

DEPOSIT CHEK®

Alerts Help Reduce Credit Union Check Losses

A+ Federal Credit Union in Austin, Texas, has no trouble justifying its decision to implement the DEPOSIT CHEK® service from Early Warning® Services, a check-loss prevention solution offered by Southwest Corporate.

"Deposit Chek alerts us to potentially bad checks and has prevented losses for both the credit union and our members," said Andrea Stocks, the credit union's vice president of operations. "It has easily paid for itself in the year we've had it."

Deposit Chek is an electronic fraud prevention service that matches MICR data from deposited checks to a massive database of stop payments and problem accounts (reflecting 90 percent of all U.S. checking accounts) that is updated daily by the nation's largest financial institutions. Results – both positive and negative – appear in a next-day report or are provided in a real-time response, depending on the option selected by the credit union.

Deposit Chek Reader provides a credit union's tellers with real-time account and item-level notification of potentially high-risk items at the point of deposit, before items are sent for processing and while the depositor is still present. A+ Federal Credit Union uses Deposit Chek Inquiry, the option that offers next-day reporting. This service enables the credit union to make funds availability decisions more quickly and to place holds when necessary to stop losses.

...helped the credit union avoid a \$4,200 counterfeit check loss

"We work the report diligently every day," said Stocks. "It's very user-friendly."

Recently, the Deposit Chek service helped the credit union avoid a \$4,200 counterfeit check loss, according to Stocks. When the daily report identified three deposits made by the same individual over a



A+ Federal Credit Union Austin, TX Total Assets: \$713,000,000

two-day timeframe as "suspect," the credit union's fraud staff began to investigate. When the individual deposited a fourth check the next day, a hold was placed on the check and the full account balance, saving the credit union from a loss.

The Deposit Chek system performs validation and status verification of check-paying financial institution accounts. The database contains account status on more than 210 million accounts, more than 18 million stop payment records, and more than one million negative account and counterfeit item records.

"We used the same system on paper checks, so we had a comfort level that the electronic filtering of checks would perform the same way," Stocks said. "What makes Deposit Chek so successful is the large number of financial institutions participating across the country."

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