NACHA’s new ACH Network Risk and Enforcement Rule seeks to further improve ACH Network quality by reducing the incidence of exceptions and returned entries and associated financial and reputational costs. Originating Depository Financial Institutions (ODFIs) will be responsible for the continued monitoring of the return rates of their Originators and Third-Party Senders.

Calculating New ACH Network Unauthorized Return Rate Threshold

The new Rule lowers the unauthorized return rate threshold from 1.0% to 0.5%. Make sure you are monitoring accurately using the proper return rate calculations.

1. The number of debits returned divided by the number of debits originated for the preceding 60 days or two calendar months

   **DEBITS RETURNED**
   - JUNE: 298
   - JULY: 202
   - Total: 500

   **DEBITS ORIGINATED**
   - JUNE: 59,653
   - JULY: 40,347
   - Total: 100,000

   **CALCULATION:**
   \[
   \frac{500}{100,000} = 0.5\%
   \]

2. The number of debits returned for the preceding 60 days or two calendar months divided by the number of debits contained within the files in which the original forward entries were transmitted

   **DEBITS RETURNED**
   - JUNE: 298
   - JULY: 202
   - Total: 500

   **DEBITS IN ORIGINAL FORWARD ENTRIES**
   - JUNE: 500
   - JULY: 100,000
   - Total: 100,000

   **CALCULATION:**
   \[
   \frac{500}{100,000} = 0.5\%
   \]

*Unauthorized Return Reason Codes include R05, R07, R10, R29 and R51.*
NACHA’s new ACH Network Risk and Enforcement Rule seeks to further improve ACH Network quality by reducing the incidence of exceptions and returned entries and associated financial and reputational costs. Originating Depository Financial Institutions (ODFIs) will be responsible for the continued monitoring of the return rates of their Originators and Third-Party Senders.

**Calculating New ACH Network Return Rate Levels**

The new Rule establishes an inquiry process and evaluation points if an Originator or Third-Party Sender exceeds an administrative return rate level of 3.0% and/or an overall return rate level of 15.0%. Make sure you are monitoring accurately using the proper return rate calculations.

**How to Calculate Administrative or Overall Return Rate Level**

1. **The number of administrative debit returns or all returns (for overall) divided by the number of debits originated for the preceding 60 days or two calendar months.**

   - **DEBITS RETURNED**
     - **JUNE**: 298
     - **JULY**: 202
     - **Total**: 500
   - **DEBITS ORIGINATED**
     - **JUNE**: 59,653
     - **JULY**: 40,347
     - **Total**: 100,000

   **Calculation:**
   
   \[ \frac{500}{100,000} = 0.5\% \]

2. **The number of administrative debit returns or all returns (for overall) for the preceding 60 days or two calendar months divided by the number of debits contained within the files in which the original forward entries were transmitted.**

   - **DEBITS RETURNED**
     - **JUNE**: 298
     - **JULY**: 202
     - **Total**: 500
   - **DEBITS IN ORIGINAL FORWARD ENTRIES**
     - **JUNE**: 59,653
     - **JULY**: 40,347
     - **Total**: 100,000

   **Calculation:**
   
   \[ \frac{500}{100,000} = 0.5\% \]

*Administrative Return Reason Codes include R02, R03, and R04, and overall returns include all Return Reason Codes. When calculating the Overall Return Rate, RCK Entries and RCK Returns may be excluded from both the numerator and denominator.*