

As an originator of ACH transactions, you are obligated to comply with all NACHA (National Automated Clearing House Association) Rules.

The following list summarizes select NACHA Operating Rule changes made in 2021 through present. For a complete list and description of amendments and Rule changes, visit www.NACHA.org.

2021 NACHA Rule Changes

January 1, 2021

Reversals and Enforcement

The overarching purpose of these two rules is to deter and prevent, to the extent possible, the improper use of reversals and the harm it can cause. The two Rules will explicitly address improper uses of reversals and improve enforcement capabilities for egregious violations of the Rules. The Enforcement rule became effective January 1, 2021.

March 19, 2021

Expanding Same Day ACH

This new rule expands access to Same Day ACH by allowing Same Day ACH transactions to be submitted to the ACH Network for an additional two hours every business day. The new Same Day ACH processing window became effective on March 19, 2021.

Supplementing Fraud Detection Standards for WEB Debits

To the existing NACHA Rule Subsection 2.5.17.4 (Additional ODFI Warranties for Debit WEB transactions), this Rule adds a sentence stating that the fraudulent transaction detection system must, at a minimum, validate the account to be debited for the first use of such account number, and for any subsequent changes(s) to the account number. The WEB Debit Account Validation Rule became effective March 19, 2021.

June 30, 2021

Supplementing Data Security Requirements

To the existing NACHA Rule Article One, Section 1.6 (Security Requirements), this Rule adds a sentence stating that each Non-Consumer Originator that is not a Participating Depository Financial Institution, each Third-Party Service Provider and Third-Party Sender, whose ACH Origination or Transmission volume exceeds 6 million transactions annually must, by June 30 of the following year, protect Depository Financial Institution Account Numbers used in the initiation of transactions by rendering them unreadable when stored electronically.

- Compliance was required by June 30, 2021, for Originators and Third-Parties with ACH transmission volume greater than 6 million entries in the 2019 calendar year.
- Compliance is required by June 30, 2022, for Originators and Third-Parties with volume greater than 2 million in 2020.

Limitation on Warranty Claims

This new rule limits the length of time in which an RDFI will be permitted to make a claim against the ODFI's authorization warranty.

Reversals and Enforcement

The overarching purpose of these two Rules is to deter and prevent, to the extent possible, the improper use of reversals and the harm it can cause. The two Rules will explicitly address improper uses of reversals and improve enforcement capabilities for egregious violations of the Rules. The Reversals rule became effective June 30, 2021.

September 17, 2021***Meaningful Modernization***

The overarching purpose of these rules is to improve and simplify the ACH user-experience by

- Facilitating the adoption of new technologies and channels for the authorization and initiation of ACH payments
- Reducing barriers to use of the ACH
- Providing clarity and increasing consistency around certain ACH authorization processes; and
- Reducing certain administrative burdens related to ACH authorizations

2022 NACHA Rule Changes

March 18, 2022***Increasing Same Day ACH Dollar Limit***

This rule will continue to expand the capabilities of Same Day ACH. Increasing the Same Day ACH dollar limit to \$1 million per transaction is expected to improve Same Day ACH use cases and contribute to additional adoption. This rule will apply to all Same Day ACH entries: consumer and business payments, credits, and debits

June 30, 2022***Supplementing Data Security Requirements for Large Originators, Third Party Service Providers and Third-Party Senders – Phase 2***

To the existing NACHA Rule Section 1.6 (Security Requirements), this Rule adds a sentence stating that each Non-Consumer Originator that is not a Participating Depository Financial Institution, each Third-Party Service Provider and Third-Party Sender, whose ACH Origination or Transmission volume exceeds 2 million transactions annually must, by June 30 of the following year, protect Depository Financial Institution Account Numbers used in the initiation of transactions by rendering them unreadable when stored electronically.

- Compliance is required by June 30, 2022, for Originators, TPSPs, and TPSs with ACH transmission volume greater than 2 million entries in the 2020 calendar year.
- The rule states “Going forward after calendar year 2021, any Originator, Third-Party Service Provider, or Third-Party Sender that originates 2 million or more ACH Transactions in any calendar year will need to be compliant with the rule by June 30 of the following calendar year.”

September 16, 2022***Micro-Entries – Phase 1***

The Micro-Entry Rule defines and standardizes practice and formatting of Micro-Entries, which are used by some ACH Originators as a method of account validation. This Rule:

- Defines “Micro-Entries” as ACH credits of less than \$1, and any offsetting ACH debits, used for the purpose of verifying a Receiver’s account
- Standardizes the Entry description and Company Name requirements for Micro-Entries
- Establishes other Micro-Entry origination practices
- Applies risk management requirements to the origination of Micro-Entries

September 30, 2022***Third-Party Sender Roles and Responsibilities***

The purpose of these rules is to further clarify the roles and responsibilities of Third-Party Senders (TPS) in the ACH Network by addressing the existing practice of Nested Third-Party Sender relationships and making the requirement that a TPS conduct a Risk Assessment.

This rule will define a Nested Third-Party Sender and will provide for the “chain of agreements” and responsibilities in Nested TPS arrangements. A “Nested Third-Party Sender” will be defined as a Third-Party Sender that has an agreement with another Third-Party Sender to act on behalf of an Originator and does not have a direct agreement with the ODFI. Nested TPSs will be addressed in ACH Origination Agreements.

2023 NACHA Rule Changes

March 17, 2023

Micro-Entries – Phase 2

The Rule applies risk management requirements to Originators. An Originator of Micro-Entries must conduct commercially reasonable fraud detection on its use of Micro-Entries, including the monitoring of forward and return volumes of Micro-Entries.

- Requires an organization using Micro-Entries to use reasonable methods to recognize and prevent suspicious activity

Note, this is not the same as the WEB Debit account validation requirement

- Monitoring forward and return volumes, at a minimum, establishes a baseline of normal activity
- Velocity monitoring
- An Originator is not required to perform an entry-by-entry review

A complete list and description of the amendments and Rule changes outlined above are available at www.nacha.org.