

SUMMARY OF RULES CHANGES: CORPORATE ORIGINATORS

Quality & Risk Management – Return Code R17 to Indicate that the Original Transaction Was Questionable – *Effective June 21, 2019*

Currently, a Receiving Financial Depository Institutions (RDFI) may return an ACH entry for “any reason”

- The defined return reasons include “unauthorized” and “invalid account number/no account”

For a transaction that does not have a valid account number, there is not a defined return reason code that enables an RDFI to communicate that the transaction is questionable, suspicious, or anomalous in some way

- In cases in which an RDFI is receiving a large number of questionable transactions, it does not have a method to communicate this via the returns
- Using a standard administrative return reason (R03 or R04) does not enable an ODFI or its Originator to differentiate such questionable or suspicious transactions from routine account number errors

RDFIs would be allowed (but not required) to use return reason code R17 to indicate that the RDFI believes the entry was initiated under questionable circumstances

- Use of R17 to flag questionable entries is optional, at the discretion of the RDFI
- RDFIs electing to use R17 for this purpose would use the description “QUESTIONABLE” in the Addenda Information field of the return
- An R17 in conjunction with this description would enable these returns to be differentiated from returns for routine account numbers errors

Note: This is a return reason code available to Receiving Financial Depository Institutions (RDFIs). If you ever feel that you have received an ACH entry that should be returned with this reason code, please contact Northeast Bank ACH Services at 612-362-3277.

Same Day ACH Processing – Faster Funds Availability for certain SD ACH Transactions: *Effective September 20, 2019*

Currently all eligible Same Day ACH transactions must be made available to the recipient by 5 PM local time of the receiving bank. As of September 20, 2019, eligible Same Day ACH transactions that are submitted and processed during the first daily Same Day ACH window must be made available to the recipient by 1:30 PM local time of the receiving bank.

Note: Only Cash Management ACH Originators enabled for Same Day ACH can currently process during the first daily Same Day ACH processing window, and they must have those transactions initiated to Northeast Bank by 8 AM Central Time.

Same Day ACH Processing – Per Item Cap Increase to \$100K: *Effective March 20, 2020*

Currently, the cap for a Same Day ACH item (entry) is \$25K. As of March 20, 2020, that cap will be increased to \$100,000 per item.