

OVERVIEW

The purpose of this 2024 NACHA Rules Update for ACH (“NACHA Update”) is to provide a summary description of upcoming changes to the NACHA Operating Rules & Guidelines (“Rules”). The NACHA Operating Rules & Guidelines are published annually.

- To obtain a full list of rules and guidelines, a copy of the 2024 Operating Rules and Guidelines may be ordered at www.nacha.org.
- To stay up to date on Nacha rule changes visit <https://www.nacha.org/newrules>

RISK MANAGEMENT TOPICS – Rule Amendments

What is the change

Expanded use of ODFI request for return (R06) This rule expands the permissible uses of the Request for Return to allow an ODFI to request a return from the RDFI for any reason. The ODFI would still indemnify the RDFI for compliance with the request. Compliance by the RDFI would remain optional. *Implementation Extended to April 1, 2025: RDFI's* only obligation to the ODFI would be to respond to the ODFI's request. Regardless of whether the RDFI complies with the ODFI's request to return the Entry, the RDFI must advise the ODFI of its decision or the status of the request within ten (10) banking days of receipt of the ODFI's request.

Codifying expanded use of return reason code (R17) - This rule will explicitly allow, but not require, an RDFI to use **R17** to return an entry that it thinks is fraudulent. Such use is optional and at the discretion of the RDFI. The rule retains the current requirement to include the descriptor **QUESTIONABLE** in the return addenda record for such use. Specifically, upon implementation, an ODFI will be permitted to request the return of an entry for any reason, and the RDFI will have an obligation to advise the ODFI of its decision or the status of the request within ten (10) banking days of receipt of the ODFI's request.

When is the change effective? October 1, 2024. Extension to **April 1, 2025** requiring RDFIs response

Who is impacted by the change? ODFIs and RDFIs

What is the change

Timing of Written Statement of Unauthorized Debit (WSUD) - This rule will allow a WSUD to be signed and dated by the Receiver on or after the date on which the Entry is presented to the Receiver (either by posting to the account or by notice of a pending transaction), even if the debit has not yet been posted to the account.

When is the change effective? October 1, 2024.

Who is impacted by the change? RDFIs

What is the change

Additional Funds Availability Exceptions - This rule provides RDFIs with an additional exemption from the funds availability requirements to include credit entries that the RFI suspects originated under false pretenses.

When is the change effective? October 1, 2024.

Who is impacted by the change? RDFIs

What is the change

RDFI Must Promptly Return Unauthorized Debit - This amendment will require that when returning a consumer debit as unauthorized in the extended return timeframe, the RFI must do so by the opening of the sixth Banking Day following the completion of its review of the consumer's signed WSUD.

When is the change effective? October 1, 2024.

Who is impacted by the change? RDFIs

Resources: [Nacha Rule Updates - Amendments](#)

RISK MANAGEMENT TOPICS – Company Entry Descriptions

What is the change? Standardized uses of the Company Entry Description can help parties in the ACH Network identify, monitor and count the volume of payments for specific purposes; and can help manage risk. Included in this portion of the Risk Management Rule amendments are two new defined Company Entry Descriptions **PAYROLL** and **PURCHASE**.

- **Standard Company Entry Description – PAYROLL.** This rule establishes a new standard description for PPD Credits for payment of wages, salaries and similar types of compensation. The Company Entry Description field must contain the description PAYROLL.
 - RDFIs that monitor inbound ACH credits will have better information regarding new or multiple payroll payments to an account.
 - A standard description for payroll payments can help support RFI logic to provide or suppress early funds availability.
 - The amendment is intended to reduce the incidence of fraud involving payroll redirections.
- **Standard Company Entry Description – PURCHASE.** This amendment establishes a new standard description for e-commerce purchases; the Company Entry Description field must contain the description PURCHASE.
 - Language for the definition of e-commerce purchases:
 - “For this purpose, an e-commerce purchase is a debit Entry authorized by a consumer Receiver for the online purchase of goods, including recurring purchases first

authorized online. An e-commerce purchase uses the WEB debit SEC Code, except as permitted by the rule on Standing Authorization to use the PPD or TEL debit SEC Code.”

- Language has also been added to disclaim obligation on the part of ODFIs to “police” Originators’ correct use
 - “The ODFI has no obligation to verify the presence or accuracy of the word “PURCHASE” as a description of purpose.”

When is the change effective? March 20, 2026

Who is impacted by the change?

- **Originators/Third-Party Service Providers/ODFIs** of these types of transactions will need to update their systems to utilize the required Company Entry Description(s).
- **RDFIs** may choose to take advantage of intelligence enabled by new descriptors, but they would not be required to act as a result of these descriptions.

Resources: [Nacha Rule Update - Company Entry Description and FAQ](#)

RISK MANAGEMENT TOPICS – RDFI ACH Credit Monitoring

This Rule amendment is intended to reduce the incidence of successful fraud attempts and improve the recovery of funds after frauds have occurred. Identifying fraud or potentially fraudulent transactions will better enable an RDFI to exercise heightened scrutiny of accounts that are receiving such transactions.

What is the change? RDFIs will need to either establish processes and procedures reasonably intended to identify Entries that are suspected of being unauthorized or authorized under False Pretenses or ensure that existing processes and procedures are satisfactory for this requirement, including updating such systems and their alerting processes, if necessary.

When is the change effective?

- **Phase 1 – March 20, 2026** (RDFIs with ACH receipt volume of 10 million greater);
- **Phase 2 - June 22, 2024** (all other RDFIs)

Who is impacted by the change? All RDFIs

Resources: [Nacha Rule Update - Company Entry Description and FAQ](#)

RISK MANAGEMENT TOPICS – Fraud Monitoring Phase 1 & Phase 2

These Rule amendments related to monitoring for fraud are part of a larger Risk Management package intended to reduce the incidence of successful fraud attempts and improve the recovery of funds after frauds have occurred.

What is the change? This rule amendment will require all ODFI, and each non-Consumer Originator, Third-Party Service Provider, and Third-Party Sender with annual ACH origination volume in 2023 of 6 million or greater, to establish and implement risk-based processes and procedures reasonably intended to identify ACH Entries initiated due to fraud. Each of these parties will need to review at least annually their processes and procedures and make any appropriate updates to address evolving risks.

When is the change effective?

- **Phase 1: March 20, 2026** for all ODFIs and non-Consumer Originators, TPSPs, and TPSs with annual ACH origination volume of 6 million or greater in 2023.
- **Phase 2 June 22, 2024** (all other ODFIs and non-Consumer Originators, TPSPs, and TPSs)

Who is impacted by the change? All ODFIs and non-Consumer Originators, TPSPs, and TPSs

Resources: [Nacha Rule Update - Fraud Monitoring](#)

Minor Rule Changes

What is the change? Nacha amended the following rules to address a variety of minor topics.

Minor topics included within these rule amendments:

- General Rule for WEB Entries
- Definitions of Originator
- Originator Action on Notification of Change
- Data Security Requirements
- Use of Prenotification Entries
- Clarification of Terminology – Subsequent Entries

When is the changes effective? **June 21, 2024.**

Who is impacted by the change? Changes to the rules are expected to have little-to-no impact on ACH participants and no significant processing or financial impact.

Resources: [Nacha Rules Update - Minor Changes](#)