

FedGlobalSM ACH Payments Mexico Service DIRECTO A MÉXICOSM

FedGlobal ACH Payments make it possible to provide you with a cost-effective, convenient and efficient method for sending payments to Mexico. FedGlobal ACH Payments provide value-added services to your business and consumer accounts by accelerating the clearing time and reducing the costs associated with international payments.

FedGlobal ACH Payments

The Federal Reserve Banks offer a suite of FedGlobal ACH Payments as part of FedACH[®] Services and provide U.S. originating depository financial institutions (ODFIs) with the ability to send international payments via the same process used to send domestic transactions for nearly 40 years. FedGlobal ACH Payments provide direct and easy access to countries representing more than 50 percent of the global gross domestic product. In the future, the Federal Reserve Banks plan to expand service to other international endpoints and enhance product functionality.

FedGlobal ACH Payments Mexico Service

Cross-border transactions are originated using the National Automated Clearing House Association (NACHA) formats and International ACH Transaction (IAT) standard entry class (SEC) code and can be deposited in the same file with domestic payments. Cross-border items are contained in separate batches within the file. This service enables credit items to be sent from the United States to

Mexico. Settlement occurs on the date indicated in the ACH entry, and the Mexican receiving depository financial institution (RDFI) is credited on the U.S. settlement date.

Depository financial institutions in the United States originate cross-border transactions via FedACH in U.S. dollars. Payments are posted to the receiver's account in pesos as a result of the foreign exchange process that follows receipt of the transaction by the receiving gateway operator in Mexico. The daily foreign exchange rate is based on the official foreign exchange rate determined by the Banco de México (the Central Bank of Mexico) less a percentage spread. Details about the foreign exchange process are included in the FedGlobal ACH Payments Service Implementation Manual, and daily and historical rate information can be found at FRBservices.org/app/fedachfx.

Directo a MéxicoSM

Directo a México (Direct to Mexico) is a joint marketing effort between the Federal Reserve Banks and the Banco de México. The program is designed to help U.S. financial institutions increase their share of the rapidly growing U.S.-to-Mexico remittance market via promotional tools designed to encourage and assist their customers in using the Federal Reserve Banks' FedGlobal ACH Payments Mexico Service.

Pricing

For FedGlobal ACH Payments Mexico Service items, the ODFI pays the full cost of the transaction, including origination, receipt and addenda fees, plus a cross-border surcharge. No fees are assessed to the receivers. Fees for the FedGlobal ACH Payments Mexico Service are available at FRBservices.org/FeeSchedules.

Participants

The Federal Reserve Bank of Minneapolis serves as the U.S. originating gateway operator on behalf of the Federal Reserve Banks. In this capacity, it consolidates all Mexico-bound items received from domestic depositors each day. Banco de México serves as the receiving gateway operator and handles the currency exchange and format conversion for processing by the Mexican clearing system. The ACH deposit deadlines and accounting practices that apply to domestic transactions also apply to FedGlobal ACH Payments Service transactions.

Customer Service

The Federal Reserve Banks are committed to providing you with responsive and informed customer service. Our team of technical support experts is available to assist you in using all of our products and services. For setup information, please call FedACH Central Operations Support at (866) 234-5681.

The FedACH Advantage

The Federal Reserve Banks are the nation's largest ACH operator, bringing you nearly 40 years of experience and ACH expertise. The Federal Reserve Banks strive to provide reliable, high-quality and cost-effective ACH services to financial institutions across the country. Serving more than 21,000 ACH participants, our dependability and commitment to service enable you to provide high-quality ACH services to your customers. FedACH International Services can help you meet the needs of your consumer and business account holders.

Federal Reserve Financial Services

The Federal Reserve Banks offer a full range of financial services, including FedCash® Services, Check, FedACH, FedGlobal ACH Payments, FedImage® Services, FedForward®, FedReceipt®, FedReturn®, Fedwire® Funds Service, Fedwire Securities Service, National Settlement Service and Treasury Services. In addition, we offer services designed to support your financial services usage, including Account Management Information and Service Charge Information.

Where Can I Get More Information?

To learn more about FedGlobal ACH Payments, contact your District FedACH Sales Specialist. For information on other Federal Reserve Bank products and services, contact your Account Executive or visit us at www.frb services.org.

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Key Features and Benefits

- A cost-effective alternative to other payment channels.
- Access to bank accounts in Mexico.
- Competitive foreign exchange rates.
- Certainty of clearing and settlement times.
- No deductions from payment amount.

The Federal Reserve Banks' Operating Circular 4 governs clearing and settlement of ACH items by the Federal Reserve Banks and includes terms and conditions for FedGlobal ACH Payments. Operating Circular 4 can be found at FRBservices.org.

Easy Enrollment

To enroll, contact your FedACH Sales Specialist or complete the enrollment form in the FedGlobal ACH Payments Service Implementation Manual. The manual provides details about the service, including how to arrange testing with the cross-border service.

The manual also includes:

- Highlights of rule differences between Mexico and the United States.
- Mexican holiday calendar.
- Foreign exchange calculation/notification procedures.
- Description of forward and return processing flows.
- Template of formats.
- Exception handling procedures and support.
- Sample testing information.