



CASE STUDY

Yellow Hammer ACH Origination™

"[A] recent ACH fraud attempt caught by Yellow Hammer ACH kept our bank and our customer from incurring a substantial loss."

Sandy Yuncker
Vice President
Isabella Bank
Mount Pleasant, Mich.

Institution
Isabella Bank

Location
Mount Pleasant, Mich.

Website
www.isabellabank.com

Assets
\$1.5 billion

Founded
1903

Yellow Hammer ACH Origination

Near-real-time monitoring of ACH transactions



“Jack Henry Banking’s Yellow Hammer representatives continually go above and beyond for our bank. They’re quick to correct issues and keep us informed of any ongoing updates.”

Sandy Yuncker

Since 1903, Isabella Bank has been committed to serving the local needs of its communities. Among some of the bank’s most valuable assets are the long-term relationships it has established with its customers.

To help protect the trust and confidence that builds those banking relationships, Isabella Bank decided to implement a security program that would defend against fraudulent ACH origination attempts in 2011. As an existing Jack Henry Banking® client, the bank sought out their Yellow Hammer ACH Origination solution.

Vice President, Sandy Yuncker, details the benefits of Yellow Hammer ACH below.

JHB: What was your primary reason for implementing Yellow Hammer ACH?

Yuncker: We wanted to prevent losses to our customers and our bank. So to reduce risk, we decided to automate the process as much as possible.

JHB: Prior to implementing this solution, did your bank perform these processes manually, or did this solution replace an existing automated solution?

Yuncker: Prior to implementing Yellow Hammer ACH, we were performing everything manually. However, we recognized the need for an automated process to avoid human error and increase efficiency

JHB: Yellow Hammer is fully integrated with your core processing system – how has that made the product suite more user-friendly?

Yuncker: It’s a huge help to see the whole transaction, signature card, etc. at a quick glance. Full integration gives a complete picture of the account relationship.

JHB: Can you please summarize a success story with Yellow Hammer ACH?

Yuncker: When a customer recently logged into his NetTeller® Cash Management™ account, he noticed several page errors. The multifactor authentication solution kicked in immediately and began asking security questions. Upon entry into his account, the customer found that an existing ACH file had been fraudulently initiated. Further investigation proved that the names and account numbers had been changed.

It was at this same time that Yellow Hammer ACH performed its semi-hourly update and found the discrepancy as well. At the bank, we uninitiated the file, put a “hold” on the NetTeller ID, and reset the customer’s passwords. After pulling all tracking documentation, it was determined that this customer had been a browser attack victim.

JHB: Can you comment on a confirmed or projected ROI on Yellow Hammer ACH at this time?

Yuncker: While I can’t comment on an ROI, I can say that this recent ACH fraud attempt caught by



Yellow Hammer ACH kept our bank, and our customer, from incurring a substantial loss.

JHB: Can you tell us about your experience with other Yellow Hammer products?

Yuncker: We utilize Yellow Hammer Fraud Detective™ to monitor possible forged signatures, counterfeit checks, and large deposited fraudulent items, such as lottery winnings and money mule attempts. We depend on Yellow Hammer EFT Fraud Detective™ to catch debit card fraud and to help us limit losses due to fraudulent transactions. We also use Yellow Hammer BSA™ to file Suspicious Activity Reports (SARs) with FinCEN. SAR filings are also monitored to ensure that the requisite 90-day review is completed. Yellow Hammer BSA also reviews the OFAC SDN list via List Search; and the Customer Due Diligence (CDD) and Account Due Diligence (ADD) are completed within this module to create the risk ratings for our customers.

JHB: Can you comment on the service you've received from Jack Henry Banking?

Yuncker: Jack Henry Banking's Yellow Hammer representatives continually go above and beyond for our bank. They're quick to correct issues and keep us informed of any ongoing updates.

Yellow Hammer ACH Origination, a module of Yellow Hammer Fraud Detective, provides the layered security banks need to mitigate the risks associated with fraudulent ACH origination attacks initiated through the online banking channel. This module scans all ACH batches submitted through Jack Henry Banking's NetTeller Cash Management™ tool prior to origination, helping to protect banks and their business customers from financial and reputational losses. The Yellow Hammer ACH Origination module analyzes both the ACH batch and each item within the batch for unusual patterns of activity. At the batch level, this module identifies if the batch contains an abnormal number of items, abnormal total dollar amounts, an unusual numbers of ACH batches in a short timeframe, and activity to foreign countries. Alerts are also triggered when items within a batch are sent to a new payee. The Yellow Hammer ACH Origination module also analyzes non-financial account activities that are common indicators of ACH origination fraud including maintenance to a user's authority or contact information, and it alerts banks when new users are added.

For more information about Jack Henry Banking®, or to schedule a demonstration or talk to an existing user, email askus@jackhenry.com, call 417-235-6652, or visit www.jackhenrybanking.com.