



## Kansas bank serves local clients north of the border

### *In the FedACH International<sup>®</sup> Service spotlight:*

#### **Silver Lake Bank**

#### **Established 1909**

Headquarters: **Topeka, Kansas**

Other locations: **Silver Lake, Hiawatha and White Cloud, Kansas**

Assets under management: **\$200 million**

Customer base: **Local consumer customers, small-to-medium local business and regional customers**

Silver Lake Bank is a community bank with a nearly hundred-year history rooted in northeast Kansas. At first glance, this small bank may appear an unlikely candidate for cross-border, international payment services. Yet, for the past five years, Silver Lake Bank has found that the FedACH International Canada Service is an invaluable tool to help increase customer loyalty.

“We first heard about the FedACH International Canada Service through our Federal Reserve sales representative,” explained Brice Feldt, senior vice president of information technology at Silver Lake Bank. But it wasn’t until a corporate customer of Silver Lake Bank started sending repeat payments to Canada that the Kansas bank enrolled in the service. “We offer all types of ACH payments, so it was a natural extension of our services for customers.”

Silver Lake Bank’s Kansas-based customer, with internationally expanding business, started out sending eight or nine payments a month to Canada. Since Silver Lake Bank implemented the FedACH International Canada Service in 2001, cross-border volume has grown quickly to its current average of approximately 50 payments a month to Canada, Feldt recounted. “Our customer is an agricultural business that is sending commissions to Canadian businesses,” he explained. “Without the FedACH International Canada Service, this customer would have to pay a lot more to send payments via wire or check, or open up accounts in Canada.” While its customer is saving money and time each month, Silver Lake Bank’s own reward “has definitely been customer loyalty,” Feldt said.

With the testing and implementation of the FedACH International Canada Service as simple and straightforward as it was for Silver Lake Bank, Feldt reported that bank management was happy with the decision to sign up for the service, even for a single customer. In fact, if any other customers had a need, Feldt said Silver Lake Bank would probably sign on for the Federal Reserve’s other FedACH International Services, such as the Mexico Service or Transatlantic Service.

(Sidebar article)

**Cross-border ACH payments gain in popularity**

According to a 2005 study by TowerGroup, a global financial services research and consulting firm, 90 percent of Canadians currently live within 100 miles of the U.S. border. That statistic helps explain the increased popularity of U.S.-to-Canada ACH payments. Furthermore, at NACHA's Payments 2006 conference in San Diego, experts from TowerGroup, Digital Insight, and Zions Management Services discussed the impressive growth in cross-border payments by small- to medium-sized businesses. With this backdrop, it's no surprise that volume for the Federal Reserve's FedACH International Canada Service has been climbing since its introduction in 2001.

### **The Federal Reserve's FedACH International Services**

FedACH International Services currently provide U.S. financial institutions with direct access to countries representing more than 50 percent of the global gross domestic product. Thanks to these services, financial institutions large and small can save their customers' time and money through international ACH payments. In the future, the Federal Reserve Banks plan to expand their FedACH® Services to other international endpoints and enhance product functionality.

To learn more about FedACH International Services, contact your District FedACH Sales Specialist or visit **[www.frbservices.org](http://www.frbservices.org)**.

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