

**Nacha**<sup>®</sup>

**Request for Comment and Request for Information  
Same Day ACH and Faster ACH Topics**

Date: October 8, 2024

RFC/RFI response deadline: December 13, 2024



# Request for Comment and Information: Same Day ACH and Faster ACH Topics

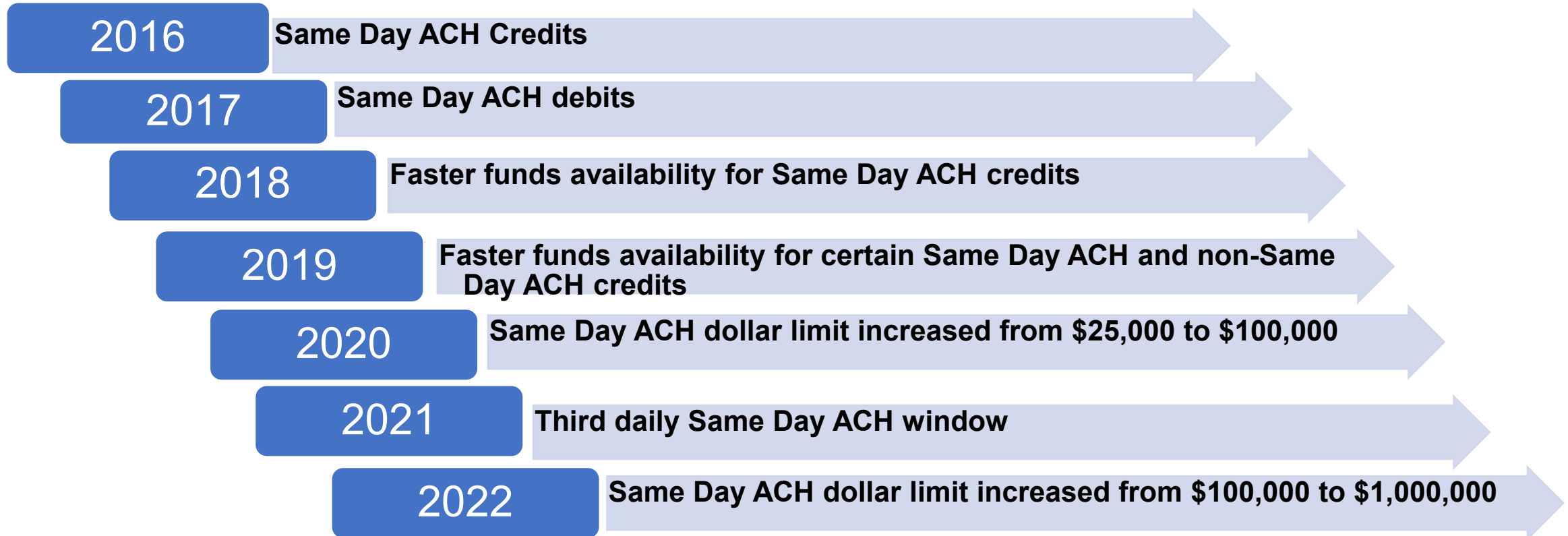
Since inception in September 2016, Same Day ACH has handled nearly 4 billion payments moving \$8 trillion. The capabilities of Same Day ACH have been enhanced numerous times: 1) adding a third, daily processing window; 2) increasing the per-payment dollar limit on 2 separate occasions; and 3) accelerating funds availability (see next slide). Same Day ACH, inclusive of these enhancements, has benefitted the consumers, businesses and other organizations that use ACH payments.

Now, Nacha seeks comments on the next proposed enhancements to Same Day ACH and faster funds availability. The two proposals are to: 1) establish a fourth, daily Same Day ACH window that aligns with the close-of-business in the Pacific Time Zone; and 2) provide faster funds availability for some non-Same Day ACH credits. The proposals do not propose ACH processing on weekends and holidays and do not require additional settlement hours to take effect.

Nacha also seeks industry feedback on other topics related to faster ACH that could serve as the basis of future Rules proposals.

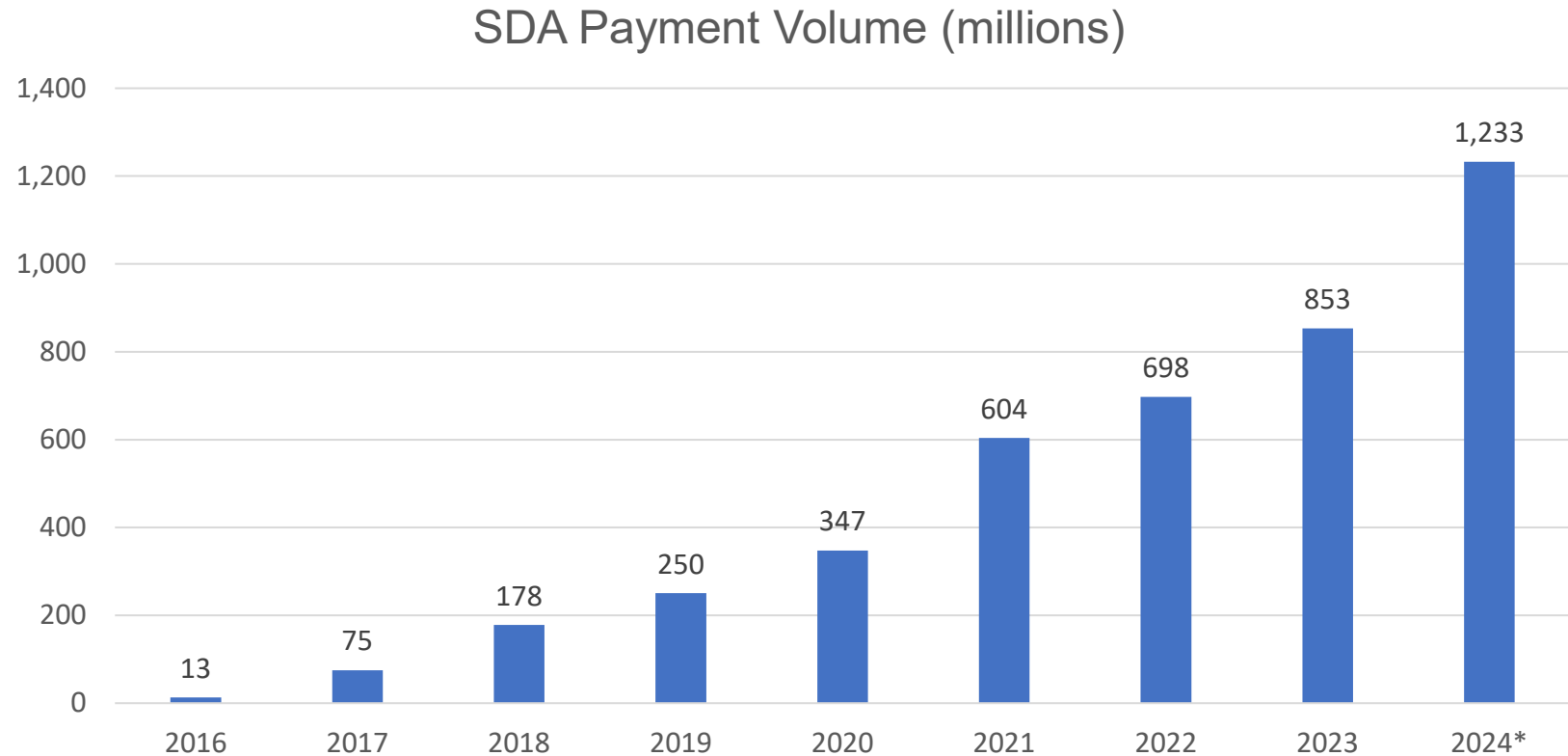
# The Same Day ACH Journey

The capabilities of Same Day ACH have been enhanced four times after the initial three phases went live in 2016-2018.



# Same Day ACH Volume

Starting with 13 million payments in 2016, Same Day ACH volume is estimated to exceed 1.2 billion in 2024, representing almost 50% growth vs 2023.



\* Estimated



# Same Day ACH and Faster ACH Topics

Nacha is proposing two specific amendments to the Nacha Operating Rules.

1. Add a fourth daily Same Day ACH processing window aligned with the close of the business day in the Pacific Time Zone.
2. Accelerate funds availability for certain non-Same Day ACH credits.

All ACH Network participants are encouraged to provide their comments on these topics and the questions posed. Responses on these RFC topics are requested by **Friday, December 13, 2024**.

# Proposal #1 – Add a Fourth Daily Same Day ACH Processing Window

The proposal would establish a fourth daily Same Day ACH processing window on Monday through Friday aligned with the close of business in the Pacific Time Zone. While specific ACH file input and output schedules are determined by the ACH Operators, the following estimated schedule is believed to be reasonably accurate for evaluation purposes:

Process	Timing (ET / PT)
ODFI-to-ACH Operator file submission deadline	8:00 pm ET / 5:00 pm PT
ACH Operator-to-RDFI target file distribution	9:30 pm ET / 6:30 pm PT
Settlement	10:00 pm ET / 7:00 pm PT
ACH credit funds availability	End of RDFI's processing day

Note: All times in this document are Eastern Time, unless otherwise noted.

# Proposal #1 – Add a Fourth Daily Same Day ACH Processing Window

With a fourth daily Same Day ACH processing window as described, the daily Same Day ACH schedule on Monday through Friday would be as follows:

SDA Window	ODFI Submission	RDFI Distribution	Settlement	Funds Availability
First	10:30 am	12:00 noon	1:00 pm	1:30 pm
Second	2:45 pm	4:00 pm	5:00 pm	5:00 pm
Third	4:45 pm	5:30 pm	6:00 pm	End of RDFI's processing day
Fourth	8:00 pm	9:30 pm	10:00 pm*	End of RDFI's processing day

\* 10:00 pm ET settlement would occur Sundays through Thursdays. See Slide 11.

# Proposal #1 – Add a Fourth Daily Same Day ACH Processing Window

A fourth daily Same Day ACH window would provide an additional 3.25 hours for ODFIs and Originators to initiate Same Day ACH payments.

- This could be especially beneficial for ODFIs and Originators in western time zones.
- Currently, the latest that ODFIs can submit files of Same Day ACH payments to an ACH Operator is 1:45 pm PT; submission times for Originators are earlier.

Corporate users of ACH consistently say that expansion of Same Day ACH is a top priority.

Same Day ACH use cases that could be improved with later operating hours include:

- Payroll payments
- Account-to-account transfers
- Funding transactions
- Invoice payments
- Cash concentration
- Merchant settlements
- Tax payments
- Reimbursements and refunds
- Micro-Entries
- Returns
- Recovery from outages and missed deadlines

# Proposal #1 – Add a Fourth Daily Same Day ACH Processing Window

## Funds availability

RDFIs would be required to make funds available from Same Day ACH credits in a fourth daily window no later than the end of the RDFI's processing for that Settlement Date.

This is the same requirement that currently exists for the third Same Day ACH window. Although not part of this proposal, potentially the funds availability requirement for the third SDA window could be accelerated, such as to 8:00 pm in the RDFI's local time to differentiate it from the new fourth window. *Comment is requested on this.*

While also not part of this proposal, an alternative is to limit funds availability in the new window to certain types of transactions (such as consumer credits or payroll credits) and/or up to a certain dollar amount. *Comment is requested on this.*

# Proposal #1 – Add a Fourth Daily Same Day ACH Processing Window

Today's calendar day, tomorrow's accounting day

Currently, the third Same Day ACH window is designed to settle near the end of the Federal Reserve's Fedwire day, which closes at 7:00 pm ET. The Federal Reserve reopens Fedwire at 9:00 pm ET with accounting on the next day (e.g., the reopening at 9:00 pm ET on Monday is the start of Tuesday's accounting day).

Same Day ACH entries processed in a new fourth daily SDA window would be processed on the current calendar day but on "tomorrow's" accounting day with respect to settlement on Federal Reserve settlement accounts.

*Comment is requested on how financial institutions and other organizations will account for these entries.*

# Proposal #1 – Add a Fourth Daily Same Day ACH Processing Window

## Settlement

- A fourth daily Same Day ACH processing window would use existing operating hours of the Federal Reserve's National Settlement Service (NSS) to effect settlement of Same Day ACH Entries.<sup>1</sup> This proposed Same Day ACH window does not require any additional NSS operating hours in order to take effect.
- NSS opens for the Fed's next accounting day at 9:00 pm ET, so NSS would be open and available for this fourth daily Same Day window on Monday through Thursday. The exception is Friday - NSS does not reopen at 9:00 pm on Friday, but instead reopens at 9:00 pm on Sunday.<sup>2</sup>
- Same Day ACH Entries that are processed in a fourth window on Friday night would not settle until Sunday night.
- RDFIs would have to make funds available for Same Day ACH credits on Friday night with settlement delayed until Sunday night.

1 – Technically, only the private-sector ACH Operator uses NSS to settle ACH activity. In practice, both ACH Operators move in tandem on common infrastructure improvements.

2 – As of this writing, the Federal Reserve Board of Governors has proposed to expand the operating days of NSS to including weekends and holidays but has not yet finalized the proposal or established an effective date.

# Proposal #1 – Add a Fourth Daily Same Day ACH Processing Window

## Large-dollar SDA debits and net-debit settlement

All eligible ACH payments could be processed through a new Same Day ACH window. This includes debits of up to \$1 million.

Receivers could receive such debits posted to their accounts associated with this late window. Business receivers that closely manage account balances might need to do so during this time period. ACH Operator services may be able to provide advance alerts to RDFIs and business receivers about inbound large-dollar SDA debits.<sup>3</sup>

RDFIs could be in a “net debit” position at settlement.

- For example, an RDFI could have \$1 million in SDA debits and \$800,000 in SDA credits settling in the new SDA window, resulting in a net \$200,000 debit position at settlement at 10 pm ET / 7 pm PT.
- RDFIs that don’t have sufficient settlement funding will need to be able to provide such funding.

3 – For example, the Federal Reserve’s FedDetect Anomaly Notification for FedACH® Services includes an alert for “Same-day debit large dollar variance when unusual high-dollar debit batches will settle on the current processing day in the final same-day window and potentially require settlement account funding.” <https://www.frbservices.org/financial-services/ach/risk/feddetect-anomaly-notification>

# Proposal #1 – Add a Fourth Daily Same Day ACH Processing Window

Potentially spacing other SDA windows more evenly throughout the day

The implementation of a fourth daily SDA window could be an opportunity to more evenly space the existing SDA windows throughout the day every 3-4 hours. While the timing of the SDA windows is ultimately determined by the ACH Operators, industry comment is requested on potential revisions to the daily schedule. Such a revised daily schedule could be as follows:

SDA Window	ODFI Submission	RDFI Distribution	Settlement	Funds Availability
First	9:30 am	11:00 am	11:30 am	12:00 noon
Second	12:30 pm	2:00 pm	2:30 pm	3:00 pm
Third	4:30 pm	5:15 pm	6:00 pm	End of processing day
Fourth	8:00 pm	9:30 pm	10:00 pm	End of processing day

# Proposal #1 – Anticipated Benefits

## Anticipated Benefits

- A new Same Day ACH window would provide greater opportunity for ODFIs and their Originators to initiate SDA payments for an additional 3¼ hours (estimated) every processing day, generating additional Same Day ACH volume.
- Later hours would be especially beneficial in western time zones. Currently, ODFIs in the Pacific Time Zone must submit files of SDA payments by 1:45 pm in their local time; cutoffs for Originators are earlier.
- A new Same Day ACH window would improve a number of existing SDA use cases and potentially enable more returns using the Same Day ACH windows.

# Proposal #1 – Potential Impacts

## Potential Impacts

- All RDFIs would have to implement the receipt of Same Day ACH files in this new window and meet the funds availability requirements for SDA credits.
  - On Friday nights, funds availability would be required with settlement delayed until Sunday nights.
- An RDFI might be in a net-debit settlement position at the settlement time of this new window, and might need to arrange sufficient funding.
- A Receiver might receive a Same Day ACH debit in this new window. A business receiver, in particular, might need to monitoring account balances during this time period.

# Proposal #1 – Rules Language

ACH file exchanges and timing are established by the ACH Operators. Rules language to enable a new fourth Same Day ACH window is limited to funds availability. The following is the change to the Nacha Operating Rules language to affect this proposal:

## SUBSECTION 3.3.1.2 Availability of Credits That Are Same Day Entries

For a credit Same Day Entry received in the third **or fourth**-same-day processing window, an RDFI must make the amount of the credit Entry available in the Receiver's account no later than the completion of the RDFI's processing for that Settlement Date, subject to its right to return the Entry under these Rules. An RDFI is not required to make such funds available for withdrawal on the Settlement Date.

# Proposal #1 – Request for Comment

Comment is requested on the following by all participants:

1. Does the timing of the proposed new Same Day ACH window meet industry needs?
2. What do you anticipate are the use cases for Same Day ACH ?
3. How much effort will it be for RDFIs to meet the end-of-processing day funds availability requirement?
4. Are there significant risks for RDFIs to make funds available on Friday nights with deferred settlement until Sunday nights (or Monday nights on holiday weekends)? Can the risks be reasonably managed?
  - As an alternative, would your organization support an alternative funds availability requirement that applies only to a subset of ACH credits, such as PPD credits only, or only “PAYROLL” credits?
5. Will RDFIs and business customers handle Same Day ACH debits differently in this fourth window?
6. Will ACH participants be able to accurately account for SDA payments that occur on today’s calendar date but that settle on tomorrow’s Federal Reserve accounting date?
7. Would your organization support adjustments to the timing of the existing three Same Day ACH windows to more evenly space them throughout the day?
8. Would your organization support changing the funds availability requirement for the current, third Same Day ACH window to differentiate it from the proposed new window?

# Proposal #2 – Accelerate Funds Availability for Certain ACH Credits

- Currently, the Nacha Rules require an RDFI to make funds available for a non-Same Day ACH credit by 9:00 am in the RDFI's local time on settlement day, if the credit is received by the RDFI by 5:00 pm local time on the day before settlement.
- The ACH Operators currently deliver files to RDFIs multiple times daily after 5:00 pm ET.<sup>4</sup>
  - Anecdotally, many RDFIs make funds available by 9:00 am for ACH credits received from the ACH Operator in these files, but are not required to by the Rules. *Comment is specifically requested whether RDFIs already meet this requirement in practice.*
- This proposal would eliminate the 5:00 pm local time receipt condition, so that funds availability would be required on settlement day at 9:00 am in the RDFI's local time for all non-Same Day ACH credits.

4 - For example, FedACH delivers files to RDFIs at 5:30 pm, 10:00 pm, 11:30 pm, and 6:00 am before 8:30 am settlement. See <https://www.frbservices.org/resources/resource-centers/same-day-ach/fedach-processing-schedule.html>.

# Proposal #2 – Benefits and Impacts

## Anticipated Benefits

- The proposal would accelerate the availability of funds for some volume of next-day ACH credits that currently are received by RDFIs after 5:00 pm local time and not currently made available by 9:00 am RDFI local time.
- Consumers and businesses might receive earlier funds availability for ACH credit use cases such as payroll, benefits, cashouts, refunds and invoice payments.

## Potential Impacts

- If not already doing so, some RDFIs would have to change internal processes and procedures to post and make funds available by 9:00 am local time for next-day ACH credits received after 5:00 pm local time, inclusive through ACH credits received in the 6:00 am ET ACH Operator file.

# Proposal #2 – Rules Language

The following is the change to the Nacha Operating Rules language to affect this proposal:

## SUBSECTION 3.3.1.1 Availability of Credits That Are Not Same Day Entries

For a credit Entry that is not a Same Day Entry ~~and that is made available to the RDFI by its ACH Operator by 5:00 p.m. (RDFI's local time) on the Banking Day prior to the Settlement Date,~~ the RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 9:00 a.m. (RDFI's local time) on the Settlement Date.

~~For a credit Entry that is not a Same Day Entry that is made available to the RDFI by its ACH Operator after 5:00 p.m. (RDFI's local time) on the Banking Day prior to the Settlement Date, the RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than the end of the Settlement Date.~~

# Proposal #2 – Request for Comment

Comment is sought from industry participants on the following:

- 1) As an RDFI, do you currently make funds available by 9:00 am local time on settlement day for all non-Same Day ACH credits?
- 2) As an RDFI, if you do not currently make funds available by 9:00 am local time on settlement day for all non-Same Day ACH credits, what would be the level of effort required to do so?

# Proposed Effective Dates

This RFC seeks comment on the following proposed effective dates for the two proposals:

- Proposal #1 – New fourth daily Same Day ACH window – September 19, 2026
- Proposal #2 – Accelerate funds availability for certain ACH credits – September 18, 2025

# Proposed Effective Dates

The two proposed effective dates currently do not have other Rules going into effect on those dates. The chart shows the proposed effective dates in relation to other Rules going into effect in 2025 and 2026.

Effective Date	Rule Amendments
April 1, 2025	<ul style="list-style-type: none"><li>• RDFIs must respond to an ODFI's Request for Return within 10 Banking Days</li></ul>
September 18, 2025	<ul style="list-style-type: none"><li>• <i>Proposal #2 - Accelerated Funds Availability</i></li></ul>
March 20, 2026	<ul style="list-style-type: none"><li>• Fraud Monitoring by ODFIs</li><li>• Fraud Monitoring by large Originators, TPSPs, and TPSs (Phase 1)</li><li>• ACH Credit Monitoring by large RDFIs (Phase 1)</li><li>• New Company Entry Descriptions – PAYROLL and PURCHASE</li></ul>
June 22, 2026	<ul style="list-style-type: none"><li>• Fraud Monitoring by all other Originators, TPSP, and TPS</li><li>• ACH Credit Monitoring by all other RDFIs</li></ul>
September 19, 2026	<ul style="list-style-type: none"><li>• <i>Proposal # 1 - New SDA Window</i></li></ul>

# Other General Feedback Requested

Nacha also seeks general comment on:

- Respondent's role in the ACH Network.
- Overall agreement with proposal objectives.
- Impacts of the proposals to participants, including origination, technical, operational, and receipt.
- Implementation effort and proposed effective dates.

Responses to the Request for Comment are due by **Friday, December 13, 2024.**



# Request for Information – Faster ACH Topics

Nacha is requesting industry information and perspectives on other topics that can generally be considered “Faster ACH” but are not specifically Same Day ACH topics. These topics are not proposals to change the Nacha Rules; but industry information and perspectives could lead to Rules proposals.

1. 2-day ACH credits
2. Encouraging same-day returns

All ACH Network participants are encouraged to provide their thoughts on these topics. Responses on these RFI topics are requested by **Friday, December 13, 2024**.

# RFI Topic #1 – 2-Day ACH Credits

- Currently, the Nacha Rules allow an ACH credit to have an Effective Entry Date (the date on which the Originator intends settlement to occur) that is the same day, 1 Banking Day in the future (1-day or next-day credit), or 2 Banking Days in the future (2-day credit).<sup>1</sup> ACH debits can have an Effective Entry Date that is the same day or 1 Banking Day in the future (1-day or next-day).
- The longer-term trend has been to shorten the number of future days allowed in an ACH Entry, including the elimination of 3-day ACH payments and 2-day ACH debits; and introducing Same Day ACH payments in 2016.
- In 2023, Nacha estimated that 80% of all ACH payments settle in one day or less; the other 20% include 2-day ACH credits.

<sup>1</sup> - As of this writing, the U.S. Treasury has proposed to eliminate its use of Effective Entry Dates that are 3 and 4 banking days in the future.

# RFI Topic #1 – 2-Day ACH Credits

- The 2-banking-day period represents a period of latency between payment initiation and settlement in which something could go wrong; for example, an outage at a processor or a bank closure by a regulator. In such a scenario, the finality of the ACH credits or the status of funds availability could be uncertain.
- By limiting ACH credits to same-day or next-day settlement, the time component of settlement risk inherent in this time latency would be reduced.
- The 2-banking-day period can also lead to public mis-perception that payments are “delayed” when funds settlement and are made available as intended.
- Originators that currently use 2-day credits, such as payroll processors, would have to adjust processing schedules (i.e., initiate next-day payroll credits on Thursday morning for Friday settlement), and would have less time to correct errors using reversals.
- RDFIs that provide early funds availability may have less time opportunity prior to settlement.

*Should the Nacha Rules be changed to require ACH credits to settle either 1 banking day in the future or on the same banking day, just as with ACH debits? Nacha seeks industry input on the potential benefits and impacts of such a change.*

# RFI Topic #2 – Encouraging Same Day Returns

- Since the inception of Same Day ACH, the same-day processing windows have been available to process ACH returns. All returns have been and are eligible for same-day processing, regardless of whether the underlying forward entry was a Same Day Entry or was eligible for same-day processing.
- Anecdotally, some FIs and other industry participants report low usage of same day return processing, despite readily acknowledged benefits to both RDFI and ODFIs (as well as their customers).

*Nacha seeks industry information on why RDFIs do not better utilize same-day return processing, as well as what the industry could do to promote and encourage same-day return processing.*

# RFI Feedback Requested

Nacha seeks general comment on the RFI topics:

- Should Nacha develop specific Rules proposals for any of the topics?
- If so, what are the best approaches to the topic(s)?

Responses to the RFI are requested by **Friday, December 13, 2024.**