



## RynohPay vs. Bank Positive Pay

RynohLive provides an automated positive pay file delivery system that supports either payee or non-payee match systems depending on the capability of your bank. The bank performs the processing, matching, notification, and payment decisioning. If your bank does not offer a positive pay service, RynohLive provides a standalone non-payee match positive pay solution (RynohPay) that is a part of the basic RynohLive® service. RynohPay provides the same protection as non-payee match positive pay. If your bank provides positive pay, we highly recommend that you utilize that service, especially if the bank provides payee match. Positive Pay is an ALTA Escrow Best Practice

There is no monthly charge from Rynoh for either positive pay solution. There is a one-time setup fee for each bank positive pay-RynohLive® file delivery interface. There are no additional or monthly charges for multiple accounts at the same bank. There may, and likely are, monthly or other charges for the bank's positive pay service. Cost must not be the deciding factor in determining whether to use the bank's or Rynoh's solution.

Positive Pay *virtually* eliminates check fraud, and ensures that only authorized checks are honored by your bank/ financial institution. RynohLive® automatically transmits a file of issued and voided checks to the bank in accordance with the bank's file update schedule. This can be once or multiple times daily. No operator intervention is required. Verification of positive pay file submission and acceptance is provided for each positive pay upload. This notification email is sent at the end of the day to reflect all of the check information for that business day.

When a check is presented that does not have a "match" in your "check issue file" held by the bank, it becomes an "exception item". You are notified of that exception. This notification is typically each morning via email. In response to this email notification, there is a decision time limit as you must advise the bank as how to process that check (Pay or Do-Not Pay). The check requiring a decision may be: fraudulent; erroneously processed (posted) by the bank; a voided check presented for payment; or a misnumbered check. If you do not notify the bank as to how to process the check "your decision", the bank will apply your "default decision". The default decision, ("Pay" or Do-Not Pay"), is how you wish the bank to process the check should you fail to notify them before the cut-off time. With the bank you have the ability to make a default decision of "Do Not Pay"- Return the Check. That is our recommended default decision. A default decision of "Pay" likely creates liability for you if the check in question was fraudulent. Your default decision instructed the bank to "pay" the check. We believe that it is easier to apologize to a client for a good check that was returned because of a "processing error at the bank", than it is to have to face the financial loss from a fraudulent check.

With the standalone RynohPay, the default decision is essentially "Pay" since the bank is not aware of the mismatched transaction. With RynohPay if you fail to immediately notify the bank that there is a fraudulent check presented for payment, you may not be able to recoup the funds from the fraudulent check.

WITH THE STANDALONE RYNOHPAY SYSTEM, YOU MUST IMMEDIATELY NOTIFY YOUR BANK IN THE EVENT THAT YOU RECEIVE NOTIFICATION THAT A POTENTIALLY FRAUDULENT OR ERRONEOUS CHECK HAS BEEN PROCESSED FOR PAYMENT. IT IS YOUR RESPONSIBILITY TO MONITOR THE DAILY RYNOHPAY EMAIL FOR EACH ESCROW ACCOUNT, AND ENSURE THAT MORE THAN ONE RECIPIENT IS DESIGNATED TO MONITOR THESE ACCOUNTS. NON RECEIPT OF THE DAILY EMAIL DOES NOT IMPOSE ANY LIABILITY UPON SEGIN SOFTWARE, LLC D/B/A RYNOHLIVE.