

CREDIT UNION TIMES

Jack Henry Pockets iPay Tech

5/19/2010

[Return To Article](#)
By Marc Rapport

The last major independent provider of bill pay to credit unions has been purchased by its biggest customer, but its president said it's business as usual for his customers and end users.

iPay Technologies of Elizabethton, Ky., was sold last week by Spectrum Equity Investors and Bain Capital Ventures to Jack Henry & Associates of Monett, Mo., for \$300 million in cash, with the deal expected to close in June.

The acquisition is the largest yet for Jack Henry, perhaps best known in the credit union industry as the owner of the Symitar core processing platform. It follows Fiserv's acquisition of CheckFree for \$4.4 billion in 2007 and FIS's purchase of Metavante Technologies for \$2.94 billion last year.

iPay employs about 250 people and provides bill pay and related services to more than 3,600 credit unions and other financial institutions, including more than half of the credit unions and nearly 40% of the community banks that use bill payment software, the company said.

Jack Henry has a client list of more than 11,800 that it serves through three primary brands, core processors Jack Henry Banking and Symitar and its ProfitStars division for specialized products and services. About 1,075 of those are users of the iPay bill pay engine through Jack Henry's online platforms.

A company spokeswoman said she could not comment on how iPay would be integrated into the company until after the purchase is final.

iPay's president, Bill Ready, said, "We see this very much as business as usual, and we'll continue to serve our customers in the same way that we always have, with the same people here for them to call and us calling on them."

iPay Technologies was created in 2001 with about 150 client contracts purchased from a predecessor that disbanded after the dot-com implosion of 2000. It then grew through partnerships with core processors, aggregators and other services providers, perhaps most notably its November 2007 deal to be the payment engine for Jack Henry's electronic bill pay solution, NetTeller PowerPay, which essentially doubled its potential client base.

"iPay operates as a seamless extension of its business partners with a sophisticated bill pay engine that easily integrates with any online banking solution," said Jack Henry CEO Jack Prim. "This is a key acquisition that supports our expansion in the electronic payments industry and further strengthens our payments offering."

Jack Henry's chief financial officer, Kevin Williams, added that "iPay Technologies, which is our largest acquisition to date, added proven solutions that complement our existing products and services, expands our presence and potential in the growing payments industry, broadens our reach outside our core client base with a highly competitive online bill pay solution, and

Most Viewed Articles

[Warning to CUs, Big Bank Issuers Targeting Your Best Members Again](#)

[With a 'Hole in Heart,' Mecham Departing for Mongolia](#)

[New Online Banking Tools at America First](#)

[Regulators Find No 'Fat Finger' Errors in Market Drop](#)

[Premier Debuts Wal-Mart Branch Today](#)



Related Articles

[CO-OP Buys Into Ongoing Operations](#)
[CO-OP Buys Into Ongoing Operations](#)

[Luring Recession-Weary Members Helps Boost Demand for Marketers](#)

[Squirrel Duo Returns for an Encore](#)

[Wellness Linked to Innovation](#)

[FileNet Think Tank Opportunity](#)

Related Categories

- [Conference Coverage](#)
- [Corporates](#)
- [Credit/Debit/ATM](#)
- [CUSOs](#)
- [Facilities](#)
- [Insurance/Investments](#)
- [Legislation/Politics](#)
- [Lending](#)
- [Marketing](#)
- [Non-interest Income](#)
- [Online/Mobile Banking](#)
- [Other Topics](#)
- [Regulatory/Compliance](#)
- [Technology](#)

increases our transaction-based and recurring revenues."

Ready, the iPay president, said, "There remains a lot to be seen but we don't see this as the end of an era. Our culture fit with Jack Henry has been very strong and we see this as a natural evolution of that process."

That reflected the view of industry observer Gwen Bezar, research director at Aite Group in Boston.

"iPay was one of the last of the independent big payment processors. and I would say it's a natural evolution for it to be acquired by a core banking processor," he said. "It's a logical pass. If I were a client of iPay, I wouldn't be concerned at all by this acquisition."

—*mrapport@cutimes.com*

READERS COMMENTS

Name:

Email (will not be published):

Subject:

Comment:

was farming

Type the two words:



Submit Comment