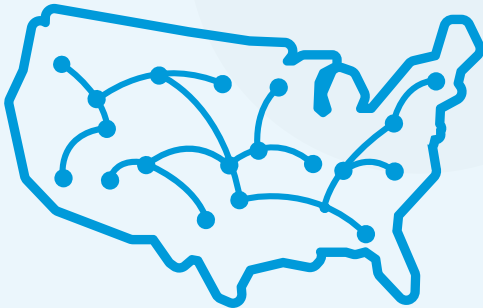


EXECUTIVE BRIEFING

Account Validation

The modern ACH Network was built on a solid foundation of giving businesses and consumers secure and efficient ways to send and receive electronic payments. That strength and stability has allowed the ACH Network to grow – processing nearly 25 billion transactions with a total value of \$55.8 trillion in 2019.

ACH Network users have always needed to ensure the authenticity and accuracy of payment instructions. In addition to the well-known warranty that an originating financial institution makes that an ACH payment is



authorized, it also warrants the accuracy of the information in the payment. This creates efficient, reliable processing with a minimum of errors and rejections, so consumers get paid on time and bill payments are timely and reliable.

As the ACH Network has grown, the methods for verifying accurate payment information have evolved. For example, the ACH Network provides functionality to accurately verify receiver account information via a zero-dollar transaction, and allows a receiving institution to return corrected information.

It will come as no surprise that part of the ACH Network's growth is linked to an increase in consumer payments made via the internet and

mobile devices. In fact, according to the website Digital Commerce 360, U.S. ecommerce grew approximately 14% in 2019. As the number of online transactions has increased, merchants and billers have added ACH to their payment options.

Nacha and its members have played an important role in providing advocacy and education to businesses on the benefits and best practices for account validation. When the internet was in its infancy, Nacha recognized that improved account validation practices would ensure the quality and security of the ACH Network.

**24.7B TRANSACTIONS
TOTALING \$55.8T**

Beginning March 19, 2021, the Nacha Operating Rules will require that businesses initiating consumer ACH debits via the internet or mobile devices to verify the consumers' account information for the first payment. To learn more about the upcoming Nacha rule go to nacha.org/rules.

Preferred Partners such as Microbilt, Plaid, Envestnet Yodlee and Giact are working to educate the industry on the latest commercially available technology and solutions. Their work helps us ensure the accuracy and authenticity of account information for electronic payment. To learn more about our partners, go to nacha.org/preferred-partner



NachaTM