

Check 21 Duplicate Notification Service
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FACT SHEET

The Image Industry Interoperability Group (i3G), a bank-driven Check 21 industry collaborative, announced the availability of a Check 21 Duplicate Notification Service that provides the opportunity for check processing organizations to more efficiently communicate and effectively resolve issues related to duplicate file events.

Although infrequent, with less than one percent of check image files resulting in a duplicate event, files or items that are presented twice for payment create significant disruption and cost to check processing organizations when they occur, sometimes taking over six months to resolve. The Check 21 Duplicate Notification Service provides an industry best practices approach for improving communication among subscribing check image industry participants about duplicate events.

The Check 21 Duplicate Notification Service provides the opportunity for a depositing bank that creates a duplicate situation to easily notify affected paying institutions. The service is designed to help increase the efficiency of the payments industry while minimizing costs and ultimately helping to eliminate some of the barriers to realizing the efficiencies of straight-through processing.

Service Availability

The Check 21 Duplicate Notification Service, which leverages the Federal Reserve Banks' FedMail access solution, enables broad communication capability, allowing check-processing organizations subscribing to FedMail to provide timely notice and contact information about duplicate file events to other FedMail Subscribers. All organizations currently subscribing to FedMail can take advantage of the service. This service is recommended for use when incidents result in 50 or more duplicate items.

Notification Process

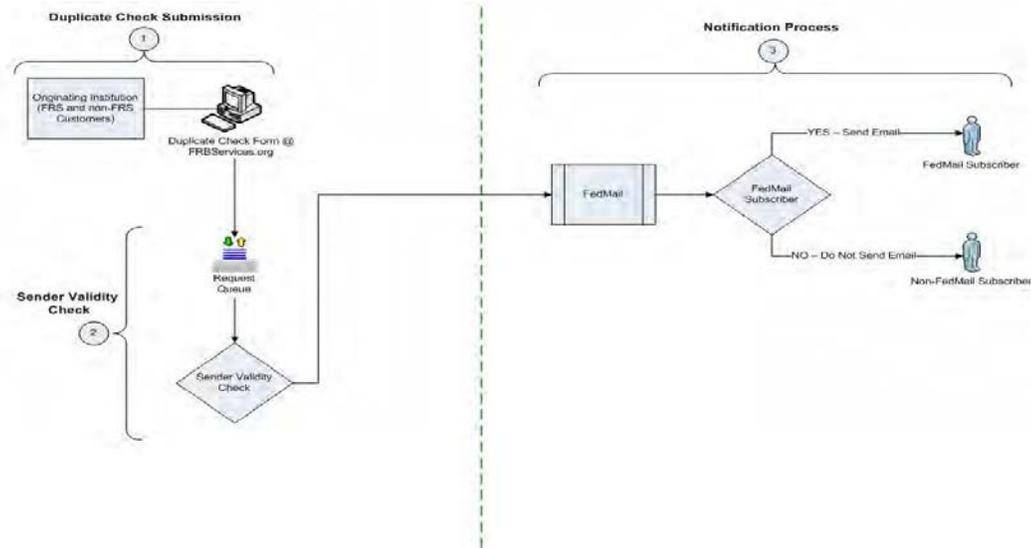
FedMail subscribers can originate and receive notifications to and from other FedMail subscribers in the event a Check 21 duplicate situation occurs. A depositing institution (sender) that created the Check 21 duplicate situation can easily notify impacted paying institutions (receivers) that a duplicate event has occurred. As a depositing institution (sender), you will access the Check 21 Duplicate Notification Service via FRBservices.org/app/duplicatecheck/request/DuplicateRequest.action. Using the provided Excel template, populate and upload a file containing summary information including a listing of affected RTNs, item count and dollar amount, the name of the individual sending the file and an approver contact (this may be the same individual).

The Federal Reserve Banks, acting as an intermediary, will capture the duplicate notification information and perform a validity check of the source of the notification. The Federal Reserve Banks will then use the FedMail service to distribute the notification to affected paying institutions (receivers) that subscribe to FedMail.

The paying institutions (receivers) affected by the duplicate item event that are also FedMail subscribers, will be sent a notification indicating that their institution was involved in a duplicate item situation provided the depositing institution (sender) is a FedMail subscriber and utilizes the notification service. This notification will include summary information, which includes summary number of items and dollar amount along with contact information for the depositing institution. Upon receipt of the notification, the receiver can take appropriate action to address the duplicate item situation with the depositing institution (sender).

The Federal Reserve Banks are providing this service enhancement at no cost to depository institutions on a best-effort basis. By using this enhanced service, your institution agrees that the Federal Reserve Banks have no responsibility for the content of a notification submitted by a sender, and the Federal Reserve Banks have no liability to a receiver with respect to any notification, whether such notification is sent to the receiver or whether the Federal Reserve Banks fail to send a notification requested by a sender.

Notification Process Flow



Using Check 21 Duplicate Notification Service

Current FedMail Service subscribers can initiate notification of a duplicate check event by visiting FRBservices.org/app/duplicatecheck/request/DuplicateRequest.action.

To subscribe to FedMail or for more information about the Check 21 Duplicate Notification Service, please visit the Check 21 Duplicate Notification Service online resource center at FRBservices.org/serviceofferings/access/dup_check.html.

Mission of i3G

The Image Industry Interoperability Group, or i3G, was formed in mid-2008 to address the remaining exception issues hindering straight-through check processing. The group is comprised of representatives from Bank of America, the Federal Reserve Banks, Frost Bank, ICBA (represented by Midwest Independent Bank), JP Morgan Chase & Co, Southwest Corporate Credit Union, US Bank, Sterling Savings Bank and Wells Fargo.

i3G's mission is to quickly solve lingering exceptions and interoperability issues impeding check payment processing efficiencies. While the industry has come a long way in a short period of time, it has also experienced many costly operational hindrances, like sorting out the effects of large-scale duplicate file events. While duplicate items cannot be eliminated from the system, the methods used for notifying financial institutions when duplicate file events occur can be streamlined to make the system more efficient.

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