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# Annual Conference

Original / Essential / Unbiased / **Information**

## Secure Vault Payments® A Safe, Cost-effective Way to Accept Consumer Electronic Payments

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# Agenda

- ” Payment trends
- ” U.S. Bank implementation of Secure Vault Payments (SVP)
- ” University of Wisconsin -Stout SVP pilot
- ” FamilySearch International SVP pilot

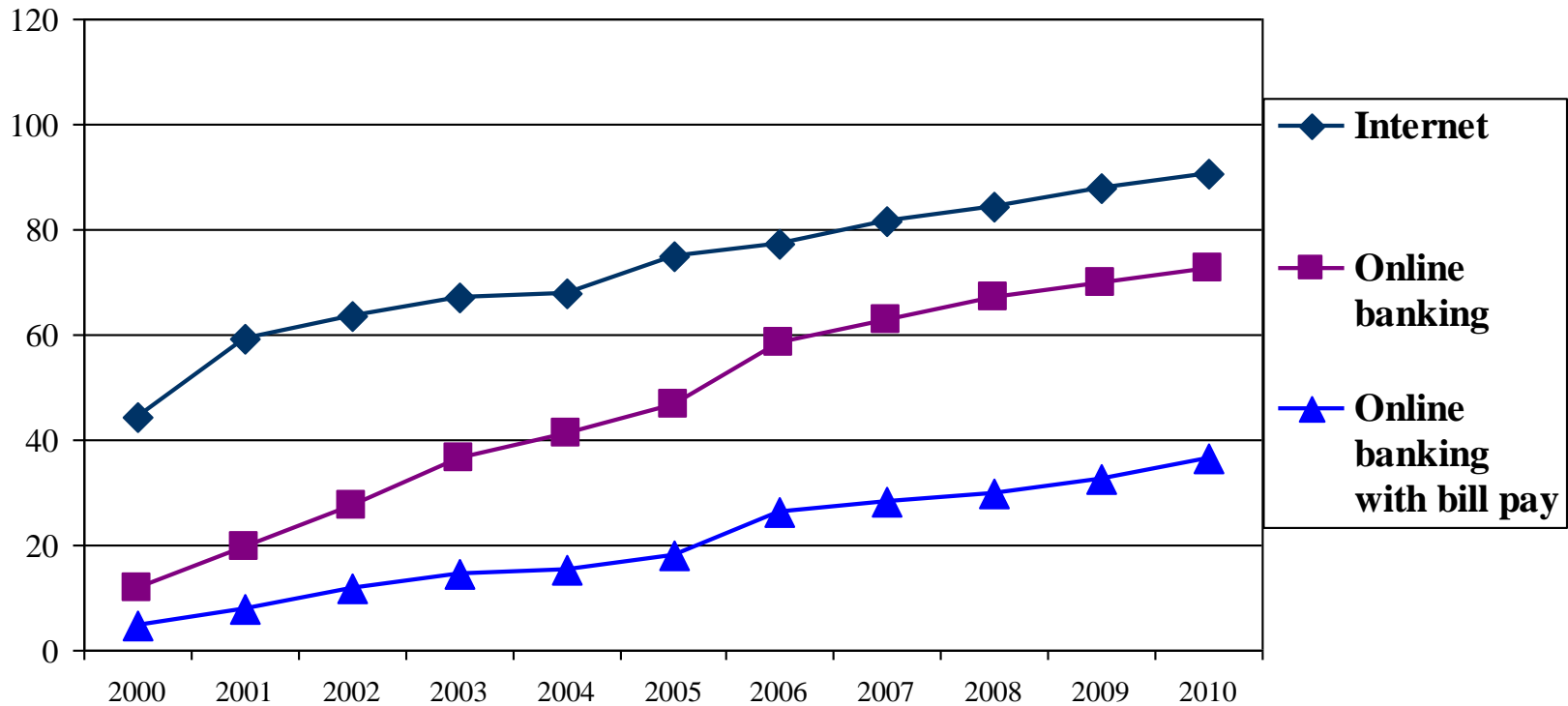


# Payment Trends



# Internet, Online Banking and Bill Pay

Millions of U.S. households

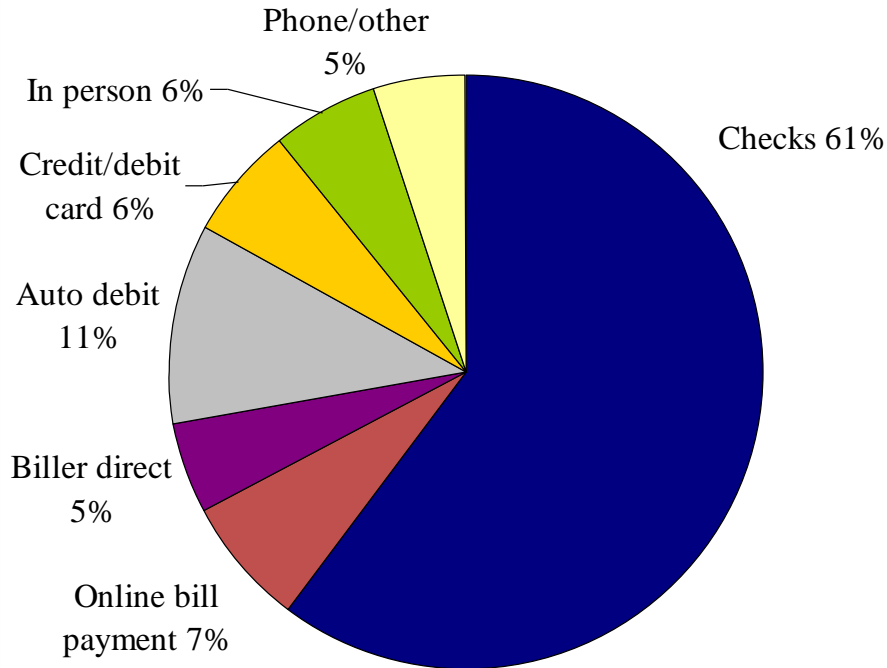


~In 2010, U.S. households Internet penetration reached 90.5 million out of 120 million households or 75% penetration, online banking reached 60% and online banking with bill pay reached 30% household penetration.

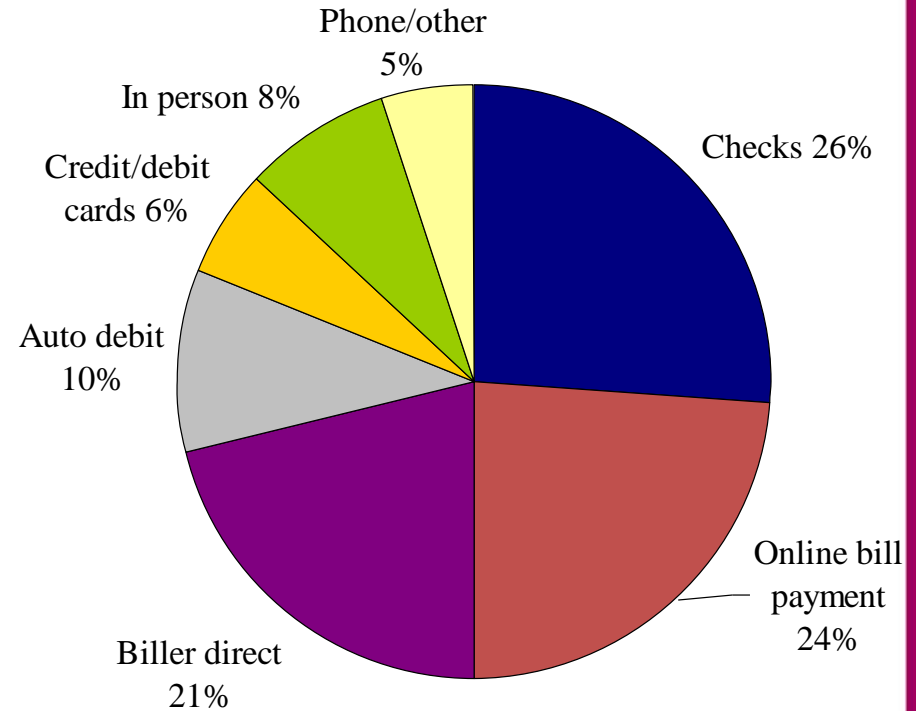
Source: 2010 Consumer Billing and Payment Trends Survey, Consumer Insights, Fiserv.

# U.S. Online Households Bill Payment

**2000 U.S. online household bill payments**



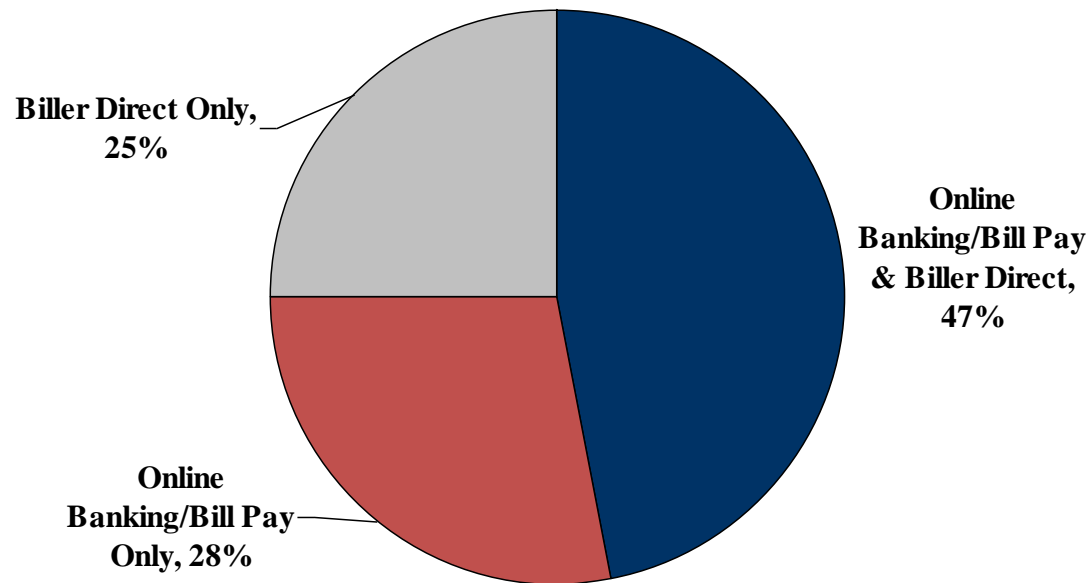
**2010 U.S. online household bill payments**



© 2010 Consumer Billing and Payment Trends Survey, Consumer Insights, Fiserv.

# Online Banking Bill Pay vs Biller Direct

2009 Online bill payers past 30 days



Source: 2009 Javelin Strategy and Research

# Secure Vault Payments - Development

Year	SVP Development
1998	"NACHA . The Electronic Payment Association began evaluation of creating a new consumer payment method that used the ACH network.
2002	"NACHA Project Action - approved business case and plan to conduct a proof of concept for the new payment method.
2005	"NACHA conducted a proof of concept with eWise as the technology provider.
2008	"Secure Vault Payments, new product name, was piloted by Synovus Banking Corporation and University of Georgia. "By the eighth month of the pilot, 16% of SVP-enabled payers had used SVP for at least one payment.
2010	"On 9/16/10, NACHA and eWise announced SVP was fully commercial "On 11/3/10, U.S. Bank became the first top ten bank to announce plans to join the SVP network
2011	"2/24/11, U.S. Bank and FamilySearch announced plans to implement SVP. "3/9/11, U.S Bank announce plans to implement SVP with U of WI-Stout. "8/31/11, U.S. Bank announced U of WI-Stout had implemented SVP.

# U.S. Bank Approach to Implementing Secure Vault Payments





# U.S. Bancorp Presence

## Regional

Consumer & Business Banking  
& Wealth Management



## National

Wholesale Banking & Trust Services



## International

Payments



5th largest commercial bank in the United States

17 million customers

3,086 branches in 25 states

Global presence in 30 countries

Source: U.S. Bancorp Fact Sheet September 14, 2011

# SVP - U.S. Bank Rationale

- “ Offer an innovative receivables solution with distinct benefits to merchants/billers and consumers
- “ Support merchant and biller goals to migrate consumer payments from paper checks to less costly electronic payment methods
- “ Attract new consumer deposit customers and build consumer loyalty via online banking channel
- “ Leverage reliability of ACH network and credibility of NACHA

# Merchant and Biller Benefits

- “ Guaranteed payment with reduced payment fraud, returns, manual handling and costs than other payment methods
- “ Next day settlement with access to funds the next business day
- “ Bank authenticates the payer and reduces fraud
- “ Avoid storage of payer financial account information
- “ Lower cost percentage based fees than other electronic payments

# Payer Benefits

- “ Convenient with direct access from biller/merchant payment page to their online bank account login page
- “ Simple, easy to use with no pre -enrollment or additional login/password required
- “ Secure by paying directly from existing bank account and not sharing personal financial information with a 3rd party
- “ Control over the precise timing of payment
- “ No fees or lower fees than other electronic options
- “ Fast by making a payment in less than 60 seconds

# Implementation

- ” University of Wisconsin -Stout - June 2011
- ” U.S. Bank online banking customers June 2011
- ” Two additional pilot customers - Fall 2011



# Payer Adoption Plan

1. Needs assessment summary
  - Target payers/customers
  - Current touch -points with target payers/customers
  - Payment methods by transaction count and value
  - Payment challenges and marketing objectives
2. Consumer adoption objectives and goals
3. Consumer adoption strategies and tactics
4. Key consumer messages
5. Reporting and tracking - measures, reports, and payer feedback
6. Analyze and enhance plan
7. Timeline

University of Wisconsin-Stout

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# University of Wisconsin-Stout

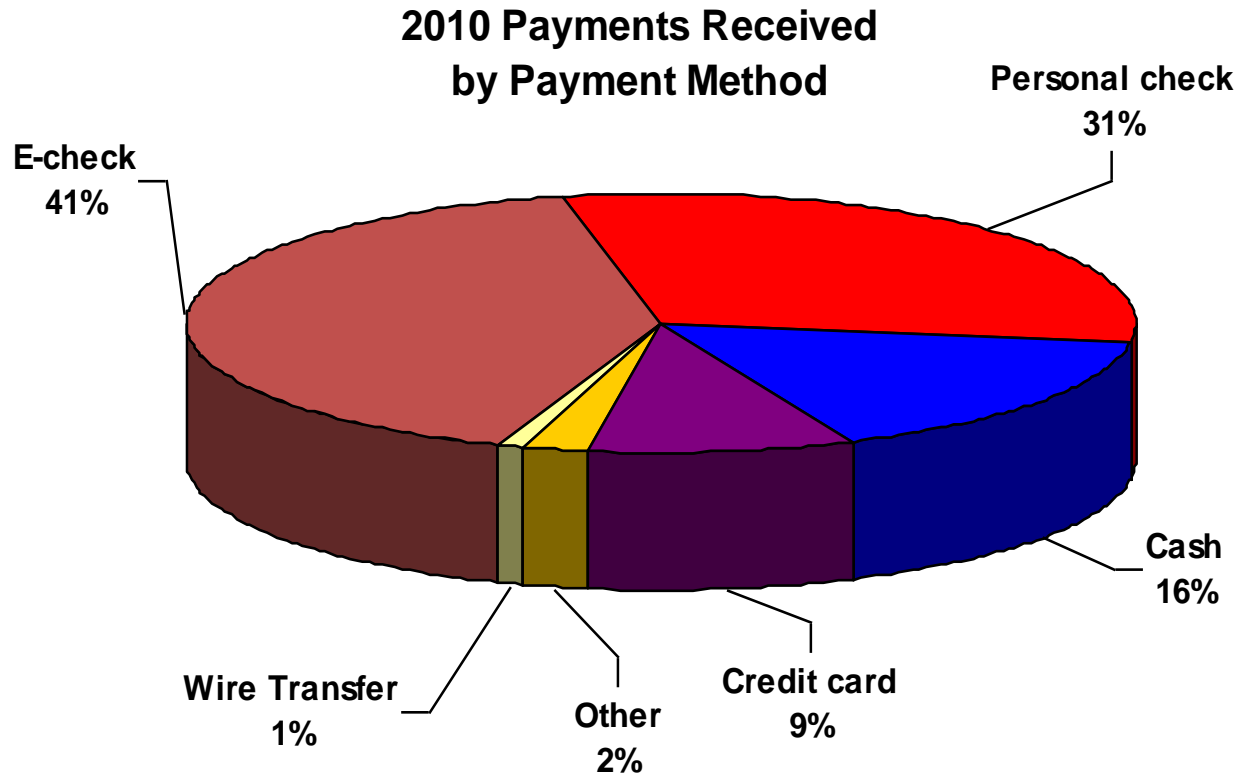
- “ Founded as the Stout Manual Training School in 1891
- “ One of 13 four year campuses and 13 two year campuses
- “ 10,510 registered students      January 2011
- “ 40 undergraduate & 20 graduate programs
- “ FY09 budget was \$159,767,422 in 32 funds



# UW Stout Payment Objectives

- ” Reduce volume of paper checks and other non-electronic payments to lower costs and reduce hours dedicated to manually processing
- ” Reduce returns and insufficient funds (NSFs) and costs associated with processing them
- ” Offer a safe, secure and convenient electronic payment option to students that does not require convenience fees

# UW Stout Payments by Method



# Rationale for SVP

- ” Provide students and parents with an electronic option to disclose their bank account information online
- ” Guaranteed payment with-time authorization that eliminates returns and NSF
- ” Lower costs and risks than other electronic payment methods
- ” Easily implemented through gateway provider who already supports SVP
- ” Supports Go Green Initiative

# Implementation Tips

- ” Confirm if gateway provider already SVP enabled or when planned
- ” Identify stakeholders and their roles and responsibilities
- ” Establish target launch dates and goals
- ” Involve U.S. Bank and eWise in discussions with Gateway regarding technical questions and implementation plans
- ” Engage internal communications dept. to align news release in accordance to with policies
- ” Determine if new bank accounts are needed (settlement, refund, chargebacks) start process early

# Current Status

- “ Implemented SVP through TouchNet for online payment tuition payments June 2011
- “ Implementation of Payer Adoption Plan began with new student orientation sessions in May 2011
- “ Plan to extend SVP payment to include activity fees, event tickets, USW outlet marketplace items, donations and fundraising campaigns

# U of WI-Stout Payer Adoption Campaign

” New student orientation session presentation

” Student/parent communications

- . Bursar new student letter
- . Tuition statement emails with link to payment information page

” SVP creative campaign

- . Product brochure with QR codes
- . Poster with QR codes displayed in business office, residential halls and other campus buildings
- . Web landing page
- . SVP video 30 second video
- . SVP branded promotional items

# FamilySearch International



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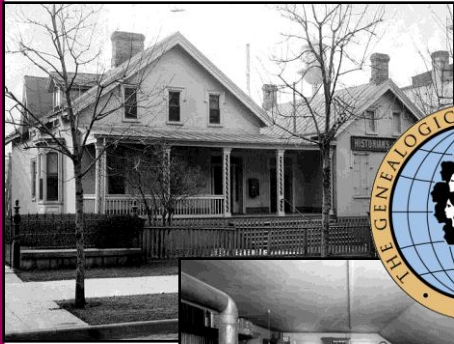
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Enable a global community  
that connects and  
preserves the family of  
mankind

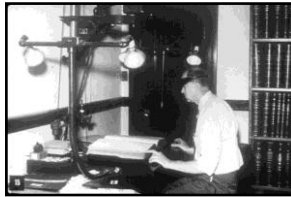




G.S.U.



Microfilm



Genealogical Library/FamilySearch Center



1894 1917

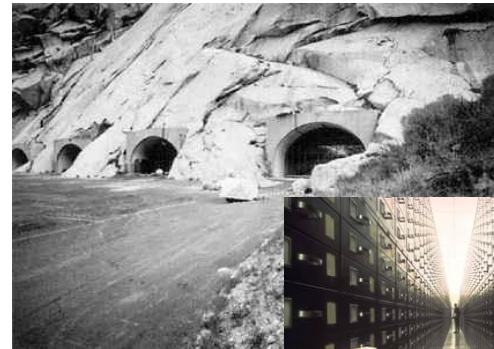
1922

1938

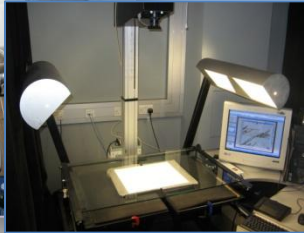
1963

1985

Indexing Initiative



Granite Mountain Record Vault

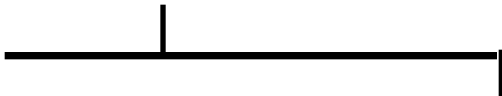


15 Billion Hits

1 Million Users

1 Billion Names

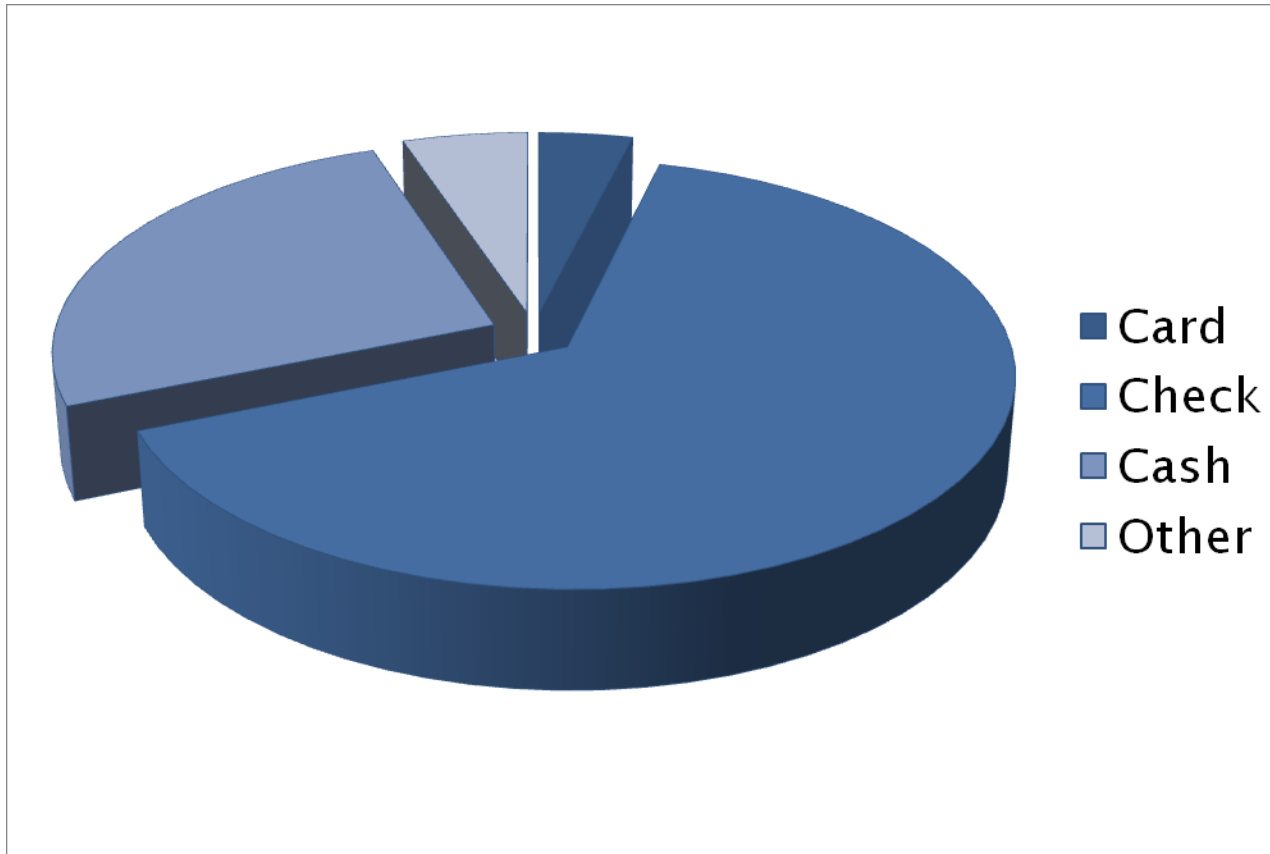
1998



1999



# Payment Mix



# SVP Rational

- “ Customer initiated based on authentication at Financial Institution website
  - . No requirement for donor to disclose confidential account information
  - . No requirement for FamilySearch to hold and protect confidential donor account information
- “ Lower cost electronic payment option
- “ Reduced risk of returns

# SVP Rational

- “ NACHA vetted, regulated, and based on ACH network
- “ Interested in the use of the service across international boundaries



# SVP Implementation

- “ Extended invitations to our two Gateway providers to support the SVP Product
  - . Convio
  - . Cybersource
- “ Initial pilot to be conducted by FamilySearch with opportunity to expand to other Divisions within the organization



# Conclusion

Our thanks to the following parties:

- ” US Bank for its work in integrating SVP
- ” NACHA for product and regulation development
- ” eWise for development of the technology a platform



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