



NACHA Rule Change September 2015: Return Rate Changes

Effective September 18, 2015

1. Current monthly unauthorized debit return rate threshold reduced from 1 to 0.5%

Your total number of ACH debit returns with Unauthorized Return Reason Codes should not exceed 0.5% of your total ACH debits originated. Should you exceed the stated threshold, we may contact you to inquire on the reason for the high return rate. The following Return Reason Codes are considered unauthorized reason codes:

R05 – Unauthorized Debit to Consumer Account Using Corporate SEC Code

R07 – Authorization Revoked by Customer

R10 – Customer Advises Not Authorized

R29 – Corporate Customer Advises Not Authorized

R51 – Item is Ineligible

2. Established monthly ACH debit administrative return rate threshold of 3%

Your total number of ACH debit returns with Administrative Return Reason Codes should not exceed 3% of your total ACH debits originated. Should you exceed the stated threshold, we may contact you to inquire on the reason for the high return rate.

The following Return Reason Codes are considered Administrative Return Reason Codes:

R02 – Account Closed

R03 – No Acct/Unable to Locate Acct

R04 – Invalid Account Number

3. Established monthly overall ACH debit return rate threshold of 15%

Your total number of ACH debits returns for all Return Reason Codes should not exceed 15% of your total ACH debits originated. Should you exceed the stated threshold, we may contact you to inquire on the reason for the high return rate. All ACH debit returns regardless of Return Reason Code for all Standard Entry Class codes except RCK (Re-presented Check Entries) are considered for this calculation.

4. Re-initiation of ACH debits required to contain "RETRY PYMT" in the Company Entry Description field.

If ACH debits that are returned unpaid with R01 – Insufficient Funds or R09 – Uncollected Funds Return Reason Codes and are subsequently re-presented for payment, the description "RETRY PYMT" is required to be included in the Company Entry Description field. If you currently originate debit re-presented files, you are required to update the Company Entry Description prior to submitting. Not updating Company Entry Description may result in the RDFI returning the transaction with an R10

-Customer Advises Unauthorized, Improper, or Ineligible Return Reason Code.