

FACTS BANKING RETURNS EXPLAINED...

REASONS FOR PAYMENT RETURNS & FACTS PROCESSES

Return Reason	Reason explained	Status Change in FACTS	Action Required by Parent	Penalty
NSF	Insufficient funds in bank account	None	Ensure funds are available for the rescheduled payment.	\$30 FACTS Fee charged on the 1st return, we will process the fee up to 3 times (every 5 days) if the fee is returned.
Do Not Honor	Credit Card is not honoring the transaction - could be a multitude of reasons - parent needs to contact their bank or Credit Card processor.	None	Ensure funds are available for the rescheduled payment and any other issues are resolved (billing address updated, expired card etc.)	\$30 FACTS Fee charged on the 1st return, we will process the fee up to 3 times (every 5 days) if the fee is returned.
Frozen Account	The bank has restricted access on the account or card.	Inactive - Account Problem	Contact the bank to see if the account will be activated again, then call FACTS to give verbal authorization to begin taking payments again OR provide a new payment method online or by phone.	No fee will be assessed by FACTS
No Such Account	The account was not entered in correctly in the facts system.	Inactive - Account Problem	Provide the correct account information online or by phone.	No fee will be assessed by FACTS
Stop Payment	Payer went to their bank and advised they wanted to stop one or multiple payments from FACTS	Inactive - Account Problem	Contact the bank to lift the stop payment, then call FACTS to give verbal authorization to begin taking payments again OR provide a new payment method online or by phone.	No fee will be assessed by FACTS
Not Authorized/ Authorization Revoked	Payer went to their bank and requested that they did not authorize automatic payments to be attempted by FACTS.	Inactive - Account Problem	Written Authorization Required to begin attempting automatic payments again - this notice can be obtained by contacting your Account Manager or by having the parent call in to request the form.	No fee will be assessed by FACTS

RETURNED PAYMENT PROCESS FOR AUTOMATIC PAYMENT PLANS

Steps taken when a payment is returned as **insufficient funds**:

Insufficient funds = NSF or Do Not Honor

1. FACTS receives notice of payment return from the financial institution
2. FACTS sends a notice to the customer regarding the return
3. The FACTS Returned Payment Fee is debited from the customer's account 5 calendar days after the return

4. The payment is rescheduled for processing approximately 15 days after the last scheduled date

Steps taken when a payment is returned due to a **problem with the financial account**:

Financial Account Problems include: Frozen Account, Stop Payment,

1. FACTS receives notice of payment return from the financial institution and places the agreement on inactive hold status stopping any further payments from attempting.
2. FACTS sends a notice to the customer regarding the return
3. If problem with account is not resolved, FACTS will contact the customer by phone or email
4. If problem is resolved, the payment is scheduled for immediate processing if it is past due or it is placed on hold if requested by the parent.

Please see the article below to view Examples of Returned Notices:

<http://resources.factsmgt.com/l/167815/2539417-sample-returned-payment-notices>