

Summary of Nacha Rule Changes

The following list summarizes select Nacha Operating Rule changes. To access the Nacha Operating Rules or a full list of upcoming Rule changes, visit www.Nacha.org.

JUNE 30, 2022

Supplementing Data Security – 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.

SEPTEMBER 17, 2021

Consumer Debit Authorization Minimum Data Elements – Beginning on September 17th, in addition to the general requirements for an authorization, as defined under *Subsection 2.3.1 (General Rule – Originator Must Obtain Authorization from Receiver)*, *Subsection 2.3.2.2. (Debits Entries to Consumer Accounts)* an authorization for a debit Entry to Consumer Account of the Receiver must, at a minimum, include:

- (a) Language regarding whether the authorization obtained from the Receiver is for a Single Entry, multiple Entries, or Recurring Entries;
- (b) The amount of the Entry(ies) or a reference to the method of determining the amount of the Entry(ies);
- (c) The timing (including the start date), number, and/or frequency of the Entries;
- (d) The Receiver’s name or identity;
- (e) The account to be debited;
- (f) The date of the Receiver’s authorization; and
- (g) Language that instructs the Receiver how to revoke the authorization directly with the Originator (including the time and manner in which the Receiver’s communication with the Originator must occur). For a Single Entry scheduled in advance, the right of the Receiver to revoke the authorization must afford the Originator a reasonable opportunity to act on the revocation prior to initiating the Entry.

With respect to a Standing Authorization, these minimum standards for a consumer debit authorization may be met through a combination of the Standing Authorization and the Receiver’s affirmative action to initiate a Subsequent Entry.

Where these Rules provide that authorization for an Entry may be obtained by notice to the Receiver, the Receiver’s authorization may also be obtained by a signed, written authorization that meets the requirements of this subsection.

JUNE 30, 2021

Supplementing Data Security – Phase 1 – 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 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.

JUNE 30, 2021

The Reversal Rule – Beginning June 30, 2021, Nacha introduces a new *Subsection 2.9.5 (Improper Reversing Entries)* as follows:

Situations that will be treated as improper uses of a Reversing Entry include, but are not limited to:

- (a) The initiation of a Reversing Entry for any reason other than those explicitly defined in *Subsection 2.9.1 (General Rule for Reversing Entries)*;
- (b) The initiation of a Reversing Entry by an ODFI because its Originator or Third-Party Sender customer, or any downstream customer of its Third-Party Sender, failed to provide funding for the original Entry.
- (c) The initiation of a Reversing Entry beyond the time period permitted by *Subsection 2.9.1 (General Rule for Reversing Entries)*.

Improperly-initiated Reversing Entries may be returned by the RDFI.

Nacha also adds (d) to *Subsection 2.9.1 (General Rule for Reversing Entries)*, written as follows:

For this Section 2.9 and *Subsection 2.12.2 (ODFI Request for Return)* only, an Erroneous Entry is defined as an Entry that:

- (a) is a duplicate of an Entry previously initiated by the Originator or ODFI;
- (b) orders payment to or from a Receiver different than the Receiver intended to be credited or debited by the Originator;
- (c) orders payment in a dollar amount different than was intended by the Originator;
- (d) orders payment of a debit Entry on a date earlier than the Receiver was intended to be debited by the Originator, or payment of a credit Entry on a date later than the Receiver was intended to be credited by the Originator; or
- (e) is a credit PPD Entry satisfying each of the following criteria:
 - (i) the credit PPD Entry is for funds related to a Receiver's employment;
 - (ii) the value of the credit PPD Entry is fully included in the amount of a Check delivered to the same Receiver at or prior to the Receiver's separation from employment; and
 - (iii) the credit PPD Entry was Transmitted by the Originator prior to the delivery of the Check to the Receiver.

APRIL 1, 2021

Differentiating Unauthorized Return Reasons – Phase 2 – The re-purposed R11 Return Reason Code will be covered by the existing Unauthorized Entry Fee (a fee paid by an ODFI to the respective RDFI for a debit entry, except IAT, that is returned with reason code R05, R07, R10, R11, R29 or R51).

MARCH 19, 2021

Additional ODFI Warranties for Debit WEB transactions – 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.

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