

## **Scanners will save time? Check**

By Ben Fischer

*As published the Wisconsin State Journal on 2/16/06*

Local banks eager to unveil new technology

As computer technology has steadily eroded the effort needed for office clerical tasks, Joe Gastel figured the old-fashioned paper-checking system was taking up too much time.

As controller for the Madison insurance agency Mortenson, Matzelle and Meldrum, Gastel estimates employees spent from three to five hours a week doing nothing more than sending check to First Business Bank, filing them and preparing them for couriers.

But not anymore.

The agency is one of the bank's three early clients using its new remote deposit system. The system scans images of paper checks and delivers them via the Internet to the bank, without the time or travel.

"It's freed up our people to focus on better things than clerical work," Gastel said. "We can focus on our operation and other ways we can save money in our processes."

Banks throughout the Madison area are scurrying to get the technology up and running, and some, such as First Business and Rockford, Ill.-based Amcore Bank, are already accepting the images from business clients.

Many others are close to unveiling the product, including the State Bank of Cross Plains, which said Wednesday its product will be available within the month.

The "Check 21" law that went into effect in 2004 paved the way by making electronic duplicates of checks legal documents. Sensing the huge business upside for such a tool, banks have aggressively pursued development of the technology.

The efficiency of eliminating paper copies is clear throughout the industry, but for smaller banks like First Business, the benefits are particularly attractive: It can dramatically expand the base of potential deposit customers, said president Michael Losenegger.

"Clearly the clients benefit, but the bank benefits because we now can have deposit accounts where we might not have had them before," Losenegger said Monday.

First Business will demonstrate the technology – which consists of a small scanner connected to a computer – today at 2:30 and 4 p.m. at its offices in University Research Park at 401 Charmany Drive.

Local banks with only a single location see the technology as a way to compete better with much larger, geographically extended competitors.

“We keep pushing the envelope of what we consider our markets,” said Brad Schroeder, first vice president of the DMB Community Bank in DeForest, who said borrowers will one day benefit from his bank being able to accept deposits from farther away.

Betty Noon, vice president of the State Bank of Cross Plains, said there is an urgency in offering remote deposits, as some of her bank’s customers have been wooed by larger banks that have the technology.

Consumer advocates have raised concerns about remote deposits, arguing the technology will eliminate the “float” that shoestring budgeters rely on. That is, writing a bad check, waiting several days for it to be processed, and depositing money in the meantime to cover it.

But local bankers say that day is still several years away. Only when the technology becomes universal will checks be processed instantaneously, said Todd Conkey, a vice president for Amcore, which unveiled the technology in January.

In the meantime, customers are beginning to understand that the float – never a financial responsible practice in the first place – will soon become a thing of the past, experts say.