

*What if I decide to change accounts, change financial institutions, or stop using direct deposit?*

You should notify the organization making payments of your new financial relationship immediately. In the case of a government benefit payment, you should also notify the financial institution that was receiving your payment.

*If I authorize direct deposit of payments, will the organization making payment have the right to make withdrawals from my account?*

Generally, the organization making payments may not withdraw funds from your account except in the event of mistake such as an accidental second direct deposit or an incorrect amount. In such cases, the organization making payment is allowed to correct such a mistake by reversing the second payment or by reversing the incorrect payment and sending another payment in the correct amount.

*Where can I get more information?*

To receive more information on direct deposit, please contact the organization making payment to you, your financial institution, or the Consumer Affairs Department at the nearest Federal Reserve Bank.

SAMPLE



*Should you be using direct deposit?*

CUSTOMER IMPRINT HERE

Insurance  
Logo

## *What is direct deposit?*

Direct deposit is the electronic equivalent to taking a paper check to your financial institution and having the teller place the funds from the check into your account. Direct deposit sends payments electronically to a specified deposit account at your financial institution.

## *What payments are eligible for direct deposit?*

The most common sort of payment that is eligible for direct deposit is your paycheck. Many companies also use direct deposit for interest, dividend, or pension payments. Another form of payment that is commonly made by direct deposit is a social security benefit payment.

## *Why should I use direct deposit?*

Direct deposit eliminates the hassle of obtaining the paper check, traveling to your financial institution, and standing in line to make the deposit at your financial institution. As an added convenience, direct deposit will make your deposit while you are away from home on business or vacation. If you are employed some distance from your company's headquarters, your payment will no longer be delayed by mail service. Your money is automatically deposited into your account.

## *Is direct deposit safe?*

In many ways, direct deposit is a much safer method of making a deposit than the traditional paper check. Unlike a traditional check, payments made by direct deposit cannot be lost in the mail or stolen from your office or home.

The Treasury Department estimates that payment recipients are 20 times less likely to have a problem with a direct deposit payment than with the traditional paper check. The rare problems that do occur can usually be resolved within 24 hours, compared with an average resolution time of 14 days for paper checks.

With a traditional check, several individuals will likely handle it before deposit is made. These individuals each have access to such information as your address, your account number, your periodic income, and your signature. Direct deposit eliminates this manual check processing, so your private information remains private. You can rest assured that no one—including the organization paying you—can get balances or other information about your account without your permission.

## *When are direct deposit payments available for my use?*

Funds are available on the same day your financial institution credits your account. This means you have immediate access to your funds at the opening of business on the date of your payment—whether you use an ATM, write a check, or make a point-of-sale transaction.

## *Can I have my payment placed in more than one account?*

Generally, yes. Check with the organization that will be making the payment to you to see if they offer this as an option.

## *How will I know when my payment has been placed in my account?*

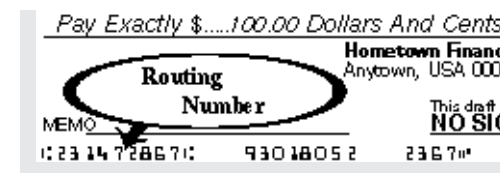
Notice that your payment has been credited to your account will be supplied by either the organization that makes the payment to you

or your financial institution. The notice is generally in the form of a check stub, a periodic statement, or a telephone number to call to confirm the credit to your account.

## *How does direct deposit work?*

Direct deposit begins by contacting the organization that is paying you to ask if they offer direct deposit. If it is available, you must provide them with an authorization to send the payment directly to your financial institution.

Providing authorization usually means completing a form that gives your financial institution's identification number (the "transit" or "routing" number found on your personal checks) and the account number(s) to which your payment is to be deposited. The "routing number" for your financial institution can usually be found at the bottom left-hand side of your check. It generally is nine digits and precedes your account number as shown in the following illustration:



After you complete the authorization, the organization paying you then issues payment instructions to its financial institution to automatically credit your account at your financial institution on your regular payment dates.

If your payment is from the government as part of a federal benefit program, a special form is required to set up direct deposit. Your financial institution is responsible for sending this form to the specified federal agency for processing.