

# Revisions to the Nacha Operating Rules

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The 2025 edition of the Nacha Operating Rules & Guidelines contains changes related to the following amendments:

- Response to ODFI Request for Return (Effective April 1, 2025)
- Fraud Monitoring by Originators, Third-Party Service Providers/Third-Party Senders and ODFIs (Effective in 2 Phases, March 20, 2026 and June 19, 2026)
- RDFI ACH credit monitoring (Effective in 2 Phases, March 20, 2026 and June 19, 2026)
- Standard Company Entry Descriptions - Payroll and Purchase (Effective March 20, 2026)

This Revisions section provides a summary of the key components and technical changes to Rules language of these changes.

This section also includes a technical summary of changes to the Rules that were implemented in 2024. The text changes were officially communicated via Supplements, but they are summarized here for reference. Please note that since these changes are already effective, they are not marked within the text of the Rules.

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## Response to ODFI Request for Return

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### SUMMARY

The Response to ODFI Request for Return rule (the Rule) will require the RDFI to respond to an ODFI's request to return any entry, regardless of whether the RDFI complies with the ODFI's request for the return. The RDFI must advise the ODFI of its decision or the status of the request within 10 banking days of receipt of the ODFI's request. The objective of the Rule is to improve the recovery of funds when fraud has occurred.

### IMPACT TO PARTICIPANTS

*RDFIs:* RDFIs may need to update their procedures and training to ensure a timely response to an ODFI's request.

### EFFECTIVE DATE

The Response to ODFI Request for Return rule will become effective on April 1, 2025.

### TECHNICAL SUMMARY

Below is a summary of the impact of the Rule on the Nacha Operating Rules. The Rules contain the impacted rule language as it will read upon implementation in highlighted, italicized text.

- *Article Three Subsection 3.8.6 (Response to ODFI Request for Return)* – New subsection adding the requirement for the RDFI to advise the ODFI of its decision or the status of the ODFI's return request.

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## **Fraud Monitoring by Originators, Third-Party Service Providers/ Third-Party Senders and ODFIs**

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### **SUMMARY**

The Fraud Monitoring by Originators, Third-Party Service Providers/Third-Party Senders and ODFIs Rule (the Rule) will require each non-consumer Originator, ODFI, Third-Party Service Provider, and Third-Party Sender 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. The objective of the Rule is to reduce the incidence of successful fraud attempts through regular fraud detection monitoring.

### **IMPACT TO PARTICIPANTS**

*Originators, Third-Party Service Providers, and Third-Party Senders:* These entities may need to implement fraud detection processes and procedures if they are not doing so currently. There may be less of an impact for those that have already implemented commercially reasonable fraud detection for WEB debits and/or for Micro-Entries.

*ODFIs:* ODFIs may need to update their fraud detection processes and procedures to include credit entries, if these entries are not currently part of their review process.

### **EFFECTIVE DATES**

The Rule will be implemented in two phases:

*Phase 1 - March 20, 2026.* – On this date, the Rule will apply to all ODFIs and those non-consumer Originators, Third-Party Service Providers, and Third-Party Senders with an annual ACH origination volume that exceeds 6 million entries in 2023.

*Phase 2 - June 19, 2026* – The Rule will apply all other non-consumer Originators, Third-Party Service Providers, Third-Party Senders on this date.

### **TECHNICAL SUMMARY**

Below is a summary of the impact of The Fraud Monitoring of Originators, Third Party Service Providers / Third Party Senders and ODFIs Rule of the Nacha Operating Rules. The Rules contain the impacted rule language as it will read upon implementation in highlighted, italicized text.

- *Article Two, Subsection 2.2.4 (Identification of Unauthorized Entries or Entries Authorized Under False Pretenses)* – New subsection to establish rules surrounding fraud monitoring.

## SUMMARY

The RDFI ACH Credit Monitoring Rule (the Rule) mirrors the Fraud Monitoring by Originators, Third-Party Service Providers/Third-Party Senders and ODFIs Rule in that it will require RDFIs to establish and implement risk-based processes and procedures reasonably intended to identify credit ACH entries initiated due to fraud. As with the other entities, RDFIs will need to review at least annually their processes and procedures and make any appropriate updates to address evolving risks. The objective of the Rule is to reduce the incidence of successful fraud and better enable the recovery of funds when fraud has occurred.

## IMPACT TO PARTICIPANTS

*RDFIs:* RDFIs that have not done so will need to establish processes and procedures reasonably intended to identify credit entries that are suspected of being unauthorized or authorized under False Pretenses. For those RDFIs that already have such processes and procedures in place, they will need to ensure that their existing processes and procedures are satisfactory under the Rule, including updating such systems and their alert processes, if necessary. RDFIs may need to enable information sharing internally between teams that monitor transactions for suspicious activity and operations, product and relationship teams.

## EFFECTIVE DATES

The Rule will be implemented in two phases:

*Phase 1 - March 20, 2026* – On this date, the Rule will apply to RDFIs with an annual ACH receipt volume exceeding 10 million entries in 2023.

*Phase 2 - June 19, 2026* – The Rule will apply all other RDFIs.

## TECHNICAL SUMMARY

Below is a summary of the impact of The RDFI ACH Credit Monitoring Rule on the Nacha Operating Rules. The Rules contain the impacted rule language as it will read upon implementation in highlighted, italicized text.

- *Article Three, Subsection 3.1.10 (Identification of Unauthorized Credit Entries or Credit Entries Authorized Under False Pretenses)*  
-New subsection requiring monitoring of incoming ACH credits by RDFIs.

## Standard Company Entry Descriptions – Payroll and Purchase

### SUMMARY

The Standard Company Entry Descriptions Rule (the Rule) will establish two new Company Entry Descriptions, PAYROLL and PURCHASE. The PAYROLL Company Entry Description must be used for ACH credits bearing the PPD Standard Entry Class Code that are for the payment of wages, salaries and other similar types of compensation. The objective of adding PAYROLL as a Company Entry Description is to reduce the incidence of fraud involving payroll redirections. RDFIs that monitor inbound ACH credits will have better information regarding new or multiple payroll payments to an account.

The Rule will also establish the Company Entry Description PURCHASE, which must be used for e-commerce purchases. An e-commerce purchase will be defined as a debit entry authorized by a consumer Receiver for the online purchase of goods. The new Company Entry Description will enable identification of such e-commerce transactions. The Rule defines e-commerce purchases for the purpose of using the new Company Entry Description.

### IMPACT TO PARTICIPANTS

*Originators, Third-Party Service Providers, Third-Party Senders, and ODFIs:* Originators, Third-Party Service Providers, Third-Party Senders and ODFIs that handle payroll and e-commerce purchase transactions will need to update their systems to utilize the required Company Entry Descriptions.

*RDFIs:* RDFIs may choose to take advantage of intelligence enabled by the new Company Entry Descriptions and may need to update their policies and procedures to do so. However, RDFIs will not be required to act as a result of the descriptors.

### EFFECTIVE DATE

The effective date for the Standard Company Entry Descriptions rule is March 20, 2026. Originators may begin using the new descriptions as soon as practical, but must do so no later than March 20, 2026.

### TECHNICAL SUMMARY

Below is a summary of the impact of The Standard Company Entry Descriptions Rule on the Nacha Operating Rules. The Rules contain the impacted rule language as it will read upon implementation in highlighted, italicized text.

- *Appendix Three, Subsection 3.2.2 (Glossary of Data Elements)* – Updated to add a new standard Company Entry Description for e-commerce purchases.
- *Appendix Three, Subsection 3.2.2 (Glossary of Data Elements)* – Updated to add a new standard Company Entry Description for PPD credits for payment of wages, salaries and similar types of compensation.

### Editorial Notes and Corrections

This section identifies editorial changes that have been made to the Rules sections noted below to correct minor drafting errors made during the balloting process. The changes below have no impact on the substance of the new rules discussed in this Revisions section of the 2025 Nacha Operating Rules, and they serve only to correct discrepancies that could result in confusion for the reader.

- *Appendix One, Part 1.2 (Data Specifications for ACH Records)* – The new required descriptions “PAYROLL” and “PURCHASE” were added into the bullet list of Company Entry Descriptions required by the Rules to appear in upper case characters.

- *Appendix Three, Subpart 3.2.2 (Glossary of Data Elements)* – “Company Entry Description” field description – The reference to “PPD” was removed from the new requirement to use the word “PURCHASE” when describing a batch of e-commerce purchases involving a Standing Authorization. Subsection 2.3.2.5 (Standing Authorization for Debit Entries to Consumer Accounts) prohibits the use of the PPD SEC Code for Subsequent Entries when a Standing Authorization is obtained orally by telephone call or via the Internet or a Wireless Network.



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## Technical Summary of 2024 Changes to the Rules

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The following is a technical summary of the changes to the Nacha Operating Rules implemented during 2024. The text changes were officially communicated via Supplements to the Rules, but they are summarized here for reference. Please note that since these changes are already effective, they are not marked within the text of the 2025 Rules.

### JUNE 21, 2024 EFFECTIVE DATE

Approved March 15, 2024

#### ***General Rule/Definition of WEB Entries***

The General Rule/Definition of WEB Entries amendment re-words the WEB general rule in Article Two and definitions in Article Eight and Appendix Three to clarify that the WEB SEC Code must be used for all consumer-to-consumer credits, regardless of how the consumer communicates the payment instruction to the ODFI or the Person-to-Person service provider.

- *Article Two, Subsection 2.5.17.1 (General Rule for WEB Entries)* – Clarified that the WEB Standard Entry Class Code must be used for all consumer-to-consumer credit WEB Entries, regardless of how the consumer Originator communicates the payment instruction to the ODFI/P2P service provider.
- *Article Eight, Section 8.56 (“Internet-Initiated/Mobile Entry”)* – Clarified that the WEB Standard Entry Class Code must be used for all consumer-to-consumer credit WEB Entries, regardless of how the consumer Originator communicates the payment instruction to the ODFI/P2P service provider.
- *Appendix Three, Subpart 3.2.2 (Glossary of Data Elements)* – Made corresponding changes to the definition of WEB Entry under the description of the Standard Entry Class Code field.

#### ***Definition of Originator***

The Definition of Originator change adds a reference to the Originator’s authority to credit or debit the Receiver’s account, which is not currently addressed in the Rules. The change includes a notation to the definition that the Rules do not always require a Receiver’s authorization, such as with Reversing, Reclamation and Person-to-Person credit entries.

- *Article Eight, Section 8.72 (“Originator”)* – Expanded the definition of Originator to recognize the Originator’s fundamental relationship with the Receiver.

#### ***Originator Action on Notification of Change***

The Originator Action on Notification of Change amendment gives Originators discretion on whether to make NOC changes for any single entry, regardless of SEC Code.

- *Article Two, Subsection 2.12.1 (ODFI and Originator Action on Notification of Change)* – Modified bullet (l) to clarify that the Originator has discretion to act on any single-entry NOC, regardless of SEC Code.

#### ***Data Security Requirements***

The Data Security Requirements change clarifies that once a covered party meets the volume threshold for the first time, the requirement to render account numbers unreadable remains in effect, regardless of future volume.

- *Article One, Section 1.6 (Security Requirements)* – Clarified that once a party is subject to the requirement to render data unreadable when stored electronically, it must continue to do so consistently thereafter, regardless of annual volume.

***Use of Prenotification Entries***

The Use of Prenotification Entries amendment aligns the prenote rules with industry practice by removing language that limits prenote use to only prior to the first credit or debit entry.

- *Article Two, Subsection 2.6.1 (General Rule for Prenotifications)* – Removed the limitation that prenotifications may only be used prior to the first ACH credit or debit entry.
- *Article Eight, Section 8.82 (“Prenotification Entry” or “Prenotification” or “Prenote”)* – Updated the definition to remove the limitation that prenotifications may only be used prior to the first ACH credit or debit entry.

***Clarification of Terminology – Subsequent Entries***

With the adoption of definitions and rules for Standing Authorization and Subsequent Entry, minor changes were needed to prenote and NOC language to remedy now-ambiguous references to the phrase “subsequent entry” when not referring to a defined Subsequent Entry. The Clarification of Terminology – Subsequent Entries amendment replaces references to “subsequent entry” in the Rules with synonymous terms (e.g., future, additional, another) to avoid any confusion with the new definition “Subsequent Entry.”

- *Article Two, Subsection 2.4.2 (Exceptions to ODFI Warranties for Entries Originated Using Corrected Data from Notification of Change)* – Replaced general references to “subsequent entry.”
- *Article Two, Subsection 2.6.2 (Waiting Period Following Prenotification Entries)* – Replaced general references to “subsequent entry” to avoid potential confusion with the defined term “Subsequent Entry.”
- *Article Two, Subsection 2.12.1 (ODFI and Originator Action on Notification of Change)* – Replaced general references to “subsequent entry.”

**OCTOBER 1, 2024 EFFECTIVE DATE**

Approved March 15, 2024

***Codifying Use of Return Reason Code R17***

The Codifying Use of Return Reason Code R17 Rule (the Rule) explicitly allows an RDFI to use Return Reason Code R17 to return an entry that it believes is fraudulent. This use of Return Reason Code R17 is optional and at the discretion of the RDFI; it is not required under the Rules. The Rule retains the current requirement to include the descriptor “QUESTIONABLE” in the return addenda record for such use.

- *Article Eight, Section 8.42 (“False Pretenses”)* – New section to define False Pretenses.
- *Appendix Three, Subpart 3.2.2 (Glossary of Data Elements - Addenda Information)* – Updated to include additional language for unauthorized entries and entries authorized under False Pretenses.
- *Appendix Four, Part 4.2 (Table of Return Reason Codes)* – Updated to include modifications to the use of Return Reason Code R17.

***Expanded Use of ODFI Request for Return - R06***

The Expanded Use of ODFI Request for Return - R06 Rule (the 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 Rule also provides more flexibility for ODFIs that want to indemnify and request the RDFI return a transaction for any reason. This change also aligns rules language for Return Reason Code R06 returns with anecdotally-understood business practices for some Originators and ODFIs.



- *Article Two, Subsection 2.10.1 (General Rule for Reversing Entries)* – Updated to delete references to the ODFI request for return.
- *Article Two, Subsection 2.13.2 (ODFI Request for Return)* – Updated to allow an ODFI to request a return for any reason.
- *Article Two, Subsection 2.13.3 (Indemnification by ODFI for Requested Returns)* – Updated to remove restrictive language for entries qualified as reasons to request a return.
- *Article Two, Subsection 2.13.6.1 (Dishonor of Return by ODFI)* – Updated to remove reference to erroneous entry under list of qualified reasons to dishonor a return.
- *Appendix Four, Part 4.2 (Table of Return Reason Codes)* – Updated to include modifications to the use of Return Reason Code R06.

### ***Additional Funds Availability Exceptions***

The Additional Funds Availability Exceptions Rule (the Rule) provides RDFIs with an additional exemption from the funds availability requirements to include credit ACH entries that the RDFI suspects are originated under False Pretenses. RDFIs are still subject to requirements under Regulation CC for funds availability. The Rule provides participants with an additional tool to manage potentially questionable or suspicious transactions that fall under the “authorized fraud” category. The Rule provides RDFIs and ODFIs with additional time to communicate before funds availability is required. These two factors should improve the potential for recovery of funds when fraud has occurred.

- *Article Three, Subsection 3.3.1 (General Rules for Availability of Credit Entries to Receivers)* – Updated to add exemptions for credit entries the RDFI suspects are originated under False Pretenses.

### ***Timing of Written Statement of Unauthorized Debit***

The Timing of Written Statement of Unauthorized Debit rule (the Rule) allows a consumer Receiver to sign and date a WSUD on or after the date on which the entry is presented to the Receiver, even if the debit has not yet posted to the account. Information about the incoming debit may be via posting to the Receiver’s account or by a notice of a pending transaction. The Rule does not otherwise change the requirement for an RDFI to obtain a consumer’s WSUD.

- *Article Three, Subsection 3.12.4 (Form of Written Statement of Unauthorized Debit)* – Updated to 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, even if the debit has not yet been posted to the account.

### ***RDFI Must Promptly Return Unauthorized Debit***

The RDFI Must Promptly Return Unauthorized Debit Rule (the Rule) requires that an RDFI transmit the return of an unauthorized entry for which it has received a WSUD in such time that the entry can be made available to the ODFI no later than the opening of business on the sixth (6th) banking day following the completion of RDFI’s review of the consumer’s signed WSUD. In any case, the RDFI must transmit the return in such time that it is made available to the ODFI no later than the opening of business on the banking day following the sixtieth (60th) calendar day following the settlement date of the original entry. The Rule does not change the reasons or requirements for an RDFI to obtain a Receiver’s WSUD.

- *Article Three, Subsection 3.13.1 (RDFI May Transmit Extended Return Entries)* – Updated to require an RDFI to transmit an Extended Return Entry so that it is made available to the ODFI no later than the opening of business on the sixth banking day following the RDFI’s completion of its review of the consumer’s signed WSUD.