com for more information.

Healthcare Industry—A Barometer for Billing Trends

Recent surveys revealed that only a small fraction of providers are receiving electronic payments and remittance advice, yet more than 96 percent of respondents would like the option of settling claims electronically. An even greater number, 98 percent, believes that more health plans should offer this option to providers.

The study was distributed to 3,343 healthcare providers; the electronic survey was completed and returned by 542 respondents.

"Providers in the healthcare industry as well as billers in industries we work with across the board want to improve efficiency by offering electronic billing," said Scott McCollum, President of EPP. "Electronic payment plans lower provider costs, improve cash flow, and reduce payment disputes. In fact, providers can save as much as 40% in operation costs

by using an integrated payment solution from EPP."

For the healthcare industry to transition to an electronic claim settlement approach effectively and address the issues raised by the survey, three key actions of payers and providers should focus on the following points:

- Payers elevate the priority of transitioning to electronic claim settlement and put solutions in place to deliver EFT and ERA to all providers.
- Providers encourage all of their payers to offer EFT and ERA services.
- Providers leverage inbound 835 ERA transactions to auto-post to their

practice management systems and avoid manual re-keying of remittance data.

The study also found that providers believe that electronic claims settlement will be the industry standard within three years.

Electronic Payment Providers (EPP) offers a powerful solution for recurring

payment establishment for both ACH and Credit Card payments. For a free evaluation of your current practices or for a quote on establishing a recurring payment system, please contact EPP at (877) 377-2677 or visit our web site at the following address: expresspayments.com.



Subprime Consumers Likely to Pay Bankcard Debt First

According to the latest Experian study on the subprime lending market, subprime consumers, those with an Experian credit score of 620 or lower, are more likely to be 30 days or later on their mortgage payments than on their unsecured bankcard obligations. As consumers have



historically paid mortgage debt over bankcard debt, this finding represents a significant departure from conventional behavior.

Consumers with credit scores considered to be "prime," above 680, continue to follow traditional historical patterns of paying mortgage debt before bankcard debt.

"The current marketplace debate and

increased visibility on subprime lending led us to examine historical consumer payment trends to see if they have shifted," said Kerry Williams, President, the Experian Information Solutions Group. "Interestingly, our data revealed that many consumers in the subprime segment have adjusted their payment patterns in order to better manage their personal finances."

Other Key Findings

- The mortgage delinquency rate for subprime consumers has grown at 13.2 percent over the past four years.
- The Western region experienced the sharpest growth in delinquencies—15.3 percent for mortgage versus 6.4 percent for bankcard.

- The same delinquency pattern is present across each geographic region in the United States.
- Over the past four years, bankcard lending to subprime consumers has risen by 137 percent, and mortgage lending to subprime consumers grew by 58 percent.

"Although the environment has changed, the subprime consumer lending segment still remains viable," said Williams. "However, it is prudent for lenders to explore improvements in [the] decision [making] process and the tools to counter recent market trends."

For more information, please contact EPP at (877) 377-2677 and speak to a payment advisor or visit our web site at expresspayments.com.

ACH Transactions Still Continue to Rise

Nearly 16 billion automated clearing house (ACH) payments were submitted in 2006, a 14.5 percent increase over 2005, according to statistics compiled by NACHA, The Electronic Payments Association, and issued at the PAYMENTS 2007 conference.

"Annual ACH payment volume continues to double every 5 years, and growth is occurring across all transaction categories," said Elliott C. McEntee, President and CEO of NACHA. "The growth of the ACH Network shows the value that financial institutions and their

customers experience from ACH payments."

The nation's financial institutions originated 15.4 percent more ACH payments in 2006 than in 2005. These payments numbered 14.98 billion, an increase of more than 2 billion over 2005, and valued at \$30.3 trillion.

ACH payments include Direct Deposit of payroll, Social Security benefits and tax refunds, Direct Payment of consumer bills, bill payments by Internet and telephone, check conversion, business-to-business payments, and federal tax withholdings.

The study confirms that ACH or electronic check transactions continue to replace paper checks and have become the most efficient way for businesses to receive payment. Electronic Payment Providers (EPP) has been an industry leader in this powerful technology for more than five years. If you or any member of your organization would like more information, please contact EPP at (877) 377-2677 or visit our web site at expresspayments.com.

E P P T R A D E S H O W C A L E N D A R

19th FiSCA Annual Conference and Expo

Exhibits: October 7-8, 2007

Booth: #25

JW Marriott Desert Ridge, Phoenix, AZ

The 19th Annual FISCA Conference will be full of opportunities to share ideas and information with your peers from around the country, in addition to receptions and entertainment for your enjoyment. Short-Term Lenders need a payment partner who can establish and manage payment plans with minimal setup as well as automatically re-present NSF items on strategic dates. Stop by our booth to see a demo of our powerful payment solutions.



CAC's 2007 Annual Convention & Expo

Exhibits: October 8-11, 2007

Booth: #201

Monterrey Marriott, Monterrey, CA

The California Collectors Association presents the Annual Convention and EXPO in the fall and the Legal and Legislative Conference in late winter/early spring. Conference Representatives of member agencies network with colleagues, learn about the current issues affecting the industry and to view the most current collection tools and services to make their businesses more successful.



16th Annual Card Collection Conference

Exhibits: October 14-16, 2007

Booth: 213

JW Marriott Desert Ridge, Phoenix, AZ

The 16th Annual Card Collections Conference is the place to hear answers to these questions and many more. Plus, it's the ideal place to network with industry movers and shakers as well as key business contacts that can help you run your operations more efficiently, effectively and more profitably. Stop by our booth to see a demo of our powerful payment solutions and maybe even see Jim Worman.



I N T E G R A T E D P A R T N E R S

