



ACH Operations Bulletin #6-2020

Nacha Provides Relief Regarding Potential Rules Violations for Elevated Return Levels

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Businesses that originate pre-authorized ACH debits for services that have been interrupted may face an elevated risk of returns. This could be due to consumers who: 1) lack funds (i.e., NSF); 2) place stop payment orders with their own banks or credit unions; or 3) make claims that debits are unauthorized because they can no longer access the service or have otherwise cancelled service. A health club or gym membership is one example of this.

Nacha encourages that all such businesses, to the extent possible, communicate clearly with their customers about how they will handle pre-authorized ACH debits during periods of service interruption in light of their own particular set of facts and circumstances.

With respect to potential Rules violations for elevated return rates and levels during this period of usual activity, Nacha will provide relief for potential Rules violations on a case-by-case basis. Nacha will consider, among other things:

- Whether the debits were in fact properly authorized using good authorization practices;
- Whether the authorizations remained effective in light of any intervening circumstances;
- Whether the Originator clearly communicated with its Receivers with respect to ongoing debits; and,
- Whether the Originator had a prior history of elevated return rates.