

FIVE WAYS SAME DAY ACH REDUCES RISK

01

SAME DAY ACH ENABLES FASTER RECOVERY FROM ERRORS AND MISSED DEADLINES



A missed payroll deadline? A duplicate file? Same Day ACH is a way for Originators to recover more quickly from these types of errors, through faster emergency payments for missed deadlines, and faster reversals of erroneous payments. Faster recovery also minimizes any impact on Receivers; employees can still get paid on payday, and errors can get reversed quickly.



02

SAME DAY ACH DELIVERS FASTER RETURNS

All returns of ACH transactions can be sent via Same Day ACH. This is a win-win for both Originators, who learn about unpaid transactions sooner, and RDFIs, who can clear exceptions more quickly.

03

SAME DAY ACH REDUCES AN ODFI'S CREDIT RISK EXPOSURE



ODFIs have less credit risk exposure for Same Day ACH origination customers, as transactions settle same day instead of next day. As a result, ODFIs can lower exposure limits for Same Day ACH customers, or can enable greater transaction volume under existing limits.



04

SAME DAY ACH REDUCES SETTLEMENT RISK BETWEEN COUNTERPARTIES

The more frequently that transactions are settled, the more that settlement risk is removed from the system. Same Day ACH transactions are settled two times each day, reducing settlement risk in the ACH Network.

05

SAME DAY ACH COLLECTS FUNDS FASTER



For any payment in which speed is important, Same Day ACH is a way to collect funds faster, reducing the risk of insufficient funds.

BONUS POINT

THERE ARE RISK MANAGEMENT PROVISIONS BUILT INTO SAME DAY ACH

Same Day ACH's implementation phases (credits first, debits second) and \$25,000 transaction limit are built-in risk management provisions, allowing the industry to gain experience with same-day processing in a lower-risk environment. Also, International ACH Transactions are not eligible for same-day processing, thereby allowing domestic RDFIs sufficient time to perform necessary transaction screening.

For Same Day ACH transactions, financial institutions will have less time available to conduct any desired risk management screening. Therefore, all financial institutions should review their capabilities for conducting any such screening. However, Same Day ACH does not create new vectors for fraud; i.e., Same Day ACH does not create a new banking access channel or new banking information. Multiple surveys of NACHA's membership demonstrate that financial institutions have not experienced an increase in fraud due to Same Day ACH.

To learn more, visit www.nacha.org/same-day-ach.