



Expanding Same Day ACH

Request for Comment Proposed Modifications to the Rules December 1, 2017

ARTICLE THREE – RIGHTS AND RESPONSIBILITIES OF RDFIS AND THEIR RECEIVERS

Section 3.3 Timing Requirements for RDFI to Make Credit and Debit Entries Available

*Subsection 3.3.1 **General Rules for** Availability of Credit Entries to Receivers*

An RDFI's obligation to make funds available under this Subsection is subject to its right to return the Entry under these Rules.

An RDFI that reasonably suspects that a credit Entry is unauthorized is exempt from the funds availability requirements of this Subsection. An RDFI invoking such an exemption must promptly notify the ODFI.

*Subsection 3.3.1.1 **General Rule for Availability of Credits** ~~Availability of Credits That Are Not Same Day Entries~~*

For a credit Entry that is made available to the RDFI by its ACH Operator by 5:00 p.m. (RDFI's local time) on the Banking Day prior to the Settlement Date, the RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 9:00 a.m. (RDFI's local time) on the Settlement Date.

For a credit Entry that is ~~not a Same Day Entry~~ made available to the RDFI by its ACH Operator after 5:00 p.m. (RDFI's local time) on the Banking Day prior to the Settlement Date, ~~the,~~ an RDFI must make the amount of the credit Entry ~~received from its ACH Operator~~ available to the Receiver for withdrawal ~~no later than the end of~~ no later than 1:00 p.m. (RDFI's local time) on the Settlement Date. ~~of the Entry,~~ subject to its right to return the Entry under these Rules.

For a credit Same Day Entry, an RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 5:00 p.m. in the RDFI's local time on the Settlement Date of the Entry, subject to its right to return the Entry under these Rules and except as noted below.

An RDFI in the Atlantic Time Zone must make the amount of a credit Same Day Entry available to the Receiver for withdrawal no later than 5:00 p.m. Eastern Time on the Settlement Date of the Entry, subject to its right to return the Entry under these Rules.

An RDFI located east of the Atlantic Time Zone and west of the International Date Line must make the amount of a credit Same Day Entry available to the Receiver for withdrawal no later than the opening of business on the Banking Day following the Settlement Date of the Entry, subject to its right to return the Entry under these Rules.

An RDFI that reasonably suspects that a credit Entry is unauthorized is exempt from these requirements, subject to applicable Legal Requirements. An RDFI invoking such an exemption must promptly notify the ODFI.

Subsection 3.3.1.2 Availability for Certain Credit PPD Entries

For a credit PPD Entry that is made available to the RDFI by its ACH Operator by 5:00 p.m. (RDFI's local time) on the Banking Day prior to the Settlement Date, the RDFI must make the amount available to the Receiver for withdrawal at the opening of business on the Settlement Date. For purposes of this subsection, opening of business is the later of 9:00 a.m. (RDFI's local time) or the time the RDFI's teller facilities (including ATMs) are available for customer account withdrawals. An RDFI that reasonably suspects that a credit Entry is unauthorized is exempt from this requirement, subject to applicable Legal Requirements. An RDFI invoking such an exemption must promptly notify the ODFI.

Subsection 3.3.1.2 Availability of Credits That Are Same Day Entries

For a credit Same Day Entry received in the first same-day processing window, an RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 1:00 p.m. (RDFI's local time) on the Settlement Date of the Entry.

For a credit Same Day Entry received in the second same-day processing window, an RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 5:00 p.m. (RDFI's local time) on the Settlement Date of the Entry.

For a credit Same Day Entry received in the third same-day processing window, an RDFI must make the amount of the credit Entry available in the Receiver's account no later than the completion of the RDFI's processing for that Settlement Date. An RDFI is not required to make such funds available for withdrawal on the Settlement Date.

An RDFI whose local time is Atlantic Time may use Eastern Time in meeting these requirements.

An RDFI located east of the Atlantic Time Zone and west of the International Date Line must make the amount of a credit Same Day Entry received in any same-day processing window available to the Receiver for withdrawal no later than the opening of business on the Banking Day following the Settlement Date of the Entry.

Subsection 3.3.1.3 Non-Consumer Receiver's Records Must Reflect Payments Received from Originator

A Non-Consumer Receiver of a credit Entry must update its records to reflect the Originator's payment as having been received as of a date that is no later than the Settlement Date. The Non-

Consumer Receiver has a reasonable period of time after the RDFI posts the Entry to the Receiver's account to update its records or to instruct the RDFI to return the Entry. For purposes of this subsection, a Receiver is considered to act within a reasonable period of time if it updates its records or instructs the RDFI to return the Entry within the time it usually completes these processes. A Receiver that instructs the RDFI to return the Entry is not considered to have accepted the Entry.

Subsection 3.3.1.4 Credit Entries Subject to Article 4A Are Provisional

For a credit Entry subject to Article 4A, credit given to a Receiver by an RDFI as provided in this Subsection 3.3.1 (Availability of Credit Entries to Receivers) is provisional until the RDFI has received final settlement through a Federal Reserve Bank or has otherwise received payment as provided in Section 4A-403(a) of UCC Article 4A. If such settlement or payment is not received, the RDFI is entitled to a refund from the Receiver of the amount credited, and the Originator is considered not to have paid the Receiver the amount of the Entry. This Subsection 3.3.1.4 applies only if the Receiver has agreed to be bound by the Rules contained in this Subsection 3.3.1.4.

Subsection 3.3.2 Timing of Debit Entries

An RDFI must not debit the amount of any Entry to a Receiver's account prior to the Settlement Date of the Entry, even if the Effective Entry Date (as defined in Appendix Three (ACH Record Format Specifications)) of the Entry is different from the Settlement Date of the Entry.

ARTICLE EIGHT – DEFINITIONS OF TERMS USED IN THESE RULES

SECTION 8.99 “Same Day Entry”

An Entry for which the Effective Entry Date is the same Banking Day as the date on which the Entry is Transmitted by the ODFI to its ACH Operator, and is Transmitted by the ACH Operator's deadline for same-day processing and settlement. A Same Day Entry must be for an amount of **\$25,000 \$100,000** or less. An IAT or ENR Entry cannot be a Same Day Entry. For purposes of fulfilling its obligations under these Rules, an RDFI may rely on the Settlement Date of an Entry, regardless of the Effective Entry Date. An Entry with a stale or invalid Effective Entry Date will also be a Same Day Entry if it is Transmitted by the ODFI to its ACH Operator by the ACH Operator's deadline for same-day processing and settlement, and is otherwise eligible for same-day processing and settlement.

APPENDIX THREE- ACH RECORD FORMAT SPECIFICATIONS

Subpart 3.2.2 Glossary of Data Elements

Company Descriptive Date: 6 Positions – Company/Batch Header Record – Optional (ACK, ADV, ARC, ATX, CCD, CIE, CTX, DNE, ENR, MTE, POP, POS, PPD, RCK, SHR, TEL, TRC,

TRX, WEB, XCK, Returns, dishonored Returns, contested dishonored Returns, COR, refused COR)

Except as otherwise noted below, the Originator establishes this field as the date it would like to see displayed to the Receiver for descriptive purposes. This field is never used to control timing of any computer or manual operation. It is solely for descriptive purposes. The RDFI should not assume any specific format. Examples of possible content in this field are “011311,” “01 11,” “Jan 13,” “JAN 11,” etc.

Same Day Entries: At its discretion, an ODFI may require an Originator to use this field to further demonstrate intent for same-day processing and settlement. ODFIs that choose to do so should use the convention “SDHHMM”, where the “SD” in positions 64-65 denotes the intent for same-day settlement, and the hours and minutes in positions 66-69 denote the desired settlement time using a 24-hour clock. When electing to use this convention, the ODFI would validate that the field contains either “SD1300” for settlement desired at 1:00 p.m. ET, ~~or~~ “SD1700” for settlement desired at 5:00 p.m. ET, or “SD1830” for settlement desired at 6:30 p.m. ET, in accordance with the settlement times offered by the ACH Operators. ACH Operators and RDFIs are not required to take any action with respect to the presence or absence of these optional same-day indicators.

Settlement Date: 3 Positions – Company/Batch Header Record – Inserted by Receiving ACH Operator (all batches)

The Settlement Date (a 3-digit Julian date) for a batch of Entries is inserted by the Receiving ACH Operator. This is the date on which the Participating DFI or its correspondent is scheduled to be debited or credited by the Federal Reserve.

The Settlement Date inserted by the Receiving ACH Operator is the same as the Effective Entry Date, except as noted below.

In the following situations, the Receiving ACH Operator will insert the Banking Day following the Banking Day of processing as the Settlement Date (i.e., the next Banking Day):

- (1) The Effective Entry Date and the Originating ACH Operator’s processing date are the same, but the Entry is received by the Receiving ACH Operator after its deadline for same-day settlement.
- (2) The Effective Entry Date and the Originating ACH Operator’s processing date are the same, but the Entry is for an amount greater than ~~\$25,000~~ \$100,000.
- (3) The Effective Entry Date and the Originating ACH Operator’s processing date are the same, but the Entry bears the IAT Standard Entry Class Code.
- (4) The Entry bears the ENR Standard Entry Class Code.

Entries with invalid or stale Effective Entry Dates will be settled at the next available settlement opportunity.

Return Entries, dishonored Return Entries, and contested dishonored Return Entries are settled by the ACH Operator no earlier than the Effective Entry Date contained within the original Entry, as it appears in the Return Entry Company/Batch Header Record. The return of an Entry that contains an invalid or stale Effective Entry Date will be settled by the ACH Operator at the next available settlement opportunity (i.e., the Banking Day of processing or the next Banking Day).

Notifications of Change will be settled at the next available settlement opportunity, (i.e., the Banking Day of processing or the next Banking Day).

APPENDIX TEN – RULES ENFORCEMENT

SUBPART 10.4.6 ACH Rules Enforcement Panel

SUBPART 10.4.6.1 Selection of Enforcement Panel

The National Association will maintain a list of members of the ACH Rules Enforcement Panel that have been nominated in accordance with the procedures established by the National Association.

SUBPART 10.4.6.2 Responsibilities of Enforcement Panel

The ACH Rules Enforcement Panel, in accordance with these rules, is the final authority regarding each of these issues:

- the imposition of any fines or penalties recommended by the National Association;
- instances in which the National Association believes the time frames and Resolution Dates asserted by the respondent Participating DFI as necessary to resolve the problem causing a rules violation are excessive;
- instances in which the National Association believes an ODFI, Originator, or Third-Party Sender has originated Entries without proper authorization in accordance with these Rules;
- instances in which the National Association believes an ODFI, Originator, or Third-Party Sender has attempted to evade the limitations on Reinitiation;
- instances in which the National Association recommends, after the inquiry process, that an ODFI be required to reduce an Originator's or Third-Party Sender's applicable return rate below the Administrative Return Rate Level and/or the Overall Return Rate Level;
- instances in which the National Association believes an ODFI, Originator, or Third-Party Sender has attempted to evade the **\$25,000** **\$100,000** per-Entry limitation on Same Day Entries;

- rules violations that the National Association believes constitute Class 1, Class 2, or Class 3 Rules Violations; and
- situations in which the National Association determines that it is unclear whether a rules violation has occurred.