

**DIRECT DEPOSIT ENROLLMENT
FOR LOAN GUARANTY PROGRAM PARTICIPANTS**

1. **PURPOSE.** The purpose of this circular is to establish a campaign to publicize the U.S. Treasury's requirement that vendors enroll in the Direct Deposit Program.

2. **BACKGROUND.** Beginning January 2, 1999, the Debt Collection Improvement Act of 1996 requires Electronic Funds Transfer (EFT) as the primary medium of federal payments for claims and services. Currently, Loan Guaranty program participant enrollment in EFT is only about 15% nationwide. While Treasury did not establish a percentile goal or requirement for enrollment, agencies are required to make every effort to comply with the Act. It is expected that this one time campaign will improve VBA's compliance. Increasing the enrollment will benefit the government by reducing the cost of doing business. As a result of the elimination of mail time and a reduction in processing time, vendors that sign up for direct deposit may expect payment 3 to 7 days sooner than vendors who are not enrolled.

3. **ACTION.** In order to comply with Treasury's direct deposit requirements, stations will notify program participants of the Direct Deposit Program as follows:

a. Establish the sample direct deposit enrollment form (exhibit A) as a local form. When preparing as a local form, delete the header/footer (VBA, circular, and exhibit information) and include the regional office number, a local contact, and the contact's phone number. Stations may place the locally designated form on a VA (station) web-site in order to provide program participants the option of downloading it directly from the Internet.

b. Stations will prepare a notification for immediate release to all current program participants and provide the release to new participants on an on-going basis. Include a copy of the locally designated direct deposit enrollment form with the release. A sample release is attached as Exhibit B. Copies of these releases need not be submitted to Central Office. Although enrollment will be on-going, stations should make a concerted effort through July 31, 2001, to make program participants aware of the Direct Deposit Program and to encourage their participation. Program participants will submit their completed enrollment forms to their financial institutions. The financial institution will forward the forms directly to VA's Financial Services Center (FSC) at the address shown on the enrollment form.

LOCAL REPRODUCTION AUTHORIZED

4. **CONTACT.** Direct inquiries concerning this circular to Lance Kornicker at 202-273-7361 or via e-mail. Direct questions regarding either the enrollment or direct deposit procedures to FSC at 1-(877) 353-9791 (toll free).

5. **RESCISSION:** This circular is rescinded August 1, 2002.

By Direction of the Under Secretary for Benefits

Keith Pedigo, Director
Loan Guaranty Service

Distribution: CO: RPC 2025
SS(26A1B) FLD: VBAFS, 1 each (Reproduce and distribute based on RPC 2025)

AUTOMATED CLEARING HOUSE (ACH) VENDOR/MISCELLANEOUS STA# Contact
 PAYMENT ENROLLMENT FORM Contact Phone

This form is used for ACH payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion.

PRIVACY ACT STATEMENT		
The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments thru the ACH Payment System.		
FEDERAL PROGRAM AGENCY DEPT OF VETERANS AFFAIRS-FINANCIAL SERVICES CENTER		
AGENCY IDENTIFIER: 111036183	AGENCY LOCATION CODE (ALC) 35001200	ACH FORMAT: <input type="checkbox"/> CCD+ <input type="checkbox"/> CTX
PO BOX 149971 AUSTIN, TX 78714-8971		
CONTACT PERSON NAME VENDORIZING UNIT		TELEPHONE NUMBER (512) 460-5049
ADDITIONAL INFORMATION FAX BACK TO 512-460-5221		PAYMENT INQUIRIES 1-877-353-9791

QUESTIONS: VISIT – <http://www.fms.treas.gov>

INDIVIDUAL OR COMPANY INFORMATION	
NAME	SSN NO. OR TAXPAYER ID NO.
ADDRESS	
CITY, STATE, ZIP	
CONTACT PERSON NAME:	TELEPHONE NUMBER ()

FINANCIAL INSTITUTION INFORMATION	
NAME	
ADDRESS	
CITY, STATE, ZIP	
ACH COORDINATOR NAME:	TELEPHONE NUMBER ()
NINE-DIGIT ROUTING TRANSIT NUMBER:	
DEPOSITOR ACCOUNT TITLE:	
DEPOSITOR ACCOUNT NUMBER:	
TYPE OF ACCOUNT <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
SIGNATURE OF AUTHORIZED OFFICIAL OR ANYONE WHO CAN VERIFY FINANCIAL INSTITUTION DATA	DATE SIGNED
TELEPHONE NUMBER () HS1	

June 7, 2001



**DEPARTMENT OF VETERANS AFFAIRS
REGIONAL OFFICE
XXXXXXXXXXXXXX
XXXXXXXXXXXXXX**

Date

In Reply Refer To:

SUBJ: Direct Deposit Enrollment for Loan Guaranty Program Participants

1. **U.S. TREASURY REQUIRES DIRECT DEPOSIT.** The U.S. Treasury requires that government agencies enroll vendors in the Direct Deposit Program.

Beginning January 2, 1999, the Debt Collection Improvement Act of 1996 requires Electronic Funds Transfer (EFT) as the primary medium of federal payments for claims and services. Currently, Loan Guaranty program participant enrollment in EFT is about 15% nationwide. Direct deposit is highly recommended as a way to expedite receipt of payments from VA.

⇒ **FASTER PAYMENT.** Vendors that sign up for direct deposit may expect to receive payment 3 to 7 business days sooner than vendors that do not sign up.

2. **WHAT WE NEED YOU TO DO.**

⇒ Sign up for direct deposit by July 31, 2001.

⇒ Complete the individual or company information portion of the enclosed direct deposit enrollment form (*Note to Stations - Include the Locally Designated Form Number here*) and submit it to your financial institution.

⇒ Have your financial institution complete their portion of the form and mail or fax it to VA's Financial Services Center at:

P.O. Box 149971
Austin TX 78714-8971
Attn: Vendorizing Unit
Fax Number: (512) 460-5221

DO NOT BRING OR MAIL YOUR ENROLLMENT FORM TO THE REGIONAL OFFICE.

If you have questions on the Direct Deposit Program, contact the Financial Services Center directly at their toll free phone number 1 (877) 353-9791.

Loan Guaranty Officer

Enclosure