

MULTI-HOUSING NEWS


[FIND OUT NOW!](#)

THE NEWS AND INFORMATION SOURCE FOR THE MULTI-HOUSING PROFESSIONAL

[Subscribe](#) [Advertising Opportunities](#) [About Us](#) [Contact Us](#) [Site Map](#)

Monday, February 06, 2006

[SEARCH](#) [ADVANCED](#) [HELP](#)

Magazine

ENTER KEYWORD(S):

Multi-Housing Web

CPN Online & Multi-Housing News Online Member Services!

Members:	Not a Member?	Interested?
sign in	sign up	learn more

Home
[Breaking News](#)
[Reports & Analysis](#)
[Business Resources](#)
[Product Directory](#)



Want to know where your target audience is?



[Subscribe](#) • [Current Issue](#)

Ads by Google

[VeriSign Payment Services](#)

A PayPal Business. Accept Payments Securely on Your Site. Free Guide. www.PayPal.com

[Learn 20 Tools Successful](#)

Merchants Use for Online Payment Processing. Get Your Free Guide. www.cybersource.com

[ACH Check Payments](#)

Accept checks by fax, phone & online. Improve your cashflow. www.ilovechecks.com/


[SAVE](#) | [EMAIL](#) | [PRINT](#) | [MOST POPULAR](#) | [RSS](#) | [XML](#) | [REPRINTS](#)

Electronic Payment Systems for the Apt. Industry

By Ryan Gilbert, Property Bridge

FEBRUARY 01, 2006 -- The tech revolution has finally reached the payments industry. But until recently no practical solution existed for property managers to convert their rent to electronic and online transactions.

Part of the reason for the slowness to adopt online and electronic payment strategies is that many managers view payments as a "necessary evil." At the same time, the National Multi Housing Council's (NMHC) 2004 Property Management Software User Satisfaction Scorecard identified electronic payment solutions as the number one capability managers were seeking, clearly indicating their desire to offer an electronic solution to customers.

Residents are no different. Survey after survey have shown they would like more payment choices, including credit cards and automatic debits. For multi-housing professionals there is also the issue of accepting the full range of payment types, which has held up previous efforts to develop and popularize online payment systems.

One common misconception is that electronic and online payments are limited to payment cards, broadly defined as credit cards and debit cards. In fact, there are a number of options available electronically, from automated withdrawals from a bank account via the nationwide ACH Network to the electronication of paper checks as established by the Check Clearing for the 21st Century Act, or Check 21.

Solutions that allow property managers and owners to offer the full range of payment types in a single package are a recent development that will revolutionize the payments industry. Additionally, management companies across the country are electing to develop software solutions in-house, contracting with outside firms, or hiring companies dedicated to implementing and maintaining electronic payment systems.

From a business perspective, automating the payments process provides improved integration between the payments and any property management and accounting software already in place. Instead of risking error and duplication, property managers can rely on the software to efficiently and accurately translate information.

Electronic payments allow for a faster availability of funds. Payment card and Check 21 transactions can be authorized and settled instantaneously, with funds disbursed for settled transactions usually the next day. This compresses the typical window between receipt of payment and availability of funds from days to mere hours.

And, while the common misconception is that electronic payments may be less secure due to perceived vulnerabilities in the software, they actually offer a more secure process than paper-based options. Processing payments electronically eliminates any risk of fraud or theft, and security protocols protect the data as it travels through the software.

From a tenant perspective, electronic payments are a top-flight amenity, providing a new standard of convenience and customization. Automated payments are available 24 hours a day, seven days a week, and residents can choose to pay their rent and other fees in whatever fashion they find most appealing. They may choose to take advantage of automatic withdrawals via ACH on the first of each month, eliminating any need to worry about writing a check and mailing it, or they may prefer to manually input payment card information each month. Electronic payments also aid greatly in reducing delinquency on the part of tenants. Residents can choose to pay via payment card and avoid incurring late fees while also earning valuable points.

Perhaps the most compelling advantage to adopting electronic payments lies in a simple examination of the bottom line. Automating the payments process frees up time for property management and staff, and that time equals money. In studies conducted by PropertyBridge, annual average savings per community when implementing electronic and online payment solutions were \$6,287. Management companies with portfolios averaging 100,000 units can expect a savings of over \$4 million annually.

As with any new frontier of technology, there are great advantages and some challenges in implementing electronic payment systems. One of the top challenges facing the payments industry as it moves forward into this new frontier is compliance. All electronic payment systems must comply with local laws, bank card association rules and fair business practices. There are a wide range of state and federal issues involving compliance that all must be investigated and satisfied before electronic payments can be offered free of risk and penalties.

Another emerging issue is that of payment card transaction fees, which must either be shouldered by the management company or passed on to the tenant in the form of "convenience fees" for payment card transactions. Many management companies are finding that the cost of paying the fees themselves is far outweighed by the cost savings that electronic payments can offer, and are electing to pay the fees rather than pass them on. Regardless, the fee must be paid and this is an ongoing issue in terms of bringing electronic payments into wide acceptance.

Ultimately, however, residents will begin demanding the convenience of electronic payments, and this will drive widespread implementation. With the rest of the business world embracing electronic

Related articles

► [Resident Screening Systems/Resident Payment Systems](#)

Quick links: One-click access to topics in this article.

Categories

[Fair Industry](#)
[Property management](#)
[Property](#)
[Fees](#)
[Smart cards](#)

Companies

[PropertyBridge](#)
[Leveraging Technology](#)

Concepts

[Payment Systems](#)
[online payment](#)
[Electronic Payment Systems](#)
[payment card](#)
[management company](#)

People

[Ryan Gilbert](#)

Magazine Resources

• [Subscribe](#)

2006 Multi-Housing News Media Kit

• [Overview](#)
 • [Edit Calendar](#)
 • [Solution-Based Marketing](#)
 • [Rates and Production](#)
 • [Classified](#)
 • [2006 Edit Calendar](#)

►MORE

ach/

and online payment options for consumers, it's time for the real estate industry to follow suit.

Ryan Gilbert is CEO of PropertyBridge, an Oakland, Calif.-based provider of electronic payment processing services. A practicing attorney, Gilbert recently co-authored "Automated Electronic Payments: Leveraging Technology of Cost-Effective Collections and Transaction Mangagment," an NMHC white paper.

VNU Real Estate & Design Network

- ▶ Architecture
- ▶ Architectural Lighting
- ▶ Contract
- ▶ Commercial Property News
- ▶ Hospitality Design
- ▶ Kitchen & Bath Business
- ▶ Multi-Housing News

[SAVE](#) | [EMAIL](#) | [PRINT](#) | [MOST POPULAR](#) | [RSS](#) | [XML](#) | [REPRINTS](#)
[SUBSCRIBE TO MULTI-HOUSING NEWS »](#)
 Copyright 2005 Multi-Housing News

[»MORE](#)

©2005 VNU eMedia Inc. All rights reserved. [Terms Of Use](#) and [Privacy Policy](#).