



RETURN EFFICIENCIES

Request for Comment

Proposed Modifications to the Rules

May 13, 2026

RETURN EFFICIENCIES (proposed effective date – September 15, 2028)

ARTICLE THREE – RIGHTS AND RESPONSIBILITIES OF RDFIS AND THEIR RECEIVERS

Section 3.8 RDFI's Right to Transmit Return Entries

Subsection 3.8.1 General Rule (new subheading)

An RDFI may return an Entry for any reason, except as otherwise provided for in this subsection 3.8.1. ~~Subsection 3.8.1 (Restrictions on RDFI's Right to Transmit Return Entries)~~. An RDFI must comply with the requirements of Appendix Four (Return Entries) for each Return Entry it initiates.

~~An RDFI must Transmit a Return Entry to its ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the Settlement Date of the original Entry, except as otherwise provided in Subsection 3.8.3 (Exceptions to Timing Requirements for Return Entries) and Section 3.13 (RDFI Right to Transmit Extended Return Entries). A Return Entry that is rejected by an ACH Operator does not satisfy or extend the timing requirements contained in this Section 3.8.~~

Subsection 3.8.1 Restrictions on RDFI's Right to Transmit Return Entries

Subsection 3.8.1.1 RDFI May Not Return an Entry Due to the Type of Entry

An RDFI may not return an Entry because it is a particular type of Entry, unless expressly provided for in Subsection 3.8.2 (Exceptions to Restrictions on RDFI's Right to Transmit Return Entries), with the following exceptions. An RDFI may return (a) an XCK Entry for any reason; and (b) any Entry received (including a Prenotification) that concerns any account that is not a Transaction Account maintained with that RDFI.

Subsection 3.8.1.2 RDFI May Not Return an Entry Based on MICR Data

An RDFI may not return an Entry to a Transaction Account based exclusively on data that were accurately obtained from the on-us field of the MICR line of a Check for the account, unless the RDFI had previously initiated a Notification of Change that was not properly acted upon.

Subsection 3.8.2 Exceptions to Restrictions on RDFI's Right to Transmit Return Entries

An RDFI may return:

- (a) — an XCK Entry for any reason; and

(b) any Entry received (including a Prenotification) that concerns any account that is not a Transaction Account maintained with that RDFI.

Subsection 3.8.2 Timing Requirements for Returns (new subheading)

Subsection 3.8.2.1 General Timing Requirements for Returns (new subheading)

Except as otherwise provided in this Subsection 3.8.2 (Timing Requirements for Returns), an RDFI must Transmit a Return Entry to its ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the Settlement Date of the original Entry. A Return Entry that is rejected by an ACH Operator does not satisfy or extend the timing requirements contained in this Subsection 3.8.2.

Subsection 3.8.2.2 Timing Requirements for Expedited Returns (new subsection)

An RDFI must Transmit an Expedited Return Entry to its ACH Operator no later than the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the settlement time of the third same-day processing window on the Banking Day following the Settlement Date of the original entry.

Subsection 3.8.2.3 Timing Requirements for Extended Returns (new subsection)

An RDFI may Transmit an Extended Return Entry with respect to any debit Entry for which it recredits a Receiver's account in accordance with Section 3.11 (RDFI Obligation to Recredit Receiver), provided that the RDFI made no error (except with respect to a stop payment order on source document or item) in the debiting of the Entry to the Receiver's account.

For an Extended Return that does not require a Written Statement of Unauthorized Debit (i.e., using Return Reason Codes R38 and R52), the RDFI must Transmit the Extended Return Entry to its ACH Operator by its deposit deadline for the Extended Return to be made available to the ODFI no later than the opening of business on the Banking Day following the sixtieth calendar day following the Settlement Date of the original Entry.

For an Extended Return that requires a Written Statement of Unauthorized Debit (i.e., using Return Reason Codes R05, R07, R10, R11, R37, R51, R53), the RDFI must Transmit the Extended Return Entry to its ACH Operator by its deposit deadline for the Extended Return Entry to be made available to the ODFI no later than the opening of business on the sixth Banking Day after the Banking Day on which the RDFI completes its review of the Receiver's signed Written Statement of Unauthorized Debit, but in no case later than the opening of business on the Banking Day following the sixtieth calendar day following the Settlement Date of the original Entry.

In addition to the other warranties contained in these Rules, an RDFI Transmitting an Extended Return Entry in accordance with this Subsection 3.8.2.3 warrants to each ODFI, ACH Operator, and Gateway that, when required, the RDFI obtained from the Receiver a Written Statement of Unauthorized Debit complying with Section 3.12 (Written Statement of Unauthorized Debit) prior to initiating the Extended Return Entry. This warranty does not apply to Extended Return Entries related to an RDFI's recredit obligation in Subsection 3.11.2.2 (RDFI Obligation to Recredit for ARC, BOC, and RCK Entries Regarding Stop Payment Orders).

An RDFI shall indemnify every ODFI, ACH Operator, and Gateway from and against any and all claims, demands, losses, liabilities, or expenses, including attorneys' fees and costs, resulting directly or indirectly from the breach of this warranty.

Subsection ~~3.8.2.3~~ 3.8.2.4 Timing Requirements for Credit Entries Declined by Receiver

An RDFI must return any credit Entry that is declined by a Receiver unless (i) there are insufficient funds available to satisfy the Return, including due to any third party lien or security interest; (ii) the return is prohibited by Legal Requirements; or (iii) the RDFI itself has a claim against the proceeds of the credit Entry, including by offset, lien, or

security interest. The RDFI must Transmit any such Return Entry to its ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the RDFI's receipt of notification from the Receiver that it has declined the Entry.

Subsection 3.8.2.5 Timing Requirements for Entries Returned Due to RDFI's Sanctions Compliance Obligations (new section)

An RDFI that has determined an Entry must be returned to comply with its sanctions compliance obligations must Transmit the Return Entry to its ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the RDFI's sanctions compliance determination.

Subsection ~~3.8.3.3~~ 3.8.2.6 Timing Requirements for Return of RCK Entries

An RDFI must Transmit a Return Entry relating to an RCK Entry to its ACH Operator by midnight of the RDFI's second Banking Day following the Banking Day of the receipt of the RCK Entry.

Subsection ~~3.8.3.4~~ 3.8.2.7 Timing Requirements for Return of XCK Entries

An RDFI must Transmit a Return Entry relating to an XCK Entry to its ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the Banking Day following the sixtieth calendar day following the Settlement Date of the XCK Entry.

Subsection ~~3.8.3.5~~ 3.8.2.8 Late Return Entries for CCD or CTX Entries with ODFI Agreement

If an RDFI receives written notification from a Receiver that a CCD or CTX Entry that was debited to the Receiver's account was, in whole or in part, not authorized by the Receiver, the RDFI may Transmit a Return Entry to the ODFI after the time for return has expired, provided that the ODFI agrees, either verbally or in writing, to accept the late Return Entry. The Return Entry must be in the amount of the debit Entry and must otherwise comply with the requirements of this Section 3.8 and Appendix Four (Return Entries).

Subsection ~~3.8.4~~ 3.8.2.9 RDFI Must Return Unposted Credit Entries

An RDFI must return all credit Entries that are not credited or otherwise made available to its Receivers' accounts. The RDFI must Transmit such a Return Entry to its ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the Settlement Date of the original Entry.

Subsection ~~3.8.3.1~~ 3.8.2.10 Timing Requirements of Return of Credit Entry Subject to Article 4A

An RDFI must Transmit a Return Entry relating to a credit Entry subject to Article 4A to its ACH Operator prior to the time the RDFI accepts the credit Entry as provided for under Article 4A, unless:

- (a) the Receiver of the Entry does not have an account with the RDFI;
- (b) the Receiver's account has been closed; or
- (c) the RDFI is not permitted by Legal Requirements to receive credits for the Receiver's account.

Subsection 3.8.1 Restrictions on RDFI's Right to Transmit Return Entries

Subsection 3.8.1.1 RDFI May Not Return an Entry Due to the Type of Entry

An RDFI may not return an Entry because it is a particular type of Entry, unless expressly provided for in Subsection 3.8.2 (Exceptions to Restrictions on RDFI's Right to Transmit Return Entries).

Subsection 3.8.1.2 RDFI May Not Return an Entry Based on MICR Data

An RDFI may not return an Entry to a Transaction Account based exclusively on data that were accurately obtained from the on us field of the MICR line of a Check for the account, unless the RDFI had previously initiated a Notification of Change that was not properly acted upon.

Subsection 3.8.2 Exceptions to Restrictions on RDFI's Right to Transmit Return Entries

An RDFI may return:

- (a) an XCK Entry for any reason; and
- (b) any Entry received (including a Prenotification) that concerns any account that is not a Transaction Account maintained with that RDFI.

Subsection 3.8.3 Exceptions to Timing Requirements for Return Entries

Subsection 3.8.3.1 Timing Requirements of Return of Credit Entry Subject to Article 4A

An RDFI must Transmit a Return Entry relating to a credit Entry subject to Article 4A to its ACH Operator prior to the time the RDFI accepts the credit Entry as provided for under Article 4A, unless:

- (a) the Receiver of the Entry does not have an account with the RDFI;
- (b) the Receiver's account has been closed; or
- (c) the RDFI is not permitted by Legal Requirements to receive credits for the Receiver's account.

Subsection 3.8.3.2 Timing Requirements for Credit Entries Declined by Receiver

An RDFI must return any credit Entry that is declined by a Receiver unless (i) there are insufficient funds available to satisfy the Return, including due to any third party lien or security interest; (ii) the return is prohibited by Legal Requirements; or (iii) the RDFI itself has a claim against the proceeds of the credit Entry, including by offset, lien, or security interest. The RDFI must Transmit any such Return Entry to its ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the RDFI's receipt of notification from the Receiver that it has declined the Entry.

Subsection 3.8.3.3 Timing Requirements for Return of RCK Entries

An RDFI must Transmit a Return Entry relating to an RCK Entry to its ACH Operator by midnight of the RDFI's second Banking Day following the Banking Day of the receipt of the RCK Entry.

Subsection 3.8.3.4 Timing Requirements for Return of XCK Entries

An RDFI must Transmit a Return Entry relating to an XCK Entry to its ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the Banking Day following the sixtieth calendar day following the Settlement Date of the XCK Entry.

Subsection 3.8.3.5 Late Return Entries for CCD or CTX Entries with ODFI Agreement

If an RDFI receives written notification from a Receiver that a CCD or CTX Entry that was debited to the Receiver's account was, in whole or in part, not authorized by the Receiver, the RDFI may Transmit a Return Entry to the ODFI after the time for return has expired, provided that the ODFI agrees, either verbally or in writing, to accept the late Return Entry. The Return Entry must be in the amount of the debit Entry and must otherwise comply with the requirements of this Section 3.8 and Appendix Four (Return Entries).

Subsection 3.8.4 RDFI Must Return Unposted Credit Entries

An RDFI must return all credit Entries that are not credited or otherwise made available to its Receivers' accounts. The RDFI must Transmit such a Return Entry to its ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the Settlement Date of the original Entry.

Subsection 3.8.5 3.8.3 Receipt of Dishonored Returns

Subsection 3.8.5.1 3.8.3.1 RDFI May Correct Dishonored Returns

An RDFI may Transmit a corrected Return Entry to its ACH Operator for any Return Entry that was dishonored by the ODFI (as permitted under Subsection 2.13.6.1 (b) (Dishonor of Return by ODFI)) because information contained in one or more fields of the Return Entry is incorrect or missing. The RDFI must include the dishonored Return information received from the ODFI in the dishonored Return Entry and must ensure the corrected Return Entry otherwise complies with the requirements of Appendix Four (Return Entries). The RDFI must Transmit the corrected Return Entry to its ACH Operator within two Banking Days after the Settlement Date of the dishonored Return Entry.

Subsection 3.8.5.2 3.8.3.2 RDFI May Contest Dishonored Returns

An RDFI may Transmit a contested dishonored Return Entry that corresponds to the reason for the dishonored Return Entry if:

- (a) the original Return Entry was, in fact, returned within the time limits established by these Rules;
- (b) the original Return Entry was not a duplicate Entry;
- (c) the original Return Entry was complete and contained no errors;
- (d) the dishonored Return Entry was misrouted or untimely;
- (e) the dishonored Return Entry relates to an Erroneous Entry or a related Reversing Entry, both of which were previously returned by the RDFI; or
- (f) the funds relating to the R62 dishonored Return Entry are not recoverable from the Receiver (for use ONLY with dishonored Returns R62 – Return of Erroneous or Reversing Debit).

The RDFI must Transmit a contested dishonored Return Entry to the ACH Operator within two Banking Days after the Settlement Date of the dishonored Return Entry and must ensure the contested dishonored Return Entry otherwise complies with the requirements of Appendix Four (Return Entries).

Subsection 3.8.6 3.8.4 Response to ODFI Request for Return

An RDFI may, but is not obligated to, comply with an ODFI's request for the return of an Entry, as provided under Subsection 2.13.2 (ODFI Request for Return). Regardless of whether the RDFI complies with the ODFI's request to return the Entry, the RDFI must advise the ODFI of its decision or the status of the ODFI's request within ten (10) Banking Days of receipt of the ODFI's request.

Section 3.11 RDFI Obligation to Recredit Receiver

An RDFI must recredit the account holder to the extent provided in this Section 3.11 for (a) a debit Entry to a Consumer Account and any IAT debit Entry to a Non-Consumer Account that was, in whole or in part, not properly authorized under these Rules, or was one for which authorization was revoked, as required by these Rules, applicable Legal Requirements, or agreement between the RDFI and the account holder; (b) a debit Entry to a Consumer Account, or an ARC, BOC, or POP Entry to any Receiver's account, that was not originated in accordance with the terms of the authorization, as defined in Subsection 3.12.2 (Debit Entry Not in Accordance with the Terms of the Authorization); or (c) an improperly-originated RCK Entry. This recredit requirement does not apply if the account holder is a Receiver that has waived any right to recredit in accordance with the requirements of Subsection 3.11.4 (Receiver's Waiver of RDFI's Recredit Obligation).

Subsection 3.11.1 RDFI General Obligation to Recredit Consumer Accounts

An RDFI must promptly recredit the amount of a debit Entry to a Consumer Account of a Receiver, regardless of the SEC Code of the debit Entry, if it receives notification from the Receiver in accordance with Section 3.12 (Written Statement of Unauthorized Debit), and such notification is received in time and in a manner that reasonably allows the RDFI to meet the deadline for Transmitting an Extended Return Entry as provided in [Section 3.13 \(RDFI Right to Transmit Extended Return Entries\)](#) [Subsection 3.8.2.3 \(Timing Requirements for Extended Returns\)](#).

The RDFI's obligation to recredit the Receiver's account for a debit Entry that is part of an Incomplete Transaction does not apply when a partial or erroneous payment was made to the intended third-party payee on the Receiver's behalf.

Subsection 3.11.2 RDFI Specific Obligations to Recredit Accounts for ARC, BOC, POP, RCK, and IAT Debit Entries

Subsection 3.11.2.1 RDFI Obligation to Recredit Non-Consumer Accounts for ARC, BOC and POP Entries

An RDFI must promptly recredit the amount of an ARC, BOC, or POP Entry to a Non-Consumer Account of a Receiver if it receives notification from the Receiver in accordance with Section 3.12 (Written Statement of Unauthorized Debit), and such notification is received in time and in a manner that reasonably allows the RDFI to meet the deadline for Transmitting an Extended Return Entry as provided in [Section 3.13 \(RDFI Right to Transmit Extended Return Entries\)](#) [Subsection 3.8.2.3 \(Timing Requirements for Extended Returns\)](#).

Subsection 3.11.2.2 RDFI Obligation to Recredit for ARC, BOC, and RCK Entries Regarding Stop Payment Orders

An RDFI must promptly recredit the amount of an ARC, BOC, or RCK Entry to the account of a Receiver if, at the time that any such Entry was paid by the RDFI, a stop payment order was in force with respect to (a) the Check that was used as an Eligible Source Document for the ARC or BOC Entry, or (b) the item to which the RCK Entry relates. The RDFI is not required to obtain a Written Statement of Unauthorized Debit.

Subsection 3.11.2.3 RDFI Obligation to Recredit for Debit IAT Entries

An RDFI must promptly recredit the amount of a debit IAT Entry to the account of a Receiver if it receives notification from the Receiver in conformance with Section 3.12 (Written Statement of Unauthorized Debit), and such notification is received in time and in a manner that reasonably allows the RDFI to meet the deadline for Transmitting an Extended Return Entry as provided in [Section 3.13 \(RDFI Right to Transmit Extended Return Entries\)](#) [Subsection 3.8.2.3 \(Timing Requirements for Extended Returns\)](#). An RDFI may not recredit a Receiver's account if doing so is inconsistent with U.S. Legal Requirements, as provided in Subsection 1.2.1 (Effect of Illegality).

Subsection 3.11.3 RDFI's Recredit Obligation Not Exclusive

An RDFI's obligation to recredit a Receiver under this Section 3.11 is in addition to any other obligation provided under Regulation E of the Consumer Financial Protection Bureau or other applicable Legal Requirements.

Subsection 3.11.4 Receiver's Waiver of RDFI's Recredit Obligation

An RDFI shall have no obligation to recredit a Receiver if it has received a waiver signed by the Receiver, and complying with the requirement of this subsection, in sufficient time and in such manner for the RDFI to reasonably act on it, subject to Legal Requirements. Such a waiver with respect to one or more specific debit Entries initiated to the Receiver's account must:

- (a) be in writing in a document entitled "WAIVER WITH RESPECT TO PRE-ARRANGED DEBIT";
- (b) specify the amount of each Entry to which the waiver applies;
- (c) specify the approximate date on which each Entry was initiated by the Originator;
- (d) specify the Originator number designated in each Entry; and
- (e) specifically state in substance that the Receiver waives any right to have a designated RDFI credit the amount of the Entry or Entries to the Receiver's account due to error, unless the error was made by the RDFI.

Except for waivers and exclusions complying with the requirements of this subsection, an RDFI may not act on any other purported waiver of any obligation under these Rules to recredit a Receiver's account for unauthorized debits. If an Originator delivers a waiver, with a copy, to the RDFI, the RDFI must acknowledge receipt on the copy of the waiver and promptly deliver or provide that copy to the Originator if requested by the Originator in writing.

Section 3.12 Written Statement of Unauthorized Debit

An RDFI must accept a Written Statement of Unauthorized Debit meeting the requirements of Subsection 3.12.4 (Form of Written Statement of Unauthorized Debit) from a Receiver with respect to:

- (a) an unauthorized debit Entry to a Consumer Account of a Receiver; an unauthorized IAT debit to any Receiver's account; or a debit Entry to a Consumer Account of a Receiver for which the Receiver revoked authorization, as defined in Subsection 3.12.1 (Unauthorized Debit Entry/Authorization for Debit Has Been Revoked);
- (b) a debit Entry to a Consumer Account of a Receiver, or an ARC, BOC, or POP Entry to any Receiver's account, that was not initiated in accordance with the terms of the authorization, as defined in Subsection 3.12.2 (Debit Entry Not in Accordance with the Terms of the Authorization);
- (c) an improperly originated RCK Entry, as defined in Subsection 3.12.3 (Improperly Originated RCK Entry).

Subsection 3.12.1 Unauthorized Debit Entry/Authorization for Debit Has Been Revoked

For purposes of this Section 3.12, a debit Entry was not authorized by the Receiver if:

- (a) the authorization requirements of Section 2.3 (Authorization and Notice of Entries) were not met;
- (b) for ARC and BOC entries, the Receiver's signature on the source document is not authentic, valid, or authorized;

- (c) for POP entries, the Receiver's signature on the written authorization is not authentic, valid, or authorized; or
- (d) the Originator obtained an authorization meeting the requirements of Section 2.3 (Authorization and Notice of Entries), but the Receiver revoked the authorization directly with the Originator, in accordance with the terms of the authorization, prior to the initiation of the Entry.

An unauthorized debit Entry does not include a debit Entry initiated with fraudulent intent by the Receiver or any Person acting in concert with the Receiver.

Subsection 3.12.2 Debit Entry Not in Accordance with the Terms of the Authorization

For purposes of this Section 3.12, a debit Entry was not "in accordance with the terms of the authorization" if:

- (a) the debit Entry was initiated in an amount different than authorized by the Receiver;
- (b) the debit Entry was initiated for settlement earlier than authorized by the Receiver;
- (c) the ARC, BOC, or POP Entry was improperly originated, as defined by Subsection 3.12.2.1 (Improper ARC, BOC, and POP Debit Entries);
- (d) the Entry is part of an Incomplete Transaction, as defined by Subsection 3.12.2.2 (Incomplete Transaction);
- (e) the Entry was improperly reinitiated, as defined by Subsection 3.12.2.3 (Improperly Reinitiated Debit Entries);
- (f) the Reversing Entry or Reversing File was improperly initiated, as defined by Subsection 3.12.2.4 (Improperly-Initiated Reversal); or
- (g) the Entry was not affirmatively initiated by the Receiver in accordance with the terms of the Standing Authorization.

Subsection 3.12.2.1 Improper ARC, BOC, and POP Debit Entries

For purposes of this Section 3.12, a debit Entry was improper if it was:

- (a) an ARC, BOC, or POP Entry to any Receiver's account for which:
 - (i) the source document used for the Entry was not an Eligible Source Document; or
 - (ii) the Check that was used as a source document for the Entry was paid by the RDFI;
- (b) an ARC or BOC Entry to any Receiver's account for which:
 - (i) notice was not provided by the Originator in accordance with Subsection 2.5.1.2 (Authorization of ARC Entries by Notification) or Subsection 2.5.2.2 (Authorization of BOC Entries by Notification), as applicable; or
 - (ii) the amount of the Entry was not accurately obtained from the Eligible Source Document.

Subsection 3.12.2.2 Incomplete Transaction

For purposes of this Section 3.12, a transaction is an Incomplete Transaction if it involves a debit Entry authorized by a consumer Receiver (or any Receiver with respect to an ARC, BOC, or POP Entry) for the purpose of funding a

corresponding payment to a third-party payee, but the Originator, Third-Party Sender, or ODFI of the debit Entry failed to make or complete the corresponding payment to the intended third-party payee. An Incomplete Transaction does not include a partial or erroneous payment made to the intended third-party payee.

Subsection 3.12.2.3 Improperly Reinitiated Debit Entries

For purposes of this Section 3.12, a Reinitiated debit Entry is improper if it is part of any of the following Reinitiation practices:

- (a) following the Return of an Entry, initiating an Entry to the same Receiver in an amount greater than the amount of the previously Returned Entry in payment or fulfillment of the same underlying obligation plus an additional fee or charge.
- (b) following the Return of an Entry, initiating one or more Entries to the same Receiver in an amount(s) less than the original Entry in payment or fulfillment of a portion of the same underlying obligation.
- (c) reinitiating any Entry that was Returned as unauthorized.
- (d) initiating any other Entry that the National Association reasonably believes represents an attempted evasion of the limitations on Reinitiation.

Subsection 3.12.2.4 Improperly-Initiated Reversal

For purposes of this Section 3.12, a Reversing Entry or Reversing File is improper if it involves any of the following:

- (a) The initiation of (i) a Reversing Entry for any reason other than those explicitly defined in Subsection 2.10.1 (General Rule for Reversing Entries), or (ii) a Reversing File for any reason other than those explicitly defined in Subsection 2.10.1 (General Rule for Reversing Entries) and Article Eight, Section 8.39 (Erroneous File);
- (b) The initiation of a Reversing Entry or a Reversing File by an ODFI because its Originator or Third-Party Sender customer, or any downstream customer of its Third-Party Sender, failed to provide funding for the original Entry to which the Reversal relates.
- (c) The initiation of a Reversing Entry or a Reversing File beyond the time periods permitted by these rules.

Subsection 3.12.3 Improperly Originated RCK Entry

An improperly originated RCK Entry is one for which:

- (a) notice stating the terms of the RCK Entry policy was not provided by the Originator in accordance with Subsection 2.5.13.2 (Authorization of RCK Entries by Notification);
- (b) the item to which the RCK Entry relates is not an eligible item;
- (c) all signatures on the item to which the RCK Entry relates are not authorized or authentic;
- (d) the item to which the RCK Entry relates has been altered;
- (e) the amount of the RCK Entry was not accurately obtained from the item; or
- (f) both the RCK Entry and the item to which the RCK Entry relates have been paid.

SUBSECTION 3.12.4 Form of Written Statement of Unauthorized Debit

The Written Statement of Unauthorized Debit must be signed or similarly authenticated by the Receiver, submitted within the time frames provided by these Rules, and otherwise conform to the requirements of this Section 3.12.

The Written Statement of Unauthorized Debit must include the following minimum information for each Entry for which recredit is requested by the Receiver:

- (a) Receiver's printed name;
- (b) Receiver's account number;
- (c) identity of the party (i.e., the payee) debiting the account, as provided to the Receiver, and, if different, the name of the intended third-party payee;
- (d) date the Entry was posted to the Receiver's account or, if the Entry was not posted to the account, the Effective Entry Date of the debit Entry;
- (e) dollar amount of Entry;
- (f) reason for return;
- (g) Receiver assertion that the Written Statement of Unauthorized Debit is true and correct;
- (h) Receiver assertion that the Receiver is an authorized signer or has corporate authority to act on the account; and
- (i) the Receiver's signature and signature date.

The Written Statement of Unauthorized Debit must be signed and dated by the Receiver on or after the date on which the Entry is presented to the Receiver's account for payment, either by posting to the account or by notice of a pending transaction.

More than one unauthorized debit Entry from a single Originator may be documented on a Written Statement of Unauthorized Debit, provided that all of the information detailed above is provided for each debit Entry for which the Receiver is seeking recredit.

An RDFI may obtain a Written Statement of Unauthorized Debit as an Electronic Record, as permissible in Subsection 1.4.3 (Electronic Record Creation and Retention). An RDFI may accept a consumer's Electronic Signature, as permissible in Subsection 1.4.4 (Electronic Signatures), for a Written Statement of Unauthorized Debit regardless of its form or the method used to obtain it.

Subsection 3.12.5 Retention of Written Statement of Unauthorized Debit

An RDFI must retain the original or a reproducible copy of each Written Statement of Unauthorized Debit for at least one year from the Settlement Date of the Extended Return Entry(ies) to which the Written Statement of Unauthorized Debit relates.

Subsection 3.12.6 Copy of Written Statement of Unauthorized Debit

An RDFI Transmitting an Extended Return Entry as provided in Section 3.13 (RDFI Right to Transmit Extended Return Entries) Subsection 3.8.2.3 (Timing Requirements for Extended Returns) must provide to an ODFI a copy of the Written Statement of Unauthorized Debit obtained from the Receiver in accordance with this Section 3.12 within

ten Banking Days after receiving a written request from the ODFI, provided that such request is received by the RDFI within one year of the Settlement Date of the Extended Return Entry.

Section 3.13 RDFI Right to Transmit Extended Return Entries

Subsection 3.13.1 RDFI May Transmit Extended Return Entries

An RDFI may Transmit an Extended Return Entry with respect to any debit Entry for which it recredits a Receiver's account in accordance with Section 3.11 (RDFI Obligation to Recredit Receiver), provided that:

- (a) no error was made by the RDFI in the debiting of the original Entry to the Receiver's account, except with respect to a stop payment order; and
- (b) the RDFI Transmits the Extended Return Entry to its ACH Operator by its deposit deadline for the Extended Return Entry to be made available to the ODFI no later than the opening of business on the sixth Banking Day after the Banking Day on which the RDFI completes its review of the Receiver's signed Written Statement of Unauthorized Debit, but in no case later than the opening of business on the Banking Day following the sixtieth calendar day following the Settlement Date of the original Entry.

The Extended Return Entry must comply with the requirements of Appendix Four (Return Entries).

Subsection 3.13.2 RDFI Warranty for Extended Return Entries

In addition to the other warranties contained in these Rules, an RDFI Transmitting an Extended Return Entry in accordance with this Section 3.13 warrants to each ODFI, ACH Operator, and Gateway that, prior to initiating the Extended Return Entry, the RDFI obtained from the Receiver a Written Statement of Unauthorized Debit complying with Section 3.12 (Written Statement of Unauthorized Debit). This Subsection 3.13.2 does not apply to Extended Return Entries related to an RDFI's recredit obligation in Subsection 3.11.2.2 (RDFI Obligation to Recredit for ARC, BOC, and RCK Entries Regarding Stop Payment Orders).

Subsection 3.13.3 Indemnity of RDFI for Breach of Extended Return Entries Warranty

An RDFI shall indemnify every ODFI, ACH Operator, and Gateway from and against any and all claims, demands, losses, liabilities, or expenses, including attorneys' fees and costs, resulting directly or indirectly from the breach of the warranty contained in Subsection 3.13.2 (RDFI Warranty for Extended Return Entries).

ARTICLE EIGHT – DEFINITIONS OF TERMS USED IN THESE RULES

Section 8.41 "Expedited Return Entry" or "Expedited Return" (new section)

a Return Entry Transmitted by an RDFI for one of the following reasons:

- (a) R02 – Account closed;
- (b) R03 – No Account/Unable to Locate Account;
- (c) R04 – Invalid Account Number Structure;
- (d) R08 – Payment Stopped;

- (e) R12 – Account Sold to Another DFI;
- (f) R16 – Account Frozen;
- (g) R20 – Non-Transaction Account; and
- (h) R24 – Duplicate Entry.

An Expedited Return Entry must comply with the requirements of Article Three, Subsection 3.8.2.2 (Timing Requirements for Expedited Returns) and Appendix Four (Return Entries).

Section 8.41 8.42 “Extended Return Entry” or “Extended Return”

an Entry initiated by an RDFI in accordance with Section 3.13 (RDFI Right to Transmit Extended Return Entries) that returns a previously originated debit Entry to an ODFI. An Extended Return Entry must comply with the requirements of Appendix Four (Return Entries).

a Return Entry initiated by an RDFI, in accordance with Section 3.8.2.3 (Timing Requirements for Extended Returns) and Appendix Four (Return Entries), for one of the following reasons:

- (a) R05 – Unauthorized Debit to Consumer Account Using Corporate SEC Code;
- (b) R07 – Authorization Revoked by Customer;
- (c) R10 – Customer Advises Originator is Not Known to Receiver and/or Originator is Not Authorized by Receiver to Debit Receiver’s Account;
- (d) R11 – Customer Advises Entry Not in Accordance with the Terms of the Authorization;
- (e) R33 – Return of XCK Entry;
- (f) R37 – Source Document Presented for Payment;
- (g) R38 – Stop Payment on Source Document;
- (h) R51 – Item Related to RCK Entry is Ineligible or RCK Entry is Improper;
- (i) R52 – Stop Payment on Item Related to RCK Entry; and
- (j) R53 – Item and RCK Entry Presented for Payment.

PART 4.2 Table of Return Reason Codes

CODE	TITLE	DESCRIPTION	INITIATED BY	RETURN TYPE	ACCOUNT TYPE	TIME FRAME	WRITTEN STATEMENT REQUIRED	CROSS REFERENCE	NOTES
R01	Insufficient Funds	The available and/or cash reserve balance is not sufficient to cover the dollar value of the debit Entry.	RDFI	Return	Consumer or Non-Consumer	* 2 Banking Days	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	
R02	Account Closed	A previously active account has been closed by action of the customer or the RDFI.	RDFI	Return	Consumer or Non-Consumer	** 2 Banking Days *** 1 Banking Day	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	
R03	No Account/ Unable to Locate Account	The account number structure is valid and it passes the check digit validation, but the account number does not correspond to the individual identified in the Entry, or the account number designated is not an existing account.	RDFI	Return	Consumer or Non-Consumer	** 2 Banking Days *** 1 Banking Day	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	This Return Reason Code may not be used to return ARC, BOC, or POP Entries or Return Fee Entries related to underlying ARC, BOC, or POP Entries solely because they do not contain the Receiver's name in the Individual Name/ Receiving Company Name Field.
R04	Invalid Account Number Structure	The account number structure is not valid.	RDFI	Return	Consumer or Non-Consumer	** 2 Banking Days *** 1 Banking Day	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	The Entry may fail the check digit validation or may contain an incorrect number of digits.
R05	Unauthorized Debit to Consumer Account Using Corporate SEC Code	CCD or CTX debit Entry was Transmitted to a Consumer Account of the Receiver and was not authorized by the Receiver.	RDFI	Extended Return	Consumer	** 60 Calendar Days	Yes	Article Three, Section 3.13 - RDFI Right to Transmit Extended Return Entries. Article Three, Subsection 3.12.1 - Unauthorized Debit Entry. Article Three, Subsection 3.4.1.1 - Rule Exception for CCD and CTX Entries to Consumer Accounts.	
R06	Returned per ODFI's Request	The ODFI has requested that the RDFI return an Entry.	RDFI	Return	Consumer or Non-Consumer	Not defined, determined by ODFI and RDFI.	No	Article Two, Subsection 2.13.2 - ODFI Request for Return.	If the RDFI agrees to return the Entry, the ODFI must indemnify the RDFI according to Article Two, Subsection 2.13.3 (Indemnification by ODFI for Requested Returns).

* Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the Settlement Date of the original Entry.
 ** Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the Banking Day following the sixtieth calendar day following the Settlement Date of the original Entry.
 *** Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the settlement time of the third same-day processing window on the Banking Day following the Settlement Date of the original Entry.

PART 4.2 Table of Return Reason Codes (continued)

CODE	TITLE	DESCRIPTION	INITIATED BY	RETURN TYPE	ACCOUNT TYPE	TIME FRAME	WRITTEN STATEMENT REQUIRED	CROSS REFERENCE	NOTES
R07	Authorization Revoked by Customer	The RDFI's customer (the Receiver) revoked the authorization previously provided to the Originator for this debit Entry.	RDFI	Extended Return	Consumer	** 60 Calendar Days	Yes	Article Three, Section 3.13 - RDFI Right to Transmit Extended Return Entries. Article Three, Subsection 3.12.1 - Unauthorized Debit Entry.	This Return Reason Code may not be used for ARC, BOC, POP, or RCK Entries.
R08	Payment Stopped	The Receiver has placed a stop payment order on this debit Entry.	RDFI	Return	Consumer or Non-Consumer	** 2 Banking Days *** 1 Banking Day	No	Article Three, Section 3.7 - RDFI Obligation to Stop Payment.	A stop payment order may be placed on one or more debit Entries.
R09	Uncollected Funds	A sufficient ledger balance exists to satisfy the dollar value of the transaction, but the available balance is below the dollar value of the debit Entry.	RDFI	Return	Consumer or Non-Consumer	* 2 Banking Days	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	

* Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the Settlement Date of the original Entry.

** Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the Banking Day following the sixtieth calendar day following the Settlement Date of the original Entry.

*** Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the settlement time of the third same-day processing window on the Banking Day following the Settlement Date of the original Entry.

PART 4.2 Table of Return Reason Codes (continued)

CODE	TITLE	DESCRIPTION	INITIATED BY	RETURN TYPE	ACCOUNT TYPE	TIME FRAME	WRITTEN STATEMENT REQUIRED	CROSS REFERENCE	NOTES
R12	Account Sold to Another DFI	A financial institution received an Entry to an account that was sold to another financial institution.	RDFI	Return	Consumer or Non-Consumer	*2 Banking Days *** 1 Banking Day	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	
R13	Invalid ACH Routing Number	Entry contains a Receiving DFI Identification or Gateway Identification that is not a valid ACH routing number.	ACH Operator	Reject/Return	Consumer or Non-Consumer	Next file delivery time following processing	No	Appendix Two, Part 2.5 (Automatic Entry Detail Rejection Criteria).	For ACH Operator use only.
R14	Representative Payee Deceased or Unable to Continue in That Capacity	The representative payee is either deceased or unable to continue in that capacity. The beneficiary is not deceased.	RDFI	Return	Consumer or Non-Consumer	* 2 Banking Days	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	The representative payee is a person or institution authorized to accept Entries on behalf of one or more other persons, such as legally incapacitated adults or minor children.
R15	Beneficiary or Account Holder (Other Than a Representative Payee) Deceased	(1) The beneficiary is deceased; or (2) the account holder is deceased.	RDFI	Return	Consumer	* 2 Banking Days	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	(1) The beneficiary is the person entitled to the benefits and may or may not be the account holder; or (2) the account holder is the owner of the account and is not a representative payee.
R16	Account Frozen	Access to the account is restricted due to specific action taken by the RDFI or by legal action.	RDFI	Return	Consumer or Non-Consumer	*2 Banking Days *** 1 Banking Day	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	

* Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the Settlement Date of the original Entry.

** Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the Banking Day following the sixtieth calendar day following the Settlement Date of the original Entry.

*** Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the settlement time of the third same-day processing window on the Banking Day following the Settlement Date of the original Entry.

PART 4.2 Table of Return Reason Codes (continued)

CODE	TITLE	DESCRIPTION	INITIATED BY	RETURN TYPE	ACCOUNT TYPE	TIME FRAME	WRITTEN STATEMENT REQUIRED	CROSS REFERENCE	NOTES
R18	Improper Effective Entry Date	(1) The Effective Entry Date for a credit Entry is more than two Banking Days after the Banking Day of processing as established by the Originating ACH Operator; or (2) the Effective Entry Date for a debit Entry is more than one Banking Day after the processing date.	ACH Operator	Reject/ Return	Consumer or Non-Consumer	Next file delivery time following processing	No	Appendix Two, Part 2.5 (Automatic Entry Detail Rejection Criteria).	For ACH Operator use only.
R19	Amount Field Error	(1) Amount field is non-numeric. (2) Amount field is not zero in a Prenotification, DNE, ENR, Notification of Change, refused Notification of Change, or zero dollar CCD, CTX, or IAT Entry. (3) Amount field is zero in an Entry other than a Prenotification, DNE, ENR, Notification of Change, Return, dishonored Return, contested dishonored Return, or zero dollar CCD, CTX, or IAT Entry. (4) Amount field is greater than \$25,000 for ARC, BOC, and POP Entries.	ACH Operator	Reject/ Return	Consumer or Non-Consumer	Next file delivery time following processing	No	See Appendix Two, Part 2.5 (Automatic Entry Detail Rejection Criteria) for a full explanation of this Return Reason Code.	For ACH Operator use only.
R20	Non-Transaction Account	ACH Entry to a non-Transaction Account.	RDFI	Return	Consumer or Non-Consumer	* 2 Banking Days *** 1 Banking Day	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	A non-Transaction Account, as defined in Regulation D, would include an account against which transactions are prohibited or limited.
R21	Invalid Company Identification	The Identification Number used in the Company Identification Field is not valid.	RDFI	Return	Non-Consumer	* 2 Banking Days	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	This Return Reason Code is generally used on CIE transactions.
<p>* Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the Settlement Date of the original Entry.</p> <p>** Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the Banking Day following the sixtieth calendar day following the Settlement Date of the original Entry.</p> <p>*** Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the settlement time of the third same-day processing window on the Banking Day following the Settlement Date of the original Entry.</p>									

PART 4.2 Table of Return Reason Codes (continued)

CODE	TITLE	DESCRIPTION	INITIATED BY	RETURN TYPE	ACCOUNT TYPE	TIME FRAME	WRITTEN STATEMENT REQUIRED	CROSS REFERENCE	NOTES
R22	Invalid Individual ID Number	The Receiver has indicated to the RDFI that the number with which the Originator was identified is not correct.	RDFI	Return	Consumer or Non-Consumer	*2 Banking Days	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	In CIE and MTE Entries, the Individual ID Number is used by the Receiver to identify the account. Examples: (1) a minimum amount required by the Receiver has not been remitted; (2) the exact amount required has not been remitted; (3) the account is subject to litigation and the Receiver will not accept the transaction; (4) acceptance of the transaction results in an overpayment; (5) the Originator is not known by the Receiver, or (6) the Receiver has not authorized this credit Entry to this account.
R23	Credit Entry Refused by Receiver	Any credit Entry that is refused by the Receiver may be returned by the RDFI.	RDFI	Return	Consumer or Non-Consumer	RDFI must transmit the Return Entry to the ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the RDFI's receipt of notification of refusal of the Entry from its Receiver.	No	Article Three, Subsection 3.8.3.2 - Timing Requirements for Credit Entries Refused by Receiver.	
R24	Duplicate Entry	The RDFI has received what appears to be a duplicate Entry; i.e., the trace number, date, dollar amount and/or other data matches another transaction.	RDFI	Return	Consumer or Non-Consumer	*2 Banking Days ***1 Banking Day	No	Article Three, Section 3.8 - RDFI's Right to Transmit Return Entries.	The RDFI should use this code with extreme care and should be aware that if a file has been duplicated, the Originator may have already generated a reversal transaction to handle the situation.

* Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the Settlement Date of the original Entry.

** Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the Banking Day following the Settlement Date of the original Entry.

*** Each Return Entry must be received by the RDFI's ACH Operator by its deposit deadline for the Return Entry to be made available to the ODFI no later than the settlement time of the third same-day processing window on the Banking Day following the Settlement Date of the original Entry.