API Name	**Account Validation**
Category	Fraud and Risk Reduction
Problem / Opportunity	Account validation is a top priority for users of the ACH Network and this API supports both credit and debit payments. Returns (caused by closed or incorrect account numbers, fraudulent account numbers, or friendly fraud where payments are delayed in processing due to a consumer purposely providing inaccurate information to be corrected later) are a pain point for businesses. Account validation is also a high priority for real-time payments to ensure target accounts are valid and payments will post as desired. While there are account validation services offered today which provide options for businesses, a standard is desired so implementations can be streamlined and legacy processes eliminated to realize full benefit. API standardization can benefit existing solution providers by expanding the reach of accounts and potentially lowering costs.
Parties Impacted by Problem?	• Businesses who are electronic payment originators
Description of API Standard Solution Including Message Flows	• Financial Institutions (acting on behalf of a Business) (API Consumer) will issue an API call based on DDA routing transit number and account number. • The financial institution (API Provider) will return an eligible for payment message or non-eligible. • The financial institution will not attempt to send back a correct account but only an answer as to if the account provided is eligible. • Data Elements checked: Routing Transit Number and Account Number are valid, Account Type (checking or savings) is correct and that account is able to accept electronic debits and/or credits.
API Flow	**Key Participants** **API Provider** **API Consumer** **Financial Institution** **Financial Institution**
Notes	In its initial release, the Account Validation API will only support ACH payments and will deliver validation information similar to the details provided through the ACH Network prenotification entry today. In the future, additional data elements and payment types could be checked.