



NACHA Quarterly Rulemaking Update

November 15, 2018

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Agenda

- **Ballots, ballots, ballots!!**
 - Same Day ACH Expansion
 - Audit Requirements
 - Minor Topics and
 - Quality and Risk Management

- 2019.....



New Rules

SAME DAY ACH EXPANSION

Expanding Same Day ACH



- These three new rules expand Same Day ACH by:
 - Creating a third Same Day ACH processing window that expands access to Same Day ACH for all financial institutions and their customers through later service hours
 - Increasing the Same Day ACH dollar limit to \$100,000 per transaction
 - Providing faster funds availability for many ACH credits, both Same Day credits and non-Same Day credits

Expanding Same Day ACH – Effective Dates

- Provide Faster Funds Availability – September 20, 2019
- Increase the Same Day ACH Dollar Limit – March 20, 2020
- Expand Access to Same Day ACH with a New Processing Window – September 18, 2020
 - The effective date of the new SDA window is contingent upon receiving timely approval by the Federal Reserve Board of Governors of changes to Federal Reserve services necessary to support it
 - NACHA has been in dialogue with the Board of Governors for more than a year regarding these proposals, and has explicitly asked for the Fed's support
 - The Federal Reserve process likely includes a public comment period on changes to the National Settlement Service for interbank settlement and to the Fedwire Funds Service
 - If approval is received by June 30, 2019, then the effective date of the new SDA window would remain as balloted – September 18, 2020
 - If approval is received between July 1 and December 31, 2019, then the effective date would be extended by 6 months to March 19, 2021

Expanding Same Day ACH



Functionality	Faster Funds Availability September 20, 2019	Increased Dollar Limit March 20, 2020	Third Same Day ACH Window September 18, 2020
Transaction Eligibility (IAT and ENR not eligible)	Credits and debits of \$25,000 or less	Credits and debits of \$100,000 or less	Credits and debits of \$100,000 or less
Same Day ACH Processing Deadlines	10:30 am ET and 2:45 pm ET	10:30 am ET and 2:45 pm ET	10:30 am ET 2:45 pm ET and 4:45 pm ET
Estimated Settlement Time(s)	1:00 pm ET and 5:00 pm ET	1:00 p.m. ET and 5:00 pm ET	1:00 p.m. ET 5:00 pm ET and 6:00 pm ET
ACH Credit Funds Availability	1:30 pm and 5:00 pm RDFI local time for Same Day credits	1:30 pm and 5:00 pm RDFI local time for Same Day credits	1:30 pm and 5:00 pm RDFI local time and RDFI end of processing day



Expanding Same Day ACH

Providing Faster Funds Availability

Providing Faster Funds Availability

- The rule provides faster funds availability for many ACH credits
 - Funds from Same Day ACH credits processed in the existing, first processing window will be made available by 1:30 p.m. RDFI local time
 - Funds from **non-Same Day ACH credits** will be available by 9:00 a.m. RDFI local time on the settlement day, if the RDFI had them by 5:00 p.m. on the previous day (i.e., apply the existing “PPD rule” to all ACH credits)
- Effective date September 20, 2019

Providing Faster Funds Availability - Overview

This chart show funds availability times for ACH credits, by RDFI receipt time

Processing Window/ Schedule	RDFI receipt time	Current funds availability requirement ¹	Proposed funds availability requirement ¹
First SDA window	12:00 noon ET	5:00 p.m. local time	1:30 p.m. RDFI local time
Second SDA window	4:00 p.m. ET	5:00 p.m. local time	5:00 p.m. RDFI local time
New, third SDA window	5:30 p.m. ET	N/A	End of RDFI's processing day ²
Non-SDA credits	If received prior to 5:00 p.m. local time	- Opening of business for PPD - End of settlement date for non-PPD	9:00 a.m. RDFI local time for all SEC Codes

1 - RDFIs in the Atlantic Time Zone may use Eastern Time as local time for the 1:30 p.m. and 5:00 p.m. requirements

2 - End-of-processing day will be the same standard as with Same Day ACH's original Phases 1 and 2



Expanding Same Day ACH

Increasing the SDA Per-Transaction Dollar
Limit to \$100,000

Increasing the Dollar Limit to \$100,000

- The rule increases the per-transaction dollar limit for Same Day ACH transactions from \$25,000 to \$100,000
 - Both Same Day ACH credits and Same Day ACH debits will be eligible for same day processing up to \$100,000 per transaction
 - There are a number of use-cases for which a higher dollar limit would enable ACH end-users to make greater use of Same Day ACH.
- Effective date of March 20, 2020
 - By the time this change is effective, the industry will have been processing Same Day ACH credits for 3.5 years and Same Day ACH debits for 2.5 years
 - This should be sufficient experience to enable processing at higher dollar limits



Expanding Same Day ACH

Expanding Access to Same Day ACH with a New Processing Window

Expanding Access to Same Day ACH

- This rule creates a new Same Day ACH processing window that will enable ODFIs and their customers to originate SDA transactions for an additional 2 hours each banking day
 - The new window allows Same Day ACH files to be submitted to the ACH Operators until 4:45 p.m. ET (1:45 p.m. PT), providing greater access for all ODFIs and their customers
 - The timing of this new processing window balances expanding access to Same Day ACH with the desire to minimize impacts on financial institutions' end-of-day operations and the re-opening of the next banking day

Expanding Access to Same Day ACH – The Rule

The ACH Operators will establish a third, daily Same Day ACH processing and settlement window*

- ODFIs will be able to submit files of SDA transactions until 4:45 p.m. ET / 1:45 p.m. PT
 - This timing provides ODFIs operating in Pacific Time with a file submission schedule into the early afternoon
- RDFIs will receive files of SDA transactions by 5:30 p.m. ET / 2:30 p.m. PT
- Interbank settlement will occur at 6:00 p.m. ET / 3:00 p.m. PT
- An RDFI must make funds available for SDA credits in this new SDA processing window no later than the end of its processing day
 - This uses the same end-of-day requirement as did Phases 1 and 2
 - An RDFI could decide to make funds available sooner than the deadline (i.e., an RDFI in Pacific Time could make funds available at 5:00 p.m. Pacific Time)
- All credits and debits, and all returns, will be eligible for same day processing in the new window; except international ACH transactions (IATs), automated enrollments (ENRs), and forward transactions over the per-transaction dollar limit

** The specific ACH Operator processing schedules are not determined by the NACHA Operating Rules, but for this deck are believed to be accurate with respect to ACH Operator intentions.*

Expanding Access to Same Day ACH



This chart shows the current next-day ACH and same-day ACH schedules, along with the new Same Day ACH schedule*, creating a total of four daily settlements
(all times shown in Eastern Time)

	3:00 AM	4:00 AM	5:00 AM	6:00 AM	7:00 AM	8:00 AM	9:00 AM	10:00 AM	11:00 AM	12:00 noon	1:00 PM	2:00 PM	3:00 PM	4:00 PM	5:00 PM	6:00 PM	7:00 PM	8:00 PM	9:00 PM	10:00 PM	11:00 PM	12:00 midnight	1:00 AM	2:00 AM
Next Day ACH	3:00 AM - ACH Opens																				2:15 AM - ODFI Deadline for Next-Day Transactions			
				6:00 AM - RDFI receipt files of Next-Day ACH																				
				8:30 AM - Settlement for Next Day Transactions																				
Same Day ACH																		10:30 AM - ODFI Deadline for Same Day Window						
First window																		12:00 Noon - RDFI Receipt Files for Same Day Window						
																		1:00 pm - Settlement for Same-Day Transactions						
Same Day ACH																		2:45 PM - ODFI Deadline for Same Day Window						
Second window																		4:00 PM - RDFI Receipt Files for Same Day Window						
																		5:00 PM - Settlement for Same-Day Transactions						
Same Day ACH																		4:45 PM - ODFI Deadline for Same Day Window						
New, third window																		5:30 PM - RDFI Receipt Files for Same Day Window						
Estimated																		6:00 PM - Settlement for Same-Day Transactions						
All times Eastern Time																								

* The specific ACH Operator processing schedules are not determined by the NACHA Operating Rules, but for this deck are believed to be accurate with respect to ACH Operator intentions

Expanding Access to Same Day ACH – Schedule at a Glance

Service	Current time	Expanded Schedule ¹
New SDA processing window - ODFI input deadline to ACH Operator	N/A	4:45 p.m. ET 1:45 p.m. PT
ACH Operator provides output files to RDFIs	N/A	5:30 p.m. ET 2:30 p.m. PT
Interbank settlement for new SDA window	N/A	6:00 p.m. ET 3:00 p.m. PT
Federal Reserve National Settlement Service closes ²	5:30 p.m. ET 2:30 p.m. PT	6:30 p.m. ET 3:30 p.m. PT
Fedwire closes for Settlement Payment Orders	6:30 p.m. ET 3:30 p.m. PT	7:00 p.m. ET 4:00 p.m. PT
Fedwire re-opens for the next banking day	9:00 p.m. ET 6:00 p.m. PT	9:00 p.m. ET 6:00 p.m. PT

- 1 - The specific ACH Operator processing schedules are not determined by the NACHA Operating Rules, but for this webinar are believed to be accurate with respect to ACH Operator intentions.
- 2 - The change in the closing time of NSS would be the formal “ask” by NACHA of the Fed in order to support a Rule change for SDA

Expanding Same Day ACH - Eligibility



- **Eligibility for Same Day ACH Processing** – This Rule does not change the eligibility of transaction types for Same Day ACH processing
 - IATs and ENRs remain ineligible for Same Day ACH
 - The change to the per-transaction dollar limit is covered by the new Rule *Increasing the Same Day ACH Dollar Limit* which becomes effective March 20, 2020 (6 months before the new third window implements)

Expanding Same Day ACH - Identification



- **Identification of Same Day ACH transactions** – Same Day ACH transactions in this third Same Day ACH processing window will be identified in the same way as with the existing windows – by including a “today’s date” in the Effective Entry Date field, and submitting the transaction timely to the ACH Operator
 - ODFIs and Originators optionally may use the convention “SD1800” in the Company Descriptive Date field for transactions in this new Same Day ACH window
 - As with current Same Day ACH processing, ACH Operators will process stale or invalid Effective Entry Dates in the next available processing window, which could be this new Same Day ACH window

Expanding Same Day ACH - Fee

- **Same Day Entry Fee** – The existing fee of 5.2 cents per Same Day ACH transaction will apply to forward Same Day ACH transactions in the third processing window, but will not apply to returns or NOCs processed in this window.

End of day processing

- Funds availability for credits received in the third window, like in SDA implementation Phases 1 and 2, will be required by the end of the processing day.
 - While funds do not need to be available for cash withdrawal at that time (e.g., via an ATM), they must be available to satisfy other subsequent debit entries against the account (e.g., to pay ACH debits and checks).
 - For example, if an RDFI finishes processing all credits and debits to its DDAs for the settlement date of November 5 by 11:00 p.m. on November 5, then the funds from a Same Day ACH credit received in the third window must be available in the Receiver's account by 11:00 p.m. on November 5 and must be available to satisfy subsequent debits (other than cash withdrawals) to the Receiver's account.
- The Same Day ACH availability requirement is a “no later than” deadline; RDFIs always have discretion to make funds available earlier.

Expanding Access to Same Day ACH – Returns

- For ACH transactions that need to be returned, faster processing of the return is typically a “win-win” for all parties
 - ODFIs and Originators learn about problems sooner
 - RDFIs get exceptions processed and settled faster
- This rule will allow for faster processing of returns, regardless of whether the forward transaction is a same-day transaction or not
 - Returns that are settled on a same-day basis are not subject to the Same Day Entry Fee
 - Not subject to the eligibility limit on forward transactions (i.e., dollar limit per transaction; IAT)
- An RDFI is not required to process returns on the same day an Entry is received, regardless of whether the Entry is a Same Day Entry
 - For example, if an RDFI receives a Same Day ACH debit on April 28 that is NSF, it is not required to send the return on April 28
 - The RDFI is required to send the return so that it is available to the ODFI by the opening of business on April 30 (opening of business 2 Banking Days after the original April 28 Settlement Date)

Expanding Access to Same Day ACH – Returns

- All returns (and Notifications of Change) will be eligible for processing through the third SDA processing window
- The existing “returns-only” window provided by the ACH Operators will be absorbed into the new Same Day ACH processing window
 - Enables RDFIs to send returns later into the day, up to 4:45 p.m. ET / 1:45 p.m. PT
 - Greater ability for RDFIs to make use of SDA processing for returns, which would get settled 14.5 hours earlier than next-day returns

Returns processing	RDFI submission deadline	Settlement ¹
Existing “returns only” window	4:00 p.m. ET 1:00 p.m. PT	5:00/5:30 p.m. ET 2:00/2:30 p.m. PT
Returns in new SDA window	4:45 p.m. ET 1:45 p.m. PT	6:00 p.m. ET 3:00 p.m. PT

1 – Settlement timing for the existing returns-only window varies by ACH Operator



New Rules

ACH RULES COMPLIANCE AUDIT REQUIREMENTS

Introduction

- This rule change is in response to an industry request to provide financial institutions and third-party service providers with greater flexibility in conducting annual *Rules* compliance audits
- The changes continue ongoing efforts to further streamline and simplify the *Rules* where possible
 - Make the *Rules* language more consistent
 - Make the *Rules* language easier for industry participants to understand and use
 - Improve *Rules* compliance
- The rule does not change the requirement to conduct a *Rules* compliance audit annually, but rather changes the structure of the audit requirement within the *Rules*
 - Consolidate requirements for the annual *Rules* compliance audit into one section
 - Remove redundant material, include the recapitulation of many rules currently in Appendix Eight
 - Provide ACH participants with greater flexibility to tailor their audit process to their particular business needs
- The language changes become effective on January 1, 2019, to apply to audits required to be conducted by December 31, 2019

Consolidation of General Audit Obligations Within the Rules

- This change will consolidate all requirements for an annual *Rules* compliance audit within one section of the *Rules*
 - Presently, the general obligation for participating DFIs (and certain third-party service providers/senders) to conduct an audit is located within Article One, Section 1.2.2 (Audits of Rules Compliance)
 - The details pertaining to that audit obligation are separately located within Appendix Eight (Rule Compliance Audit Requirements)
- This change will retain and combine the core audit obligation along with the general administrative requirements for completion of such an audit into Article One of the *Rules*
 - Having information on a single topic located throughout the *Rules* is inefficient for users and has the potential to contribute to user error

Impacts of the Proposal

- Some organizations may decide to change or modify their methodologies for conducting audits
 - Parties that currently rely exclusively on Appendix Eight as a checklist for conducting their audits should be aware of its limitations (noted earlier) and should be prepared to audit on all relevant rules, even those not currently expressly listed within current Appendix Eight language
 - Current users of Appendix Eight's checklist should already be consulting the language within the Articles themselves and the remaining Appendices to ensure compliance with all relevant sections of the *Rules*
- For those financial institutions and third-parties that may prefer a workbook or guide to facilitate their annual audit, more robust educational resources exist separately in the form of audit guides

Impact on Rules Framework

This Rule modifies the following areas of the *NACHA Operating Rules*:

- *Article One, Subsection 1.2.2 (Audits of Rules Compliance)* – consolidates the core audit requirements described within Appendix Eight under the general obligation of participating DFIs and third-party service providers/senders to conduct an audit
- *Appendix Eight (Rule Compliance Audit Requirements)* – eliminates the current language contained within Appendix Eight; combines relevant provisions with the general audit obligation required under Article One, Subsection 1.2.2

A new chapter within the *NACHA Operating Guidelines* dedicated to the annual rules compliance audit process

- Will provide parties subject to an ACH audit with recommendations and guidance on key areas to be considered when conducting such an audit
- Will provide Participating DFIs, Third-Party Service Providers, and Third-Party Senders with highlights of the most critical components of an audit of compliance with the NACHA Operating Rules



New Rules

MINOR RULES TOPICS

Minor Topics Rule Changes

- These changes amend the *NACHA Operating Rules (Rules)* to address a variety of minor topics
- Minor changes to the *Rules* have little-to-no impact on ACH participants and no significant processing or financial impact
- Minor changes can include:
 - Editorial changes to improve clarity or readability of language
 - Changes to correct inconsistencies
 - Changes to clarify intent
 - Minor modifications to reflect current practices
- Minor topics included:
 - ACH Operator Edits
 - Clarifications on
 - TEL Authorization Requirements
 - RDFI Obligation to Return Credit Entry Declined by Receiver
 - Reinitiation of Return Entries
 - RDFI Liability upon Receipt of a Written Demand for Payment
- These rules changes will become effective on January 1, 2019

ACH Operator Edits

- Changes were requested by an ACH Operator
- Aligns the *Rules* with current ACH Operator file editing practices
 - Modifies ACH Operator edit criteria to permit ACH Operators to “pend” files as an alternative to rejecting files under various error conditions, primarily related to duplicate file detection
 - Incorporates language clarifying that ACH Operator edits defined within Appendix Two represent minimum standards required by the Rules, and that additional edits can be adopted by each ACH Operator as part of its service agreement with its customers
- Scope of change - minor modification to language to incorporate current practices
- Anticipated impact to industry participants – None

Clarification of TEL Authorization Requirements

- Clarifies that the general rules governing the form of authorization for all consumer debits apply to the authorization of TEL entries
 - The separate section on TEL authorizations has sometimes been mis-interpreted as a stand-alone, complete detailing of minimum criteria necessary for a valid TEL authorization
 - This proposed change reinforces that the general rules on the form of authorization for all consumer debits apply to TEL entries, including the obligation to include revocation language
 - Only ARC, BOC, POP, and RCK entries are explicitly exempted from the requirement to include revocation language.
- This change also incorporates a reference that TEL entries are consumer debits only, consistent with language for other consumer debits
- Scope of change – clarification of intent
- Anticipated impact to industry participants – None

Clarification of RDFI Obligation to Return Credit Entry Declined by Receiver



- Reflects existing practices regarding circumstances under which an RDFI is, or is not, obligated to return a credit entry that has been declined by a Receiver
- Some RDFIs have questioned whether the current wording of the *Rules* obligates them to return a credit entry upon a Receiver's refusal of the credit when there are insufficient funds in the account
- This change expressly identifies specific conditions under which the RDFI is excused from its obligation to return a credit
 - There are insufficient funds available to satisfy the Return, including due to any third party lien or security interest
 - The return is prohibited by Legal Requirements
 - The RDFI itself has a claim against the proceeds of the credit Entry, including by offset, lien, or security interest.
- Modifications to this subsection to refer to an entry being “declined” (rather than “refused”) by the Receiver
- Scope of change – clarification of intent and reflection of existing practices
- Anticipated impact to industry participants – None, although RDFIs may decide to modify existing practices to their benefit

Editorial Clarification on Reinitiation of Return Entries

- Editorial change to general rule on Reinitiated Entries to clarify existing intent that reinitiation is limited to 2 times
- Current wording has caused some mis-interpretation by a few industry participants
- Scope of change – editorial change to clarify existing intent
- Anticipated impact to industry participants – None

Editorial Clarification on RDFI Liability Upon Receipt of a Written Demand for Payment

- Editorial change regarding conditions under which an RDFI may return a Reclamation Entry or reject a Written Demand for Payment
- Clarifies that an RDFI may return a Written Demand for Payment only if it was not properly originated by the ODFI
- Current wording with respect to “a Written Demand properly returned by the RDFI” has occasionally resulted in mis-interpretation by a few industry participants
- Scope of change – editorial change to clarify existing intent
- Anticipated impact to industry participants – None



New Rules

ACH QUALITY AND RISK MANAGEMENT TOPICS



Introduction

- Risk management is a process of continuous improvement. NACHA revisits rules on ACH Network quality and risk management topics as warranted from time to time
- Recent amendments to the *NACHA Operating Rules* regarding quality and risk management include
 - September 2017 - to establish Third-Party Sender Registration
 - October 2016 - to implement the Unauthorized Entry Fee
 - September 2015 – to reduce the unauthorized return rate threshold, and establish the administrative and overall return rate levels
- These three changes enhance quality and improve risk management within the ACH Network by
 - Allowing RDFIs to indicate within a return that the original transaction was questionable or part of anomalous activity
 - Supplementing the fraud detection standard for Internet-initiated (WEB) debits
 - Supplementing the existing account information security requirements for large-volume Originators and Third-Parties

ACH Quality and Risk Management Topics – Effective Dates



Effective dates for these three changes are shown in chronological order:

- Return for Questionable Transaction – June 21, 2019
- Supplementing Fraud Detection for WEB Debits – January 1, 2020
- Supplementing Data Security Requirements
 - Phase 1 – June 30, 2020 for Originators and Third-Parties with annual ACH volume greater than 6 million in 2019
 - Phase 2 – June 30, 2021 for Originators and Third-Parties with annual ACH volume greater than 2 million in 2020



Return for Questionable Transaction

Return for Questionable Transaction – The Rule

- RDFIs will be allowed (but not required) to use return reason code R17 to indicate that the RDFI believes the entry was initiated under questionable circumstances
 - Use of R17 to flag questionable entries is optional, at the discretion of the RDFI
 - RDFIs electing to use R17 for this purpose would be required to use the description “QUESTIONABLE” in the Addenda Information field of the return
 - An R17 in conjunction with this description would enable these returns to be differentiated from returns for routine account numbers errors
- Whether for a single transaction that an RDFI suspects is fraud, or for cases in which an RDFI is receiving a large number of questionable transactions, it will have a method to communicate this to the ODFI(s) via the returns
- Existing NACHA-coordinated opt-in programs with federal and state tax agencies for RDFIs to return tax refund ACH credits using R17 will continue and not be impacted
 - These programs involve the return of questionable ACH credits, whereas the primary “use case” of this rule would be to return ACH debits
 - The opt-in programs provide RDFIs with additional protection from liability when returning ACH credits as questionable; the opt-in rules for those programs will remain intact

Return for Questionable Transaction – Changes to Original Proposal

- The effective date has been changed to June 21, 2019
 - This provides 3 additional months to implement than the date originally proposed
 - Provides more than 7 months to implement from the approval date (if approved)
 - RDFI use is always optional



Supplementing Fraud Detection Standards for WEB Debits

Commercially Reasonable Fraud Detection for WEB Debits

– The Rule

- The existing screening requirement will be supplemented to make it explicit that “account validation” is part of a “commercially reasonable fraudulent transaction detection system”
 - Existing NACHA guidance already states
 - “An important element of a commercially reasonable fraudulent transaction detection system would be the adoption of risk-based mechanisms designed to confirm the validity of an account to be debited.”
 - The supplemental requirement will apply to the first use of an account number, or changes to the account number
 - The rule is neutral with regard to specific methods or technologies to validate account information. Possibilities include:
 - An ACH prenotification
 - ACH micro-transaction verification
 - Commercially available validation service
 - Potential new capabilities or services, such account validation enabled by APIs

Commercially Reasonable Fraud Detection for WEB Debits

– Changes to Original Proposal

- The part of the proposal to reasonably relate the dollar amount to the purpose of the payment was removed
- The effective date has been moved to January 1, 2020
 - This provides 3.5 additional months than the date originally proposed, and a total of 14 months to implement from the approval date (if approved)
 - Will apply on a “going-forward” basis to first use of new account numbers obtained for initiated WEB debits
 - Will not apply retroactively to account numbers that have already been used for WEB debits



Supplementing Data Security Requirements

Account Information Security Requirements – The Rule

- The rule expands the existing ACH Security Framework rules to explicitly require large, non-FI Originators, Third-Party Service Providers (TPSPs) and Third-Party Senders (TPSs) to protect account numbers by rendering them unreadable when stored electronically
 - Aligns with existing language contained in PCI requirements
 - Industry participants should be reasonably familiar with manner and intent of requirement
 - Neutral as to methods/technology – encryption, truncation, tokenization, destruction, data stored/hosted/tokenized by ODFI, etc.
 - Applies only to the DFI account number collected for or used in ACH transactions
 - Would not apply to the storage of paper authorizations
 - The rule does not apply to depository financial institutions when acting as internal Originators, as they are covered by existing FFIEC and similar data security requirements and regulations

Account Information Security Requirements – The Rule

- Implementation begins with the largest Originators and TPSPs (including TPSs)
 - The rule initially applies to ACH Originators/TPSPs/TPSs with ACH volume of 6 million transactions or greater annually
 - Initially, an Originator/Third-Party that originated 6 million or more ACH transactions in calendar year 2019 will need to be compliant by June 30, 2020
 - A second phase applies to ACH Originators/TPSPs/TPSs with ACH volume of 2 million transactions or greater annually
 - An Originator/Third-Party that originated 2 million or more ACH transactions in calendar year 2020 will need to be compliant by June 30, 2021
 - Many ACH Originators/TPSPs are likely compliant already, particularly those that comply with similar PCI requirements

Account Information Security Requirements – Changes to Original Proposal

- The proposed requirement that Originators and TPSPs covered by the rule would attest compliance to their ODFI or other counterparty has been removed
- The effective dates have been moved back by an additional year to the dates originally proposed
 - Phase 1 – Rules language will become effective January 1, 2020, with compliance required by June 30, 2020 (Originators/TPSPs/TPSs exceeding 6 million entries annually)
 - Entities covered by the Phase 1 threshold would have 20 months to implement from the ballot approval date (if approved)
 - Phase 2 – Rules language will become effective January 1, 2021, with compliance required by June 30, 2021 (Originators/TPSPs/TPSs exceeding 2 million entries annually)
 - Entities covered by the Phase 2 threshold would have 32 months to implement from the ballot approval date (if approved)



Potential Ballots

2019....



In the Works for 1Q2019:

- Limit the length of time in which an RDFI would be permitted to make a claim against the ODFI's authorization warranty
- Re-purpose Return Reason Code R11 to be used to return a debit for which there is an error, but for which there is an authorization
- ACH Message Entries
- These proposals are expected to be ready to be balloted in the 1st quarter of 2019



Thank You!

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