



NEWS

For Immediate Release

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ONLINE RESOURCES SURVEY SHOWS CREDIT CONCERNS NOT LIMITED TO MORTGAGES

Consumers Say Web is Preferred Method for Making Overdue Payments

CHANTILLY, Va., December 26, 2007 – Online Resources Corporation (Nasdaq: ORCC), a leading provider of web-based financial services, today released the results of a survey of U.S. households and billers regarding the effect of the current mortgage crisis on bill payment and collection patterns. The survey shows that fallout from the mortgage sector is spilling over into the broader economy, impacting companies across industries and their ability to collect payments.

The survey of more than 1,000 nationally representative U.S. households finds that Americans are increasingly being forced to prioritize among their bills by creating a “delinquency budget” to determine which bills get paid. While the mortgage bill tends to be the one that households are most likely to pay, businesses across other industries are facing a decreasing share of that delinquency budget. Specific findings include:

- One out of four households report being delinquent on at least one bill, by 30 days or more;
- If forced to choose between which bills to pay, 98 percent of households would likely pay their mortgage first; while
- Credit card, phone, healthcare, utility and loan payments are among the groups of bills that are least likely to be paid.

Online Resources also surveyed a cross-section of clients from its 2000+ strong biller end-point network of banks, credit unions, utilities, healthcare companies, card issuers, receivables management and mortgage companies. A majority of the respondents (across all industries with annual revenues ranging from less than \$1 million to more than \$20 billion), reported feeling a negative impact from the consumer credit crunch already. Only two percent expect it to be easier to collect payments in 2008, and 84 percent expect to spend more on collections in 2008.

A key finding of both surveys is that billers are out of sync with how consumers would prefer to resolve their delinquencies. The majority of consumers prefer the web channel for making delinquent payments, due to its convenient and non-confrontational nature. However, only eight percent of billers offer online collections services that go beyond accepting payments that would allow consumers to resolve their delinquency.

Prior Online Resources studies show that the web channel is highly effective in increasing collections and in engaging otherwise unreachable delinquent account holders. Production results from a top three U.S. card issuer's use of the web channel delivered annual savings of over \$3 million for each \$50 million of delinquent debt. In addition, a significant number of late stage delinquent account holders that were previously unreachable by phone accessed the collections website and made payments on their accounts.

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“The web channel is playing an increasingly important role in consumers’ financial lives, and it is natural that they would gravitate to the web when they are late on their bill payments, to conveniently and privately resolve what might be an otherwise embarrassing situation,” said Edward Woods, Sr. Analyst for Celent Group, LLC. “As consumers’ payment woes spread further outside the subprime sector, it will be increasingly important for billers to look at consumers’ proven behavior patterns around use of the Internet for bill payments and delinquency resolution.”

“Today’s challenging credit environment could pose a serious risk to companies in all recurring bill industries and their ability to carve out a priority spot in consumers’ budgets,” stated Matthew P. Lawlor, chairman and chief executive officer of Online Resources. “Billers who provide consumers with more options to resolve their delinquencies will have a distinct advantage in competing to win a priority share of the delinquency budget and also retain valuable consumer relationships.”

More information about the results of these surveys are available in a report titled “Payment Delinquencies Spanning All Industries: A Survey of U.S. Consumers and the Companies They Pay,” which is available at www.orcc.com/news or by calling Beth Halloran at Online Resources, 703.653.2248. This report is the third in a series published by Online Resources about the developments in consumer debt and collection technology.

About Online Resources

Online Resources powers financial technology services for thousands of financial institutions, billers and credit service providers. Its proprietary suite of account presentation and payment services are branded to its clients, and augmented by marketing services to drive consumer and business end-user adoption. The Company serves over 10 million end-users and processes \$100 billion in bill payments annually. Founded in 1989, Online Resources (www.orcc.com) is recognized as one of the nation’s fastest growing companies.

This news release contains statements about future events and expectations, which are "forward-looking statements." Any statement in this release that is not a statement of historical fact may be deemed to be a forward-looking statement. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Specifically factors that might cause such a difference include, but are not limited to: the company's history of losses and anticipation of future losses; the company's dependence on the marketing efforts of third parties; the potential fluctuations in the company's operating results; the company's potential need for additional capital; the company's potential inability to expand the company's services and related products in the event of substantial increases in demand for these services and related products; the company's competition; the company's ability to attract and retain skilled personnel; the company's reliance on the company's patents and other intellectual property; the early stage of market adoption of the services it offers; consolidation of the banking and financial services industry; and those risks and uncertainties discussed in filings made by the company with the Securities and Exchange Commission, including those risks and uncertainties contained under the heading "Risk Factors" in the company's Form 10-K, latest 10-Q, and S-3 as filed with the Securities and Exchange Commission. These factors should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on such statements.

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