



Bank Technology Saves Time

Twenty-seven years ago, I took a job as a teller with Security Pacific National Bank. It was a more prestigious job than those held by most of my friends and I remember feeling lucky to work there.

The first day of my new job, two men wearing ski masks entered the office with guns in hand as 75 or so customers stood in line. They ordered everyone to get down on the floor. One man stood in the lobby and the other jumped the teller counter and emptied as many teller drawers as he could open.

My supervisor, a grumpy English woman who had worked a few years longer than she should have, tugged at my shirt telling me to back away from the counter. I was concentrating very hard on what I was doing and wasn't immediately aware of the action that was taking place in the office. When I realized what was happening, I locked the teller drawer and sat down on the floor against the back wall. I was proud of myself for locking the teller drawer until I realized that I had failed to remove the key from the lock. Fortunately, the robber was no brighter than me and dropped the key to the ground as he attempted to unlock the drawer. No cash was taken from my teller drawer.

For their efforts that day, the robbers took away the grand sum of \$2,500. All of the sudden, that prestigious job that paid me \$7 per hour didn't seem like such a good deal. It was a memorable beginning to my banking career.

Not quite as exciting, I also remember the thousands of checks that were received at that branch each day and I was curious as to know how it was possible to process them and receive payment from the banks they were drawn against. We used a proof machine to encode magnetic ink at the bottom of each check and sort the checks to their respective banks. The encoded checks were then bundled and sent to the Federal Reserve Bank for processing.

To decrease the amount of time it took to collect on the checks, planes would fly the checks to Federal Reserve Banks across the country where they would be sorted and charged to the banks they were drawn against. Those were the good old days where you could be sure that your check would not clear for several days after you wrote it. Checks were primarily processed in this manner for next 25 years.

When the terrorist attacks of 2001 occurred, the financial industry realized it was time to change the way they processed checks. As billions of dollars in checks sat on runways waiting for the ban to be lifted on air traffic, the need for a better system

became evident. In 2003, congress passed the Check Clearing for the 21st Century Act (Check 21) that paved the way for checks to be processed electronically through exchange of check images, instead of paper. Banks would now be able to scan the checks they received and forward the images by secure transmission to the Federal Reserve or other clearing banks to receive payment. A significant improvement that is quickly becoming the standard in check processing.

This same technology is now available to many bank customers. Small scale scanners can be installed in your office that allows you to scan checks you receive for payment and transmit them electronically to your bank for processing. This new technology, commonly known as Remote Deposit Capture, is available at many banks for the convenience of their customers.

As a bank employee, I can attest that some of your employees had to wait a while as we processed their deposit and discussed the state of the economy, how the Angels faired or the great movie we saw at Bella Terra last night. Think of the benefits. No more missing employees, as they "take the deposit to the Bank." Now they can make bank deposits from their desktop, saving time and gasoline. No need to photocopy the checks, since all items are stored and available from the same program used to scan them. No more bounced checks and fees because you didn't have time to get to the bank. Clearly, the best new technology to come along since ATMs or online banking was made available.

If Remote Deposit Capture had been available 27 years ago, perhaps there would not have been 75 people in line at the Security Pacific Bank in Long Beach as those two bank robbers took over the office. I can only hope that the robbers have been rehabilitated after their long stint in prison, and are today happy business owners making legitimate bank deposits using Remote Deposit Capture.

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