



Yodlee® Payment Operations Guide

Version 9.0.4

Yodlee Payment Operations Guide

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1 Introduction

The Yodlee® Payment Operations Guide gives insight to customers about the policies and procedures that the Yodlee Payment Operations team follows as it manages Yodlee BillPay and Yodlee FundsTransfer™ products and services. The guide describes the kinds of exceptions that occur, such as stop payment transactions and ACH debit returns and illustrates how the system addresses them.

1.1 Who Should Read This Document

The intended audience for this document are Yodlee customers seeking information about Yodlee BillPay and Yodlee FundsTransfer products and services.

1.2 Other Documents of Interest

For more related information refer to the following Yodlee documents:

- *Yodlee Payment Operations Dashboard User Guide*
- *Yodlee Settlement Guide*
- *Yodlee ACH Guide*
- *Yodlee BillPay PayItAll Product Description*
- *Yodlee OFAC Solution*
- *Yodlee PayItAll Standard Reports Guide*

1.3 After Reading This Document

Yodlee welcomes your comments and suggestions on the quality and usefulness of this document. Please feel free to share your input with the documentation team by sending an email to TechPub@Yodlee.com.

2 Operations Procedures

Payment operations procedures at Yodlee are performed in accordance with the information in this document.

NOTE: This section does not include information regarding transactions that fail due to inadequate funding at the originator.

2.1 Regulation E

All Yodlee processes and procedures regarding the handling of payment transactions are subject to Regulation E. Yodlee procedures are designed to fully comply with all Regulation E requirements. Yodlee supports customer compliance with Regulation E using the capabilities of Yodlee CustomerCare, including:



- Claim management and error resolution
- Provisional credit and reverse provisional credit
- Stop check
- Payment history tracking
- Record retention requirements

For more details refer to *Yodlee CustomerCare User Guide for BillPay*.

2.2 ACH Returns

Yodlee staff manages ACH Returns associated with the funding transaction for payments whose debit leg is initiated by Yodlee.

The table that follows describes the default automatic rules in place to manage returns based on the return category. These rules may be customized for each cobrand. See [ACH Return Codes on page 21](#) for a complete list of return codes. If the credit cannot be reversed or stopped per the table description below then the payment transaction must be submitted to collections.

Table 1: Debit Return Processing Rules by Return Category

Return Category	Representative Reason Code	Debit Return Processing Rules
HARD	R05, R07, R10, R14, R15, R16, R29 * see exceptions	Item – cancel credit if credit not complete - reverse credit if complete Acct – no action User – suspend
HARD * (exceptions to above HARD return actions)	R02, R08	Item – cancel credit if credit not complete - reverse credit if complete Acct – suspend User – no action
ADMIN	R03, R04, R11, R12, R13, R17, R20, R21, R22, R23, R24, R25, R26, R27, R28, R30, R32, R34, R35, R36 * see exceptions	Item – cancel credit if credit not complete - reverse credit if complete Acct – suspend User – no action
ADMIN * (exceptions to above ADMIN return actions)	R06	Item - cancel credit if credit not complete - reverse credit if complete Acct – no action User – suspend
NSF	R01 / R09 (Insufficient or Non-sufficient Funds)	Item – Risk based: resubmit - reverse credit if 2nd debit is returned - Good Funds based: cancel credit if credit not complete, reverse credit if complete Acct – suspend User – no action

Table 1: Debit Return Processing Rules by Return Category

Return Category	Representative Reason Code	Debit Return Processing Rules
NOC	C01 (Incorrect DFI Account Number)	Item – if complete, process - if not, reject Acct – review, and apply change. User – n/a

2.3 Yodlee Rejected Payments

Payment rejects may occur when the information submitted by the originator to Yodlee contains incomplete or inaccurate information.

2.3.1 Reasons for Rejected Payments

Three types of rejects are listed below. These rejects are corrected by the payee exceptions team.

- Incomplete or invalid mandatory payee and payor information – If the originator fails to provide the necessary remittance information (for example, the account number or remittance address) then the payment is rejected.
- Invalid electronic payment Information – If the payment was submitted as an electronic payment by the originator but fails to meet Yodlee criteria for an electronic payment the payment is rejected. Or, it may be configured for the originator to be downgraded to a paper payment process.
- Invalid payment information that does not conform to Yodlee standards or formatting requirements.

2.3.2 Handling Rejected Payments

If the payment is rejected by Yodlee, the originator is notified of the rejection through the confirmation file with the appropriate reject code.

2.4 Payment Credit Exception Process

2.4.1 Credit Exceptions

Credit exceptions occur when a consumer makes a payment to a biller and that payment cannot be credited to the consumer's account with the biller.

Credit returns can be returned to Yodlee via check or electronically, and are credited to the originator's or consumer's payment account. In the case of consumer draft checks and, in rare cases, electronic payments, the credit return may be sent directly to the consumer.

Alternatively, a biller may attempt to repair the information to accept the payment. This may require asking Yodlee for additional information about the consumer to locate the correct biller account. If the biller is able to locate the correct account, a NOC (notification

of change) may be sent to Yodlee so that future transactions are remitted with the correct account information.

2.4.2 Adjustment File

- If a processor or Yodlee attempt to process a payment fails, a credit reject item is included in the adjustment file from Yodlee to the originator.
- Additional information regarding the file can be found in the section [Return Codes on page 21](#).

2.4.3 Credit Exception Settlement

Settlement occurs between Yodlee and the originator as soon as the rejected item has been received and reported in the adjustment file. Credit rejects are included in the settlement report.

Processor drafts and electronic items involve settlement activities. Credit rejects in the form of bank drafts and consumer drafts do not involve the exchange of funds because they were funded by the originator or consumer.

2.5 Returned Checks

A check issued by Yodlee on behalf of a consumer for a bill payment might be returned to Yodlee (where the Yodlee address appears as the return address on the envelope). Returned checks are handled within an average of two business days unless otherwise noted.

Procedures for handling returned checks are as follow:

1. The payment status for the returned check (or checks in the envelope) is updated to reflect check returned.
2. A refund credit is issued to the consumer's payment account.
3. The Yodlee payment operations team investigates the reason for the returned check and takes action to mitigate future returns.
 - The following are potential causes for receiving a returned check:
 - Check returned for incorrect postage
 - Check returned because of a processing error at the U.S. Post Office
 - Check returned because of an invalid payee address
 - Check returned because the payee is unable to find the account

2.5.1 Processing a Refund Check

Yodlee may receive a refund check payable to Yodlee from a payee in other situations, including:

- A consumer overpays the account.

- A payee cashes a check sent by Yodlee and then refunds an overpayment to Yodlee.
- A payee cannot locate a consumer account with the biller to be posted, has cashed a payment check, and refunds the payment to Yodlee.

If a payee cannot find a consumer account:

- Yodlee attempts to locate the consumer and the transaction using the payee and account numbers and the dollar amount.
- If Yodlee is unable to locate the consumer, the payee is contacted to get additional information.
- Once the consumer is identified, the account is reviewed for an existing service request for the item.
- The Yodlee payment operations team investigates the cause the refund check was delivered and determines if a credit refund is due to the consumer's payment account. If the consumer cannot be located, the funds are deposited into an account at Yodlee until the recipient of the funds is located.

2.6 Check Images

Check images are available in consumer-facing bill pay applications.

2.7 Stop Payment Operation Procedures

Stop payment requests can be accepted only for payments that were made by paper checks and issued by Yodlee. Electronic payments cannot be stopped. This procedure applies to stop payments requested by a consumer or customer that is not related to a payment that has not posted at the payee. Depending on the situation, a stop payment fee may apply and the amount of this fee is to be agreed on within the contract with the customer.

NOTE: If a consumer/customer contacts Yodlee because a payment has not posted at the payee, the service request is logged as *payment not posted* and processed accordingly.

2.7.1 Guideline

Requests received by the customer's daily cut-off time are be processed the same business day, when possible.

2.7.2 Procedures

Possible stop payment scenarios:

- The request is made by the consumer and the payment has been processed as a Yodlee draft check and mailed to the payee.



3 Research and Payment Exception Flows

The charts in this section show the following process flows for the Yodlee payment operations team.

- Credit Returns – Paper Checks and Electronic Credits
- Duplicate Debits
- Late Fees Incurred
- Outstanding Check
- Payment Not Posted
- Payment Posted for Incorrect Amount
- Recovery of Funds (from Payees and Consumers)
- Stop Payment
- Unable to Locate a Payment
- ACH Debit Returns
- Account Closed or Authorization Revoked by the Consumer
- No Account/Unable to Locate or Invalid Account
- Payment Stopped or Unauthorized by Consumer

3.1 Credit Returns — Checks, Direct Checks, and Electronic Credits

The following chart shows how credit returns are processed.

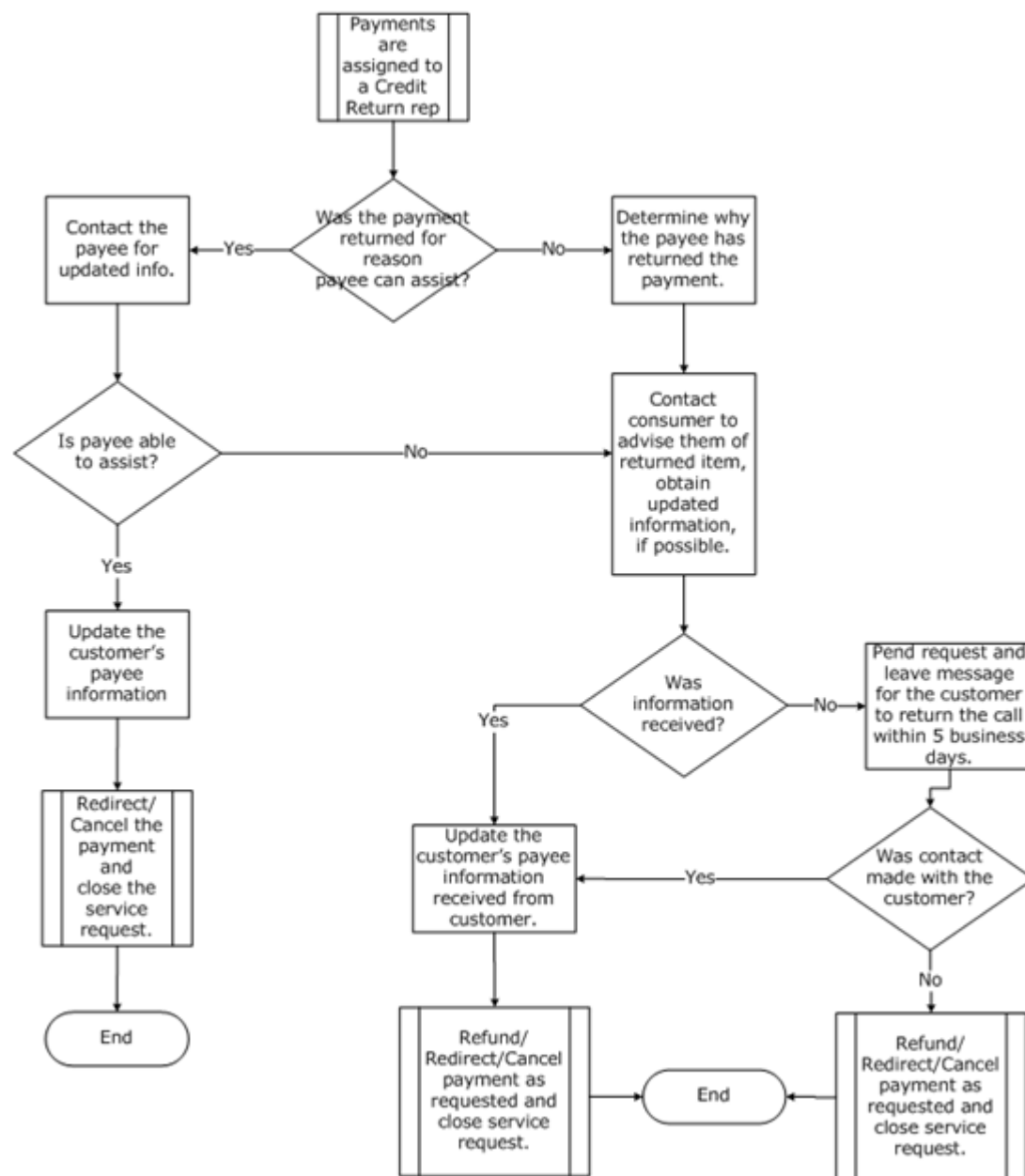


Fig. 1: Credit return processing flow

3.2 Duplicate Debits

The chart below shows how the Yodlee payment operations team commences research to resolve any claims of duplicate debits.



Fig. 2: Duplicate debits flow

3.3 Late Fees Incurred

The following chart shows how late fees are processed.

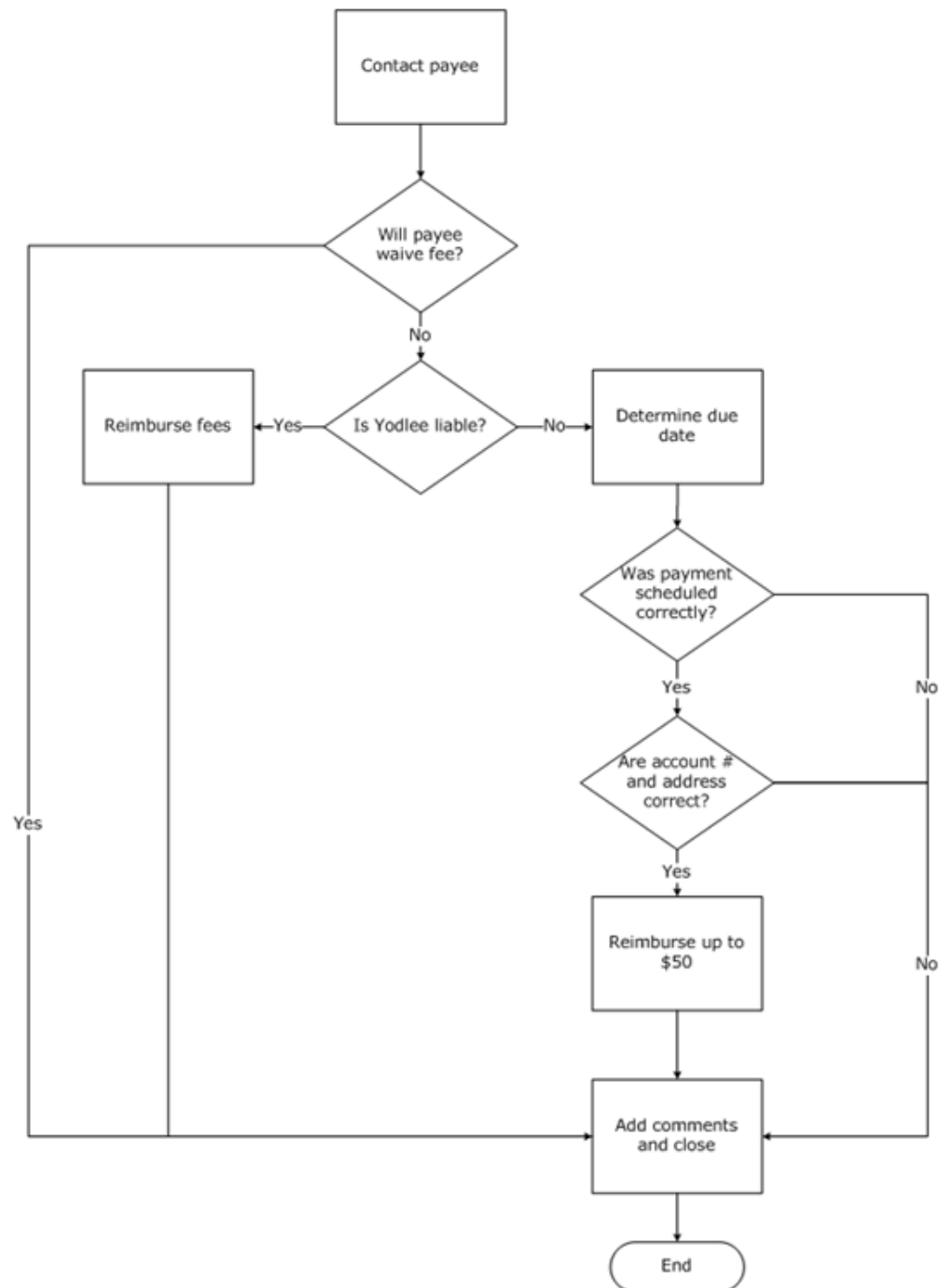


Fig. 3: Late fees incurred flow

3.5 Payment Not Posted

The following chart shows how the Yodlee payment operations team processes payments that were not posted.

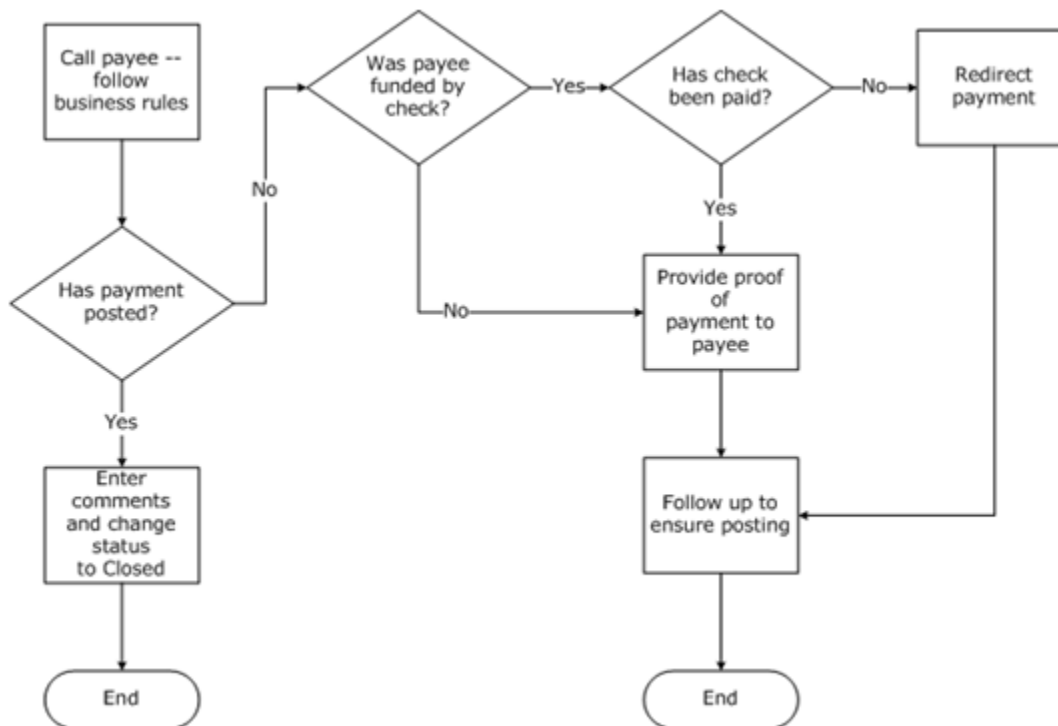


Fig. 5: Payment not posted flow