



ACH Operations Bulletin #3-2020

Nacha Provides Relief Related to Proofs of Authorization, Source Documents, and Written Statements of Unauthorized Debit

March 20, 2020

In light of the current need for organizations to reduce on-site staffing levels, Nacha is providing temporary relief from deadlines for delivery of certain records that are required under the Nacha Rules.

Under the Rules, an ODFI must provide an RDFI with proof of a Receiver's authorization (PoA) within 10 Banking Days of receipt of the RDFI's request (see Subsection 2.3.2.5 Retention and Provision of the Record of Authorization; 2020 Nacha Operating Rules, Page OR7). In addition, an ODFI is required to provide a copy of a Source Document for an ARC or BOC Entry, or item for an RCK Entry, within 10 Banking Days of an RDFI's request. Similarly, an RDFI must provide an ODFI with a copy of a consumer Receiver's Written Statement of Unauthorized Debit (WSUD) within 10 Banking Days of receipt of the ODFI's request (see Subsection 3.12.7 Copy of Written Statement of Unauthorized Debit; Page OR50). Nacha understands that these deadlines may cause a challenge in the current environment.

Accordingly, for the duration of the National Emergency concerning the coronavirus, Nacha will refrain from recommending enforcement penalties for cases in which a PoA, Source Document/item, or WSUD is provided after the existing 10 Banking Day time frame but within 20 Banking Days. Nacha encourages ODFIs and RDFIs to cooperate and to fulfill these obligations under the Rules as quickly as circumstances permit. ODFIs and their Originators should be mindful that utilizing a longer timeframe for providing PoAs could lead to an increase in returns based on claims of unauthorized entries. However, the relief provided by Nacha will allow ODFIs, their Originators, and RDFIs to adapt to the new operating environment without risk of enforcement penalties.

In addition, Nacha's Rules enforcement process can accommodate short extensions of required violation responses on a case-by-case basis.