

How Being Nacha Certified Changed Bankers' Minds

There are banks that look at Third-Party Senders and—right or wrong—have their doubts. Wayne Gonzales gets it.

In his experience, many Originating Depository Financial Institutions (ODFIs) “really aren’t interested in Third-Party Senders because of the additional compliance requirements. And they don’t know who the end customer is.”

As Usio’s senior vice president of risk management and compliance, Gonzales understood their point of view. He also set out to change it. The method he used: becoming Nacha Certified.

“We saw the Nacha certification as a way to bridge the gap for ODFI relationships and to show the [ACH] Network and ODFIs that there are third parties out there that do it the right way,” said Gonzales. “And for us to be one of the first to do so really helps as a pioneer to pave the way for other Third-Party Senders to look at becoming certified.”

Usio has been in business more than two decades and is publicly traded on the Nasdaq Stock Market, so it’s no upstart. But Gonzales said that becoming Nacha Certified in January 2018 helped “remove that stigma” that some ODFIs have about Third-Party Senders.

“It’s opened some doors for us,” he said. “It put us more in a position where we’re now able to maintain several ODFI relationships, where before it was a bit of a struggle to develop new relationships. We’ve gone from four ODFIs to potentially eight.”

But Usio takes nothing for granted. Gonzales said they’ve learned Nacha certification is “an ongoing process. We are committed to risk management, compliance, payment security and quality services. Going through recertification every other year means that our effective controls, standards, and oversight are all core competencies.”

Usio created a balanced portfolio that consists of high, medium and low-risk originators. Gonzales understands why it can raise eyebrows at ODFIs. But he said Nacha Certified has helped with that, too.

“For us to receive the certification speaks volumes. It shows ODFIs that we understand the complexities, the intricate compliance requirements and the ins-and-outs of processing these types of ACH entries. We understand the risks associated with them. We set high expectations and hold our Originators to the highest standards.”

In 2018, Usio did over \$2.72 billion in ACH entries, which Gonzales said “shows there is a big market for Third-Party Senders.” And being Nacha Certified has “helped us further the agenda of how valuable Third-Party Senders are to the Network.”

It’s also changed the conversation between Usio and ODFIs, which Gonzales sums up this way: “We’re Nacha Certified. Nacha is the governing body of all ACH. **What more do you need?**”



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