

## Origination of TEL Entries

- ◆ Company will obtain authorization for TEL entries in accordance with the *ACH Rules* and U.S. law. In order for the company to initiate the phone call, there must be an existing relationship with the Receiver or the Receiver can initiate the call. The Company will retain a record of the authorization for period of two years from the Settlement Date of the single TEL entry and for recurring TEL entries the authorization must be retained for two years from termination or revocation of the authorization.
- ◆ TEL Authorizations – TEL entries may only be initiated when there is an existing relationship between the Originator and the Receiver or the Receiver initiated the phone call.
- ◆ Single-Entry TEL Authorizations
  - The originator must obtain oral authorization for a TEL Entry and must state in clear and readily understandable terms the following:
    - date on which or after which the ACH debit will occur;
    - amount of transaction;
    - receiver's name;
    - account to be debited;
    - telephone number for receiver to call with inquiries;
    - date of oral authorization;
    - statement by the Originator that the authorization obtained from the Receiver will be used to originate an ACH debit entry to the consumer's account; and
    - Originator must either make an audio recording of the oral authorization, or provide the Receiver with written notice confirming the oral authorization prior to the Settlement Date of the entry.
- ◆ Recurring TEL Authorizations
  - The originator must create a recording of the oral authorization that meets the requirements listed below **AND** must send a written copy of the authorization to the Receiver prior to the Settlement Date of the first entry originated with the authorization.
  - The oral authorization must:
    - be readily identifiable as an authorization of a recurring transfer from the Receiver's account;
    - state the terms of the recurring transfer clearly and in readily understandable terms;
    - evidence the Receiver's identity;
    - evidence the Receiver's assent to the authorization.
    - The authorization recorded by the Originator must include:
      - the name or identity of the Receiver;
      - a telephone number for Receiver inquiries that is answered during normal business hours;
      - the date of the Receiver's oral authorization;
      - specific authorization language;

- the account to be debited;
  - the timing, number and/or frequency of the debits; and
  - the amount of the debit, or reference the method of determining the amount of recurring transfers.
- ◆ Retain the original tape recording or a copy for **two years** from the Settlement Date of the single TEL entry and for recurring TEL entries the authorization must be retained for **two years** from termination or revocation of the authorization.
  - ◆ Company will employ a commercially reasonable procedure to verify routing numbers.
  - ◆ **Company will employ a commercially reasonable procedure to verify the identity of the Receiver.**