



# CHIPS NEWS BRIEFS

FOR THE CLEARING HOUSE INTERBANK PAYMENTS SYSTEM

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## CHIPS Posts Milestone Year in 2006

CHIPS set new records in 2006 for daily average payments and dollars as new and existing participants continued to process more payments through the system.

Daily average payment volume in December was a record 336,894 transactions, surpassing the previous record set just one month earlier. December volume was up 11.09% from the same period a year ago. For all of 2006, daily average payment volume of 310,265 was 8.95% higher than 2005.

In December 2006, daily average dollars also reached a record \$1.71 trillion, again surpassing all previous records. Full year 2006 daily average dollars was \$1.57 trillion, a 12.78% increase over 2005.

The across-the-board increases were due to greater volume from existing CHIPS participants and the addition of BB&T, which began using CHIPS for the first time last year.

"2006 was another terrific year for CHIPS," said Hank Farrar, Senior Vice President of The Clearing House, responsible for CHIPS. "We shattered all of the records we set last year, grew volume at an unprecedented rate, and added BB&T to the system. Customer satisfaction and our rate of straight-through-processing were also at all-time highs, and we completed a number of systems improvements."

Last year, CHIPS completed the implementation of two connectivity options to migrate banks from the legacy X.25 platform to CHIPS' new private IP network and SWIFTNet. Additionally, CHIPS' straight-through-processing rate — already at a steady 94% — climbed even higher to 96% in 2006.

"The active involvement of CHIPS' participants is the reason for our success," Farrar said. "Working together with our partners, we're looking forward to another outstanding year in 2007."

## Take Advantage of Reduced Prices Now

CHIPS innovative incentive pricing was an overwhelming success in 2006, and will remain in effect during 2007. Institutions can still take advantage of reduced prices by continuing to add volume to CHIPS. To learn more about saving money for your business with CHIPS, contact Maddy Fiorillo, 212.613.0104, or [Maddy.Fiorillo@CHIPS.org](mailto:Maddy.Fiorillo@CHIPS.org).

## CHIPS and Fed Addressing Need for Common Standard

CHIPS and the Fed are continuing to work on supporting a common standard for remittance information with wire payments. This effort follows the release of their groundbreaking research report about the use of wires for B2B payments.

A working group of banks from both organizations will meet regularly to clarify the issues necessary to move forward with the initiative. The need for a common standard was among the major findings of the research report released in October.

The report, *Business-to-Business Wire Transfer Payments: Customer Preferences and Opportunities For Financial Institutions*, concluded that corporations support a common standard for remittance information to be included with wire payments in order to promote straight-through processing. To view the full report, visit [www.chips.org](http://www.chips.org).



## Bank Conversions to the New Network are Underway

CHIPS participants are implementing CHIPS' new private IP network and SWIFTNet to connect to CHIPS. Please continue to work with

CHIPS and TCH's support team to ensure your institution is scheduled for implementation of these new communication interfaces. For more information contact, Kevin Ransom, 212.613.0169, [Kevin.Ransom@chips.org](mailto:Kevin.Ransom@chips.org) or Sharon Jablon, 201.319.5516, [Sharon.Jablon@theclearinghouse.org](mailto:Sharon.Jablon@theclearinghouse.org).





## George Thomas Retires From The Clearing House

George Thomas, Executive Vice President of The Clearing House and a respected payments professional, retired on February 1st after a 25-year career that helped transform the company into the nation's leading, private sector payments firm.



"I've had a great run with The Clearing House," said Thomas. "I've worked with terrific people, and we accomplished everything we set out to do. I'm leaving knowing that a great team is in place and that the company will continue to be the leading private-sector payments company in the United States. Now it's now time to play golf, do some consulting and relax a little."

Thomas, who had responsibility for The Clearing House's payments products — came to The Clearing House after working for Burroughs Corporation (now Unisys). Advancing through a variety of management positions, he worked to expand the company's product set to span the payments spectrum.

During his career at The Clearing House, Thomas was the driving force behind the formation of EPN and growing

CHIPS into its prominence today. He has been a leading proponent of electronic payments and helped create the Universal Payment Identification Code (UPIC) and the EPN STP 820 for straight-through-processing on ACH.

"George is the rare executive who has mastery of technical details and a clear strategic vision that can transform innovative ideas into solutions," said Jeff Neubert, Chief Executive Officer of The Clearing House. "George's contributions to the industry have been enormous. He will be missed, but his retirement is well-deserved after 25 years of dedicated and outstanding service to The Clearing House."

In a recent story in American Banker, Elliott McEntee, the President and Chief Executive of the electronic payments association NACHA in Herndon, Va., said he admired Mr. Thomas' knowledge and willingness to speak out forcefully on issues.

"George is going to be sorely missed by the banking industry. He has great passion for the payments business and has great understanding of the differences of the payment networks. He is one of the few people who can move comfortably from operational issues to technical issues to product issues to strategy issues."

Steve Ellis, an Executive Vice President at Wells Fargo & Co., also told American Banker, "George has very strong views about how things work or how things should work. Because he knows how things do work, he's a great guy to put forward ideas."

## 2007 TeleSeminar Schedule

Don't miss out on the opportunity to participate in The Payments University's teleseminars for 2007. Below are a few of the courses that might be of interest to you.

Course	Dates
Global Retail Remittance Processing	Apr. 11 & Aug. 20
Global Payments: Moving USD	May 2 & Nov. 5
Global Payments for USD: Mapping & Messages	May 18 & Nov. 14
OFAC/BSA Basics	May 14 & Dec. 5
Wire Payments 101	Aug. 8
Wire Payments 102	Aug. 13

For a complete list of majors and courses for CHIPS and other payments topics, see [www.paymentsuniversity.com](http://www.paymentsuniversity.com).

## 2007 Trade Show Schedule

Please come visit CHIPS at the following conferences in 2007.

Event	Location	Date
NACHA Payments	Chicago, IL	April 15-18
IFSA 2007	Orlando, FL	September 16-19
SIBOS	Boston, MA	October 1-5
AFP	Boston, MA	October 21-24

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