



## **NACHA Invites Comments on Expanding Same Day ACH**

### ***Overview of Proposals***

**December 1, 2017**

NACHA invites comments on proposed rules to expand Same Day ACH. Same Day ACH is available as an option to move payments faster for most ACH credits and debits,<sup>1</sup> and at current volume is on pace for 120 million transactions annually. Strategically, Same Day ACH is a key component of NACHA's roadmap to move the ACH Network forward for financial institutions and their customers. Feedback from financial institutions and ACH end-users already suggests that many organizations could make greater use of Same Day ACH with enhancements to its features.

Today, NACHA is issuing this Request for Comment to generate industry feedback on proposals to:

1. Add a third Same Day ACH processing window that expands access to later in the day;
2. Provide faster funds availability to receivers of both Same Day and non-Same Day ACH credits;
3. Raise the per-transaction dollar limit on Same Day ACH transactions to \$100,000;
4. Explore the industry's interest in ACH processing on weekends and holidays.

The first three topics are proposals to amend the *NACHA Operating Rules*, and NACHA is accepting comments on them through Friday, January 26, 2018. The fourth topic is a Request for Information to explore industry interest; responses on that topic are requested by Friday, February 23, 2018. NACHA encourages responses from all ACH Network participants and interested parties. Organizations are encouraged to gather and provide feedback on all aspects of these proposals, including any that have impact beyond ACH operations and product management, such as wire operations, and liquidity and reserve management.

#### **THE MAJOR COMPONENTS OF THIS REQUEST FOR COMMENT ARE:**

1. A third daily Same Day ACH processing window would be established by the ACH Operators<sup>2</sup>
  - The primary purpose is to provide greater access to Same Day ACH for financial institutions and their customers, particularly but not exclusively for financial institutions and their customers the farther they are west of the Eastern Time Zone. Currently, the latest that an ODFI can submit files of Same Day ACH transactions is 2:45 p.m. ET / 11:45 a.m. PT. In many cases, this schedule can make Same Day ACH unavailable or impractical for ACH end-users, even for common ACH use cases.
  - For ACH credits processed in this new Same Day ACH processing window, an RDFI would make funds available to its Receivers no later than the end of its processing day. RDFIs could make funds available sooner to meet any customer needs.

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<sup>1</sup> The only ACH transactions ineligible for Same Day ACH processing are transactions over \$25,000, International ACH Transactions (IATs), and Automated Enrollment Entries (ENRs).

<sup>2</sup> The exact ACH Operator processing schedules are not determined by the *NACHA Operating Rules*, and the inclusion of proposed ACH Operator schedules and other functions in this proposal should not be interpreted as an endorsement by either ACH Operator.

2. Provide faster funds availability for all ACH credits, both Same Day and non-Same Day ACH credits
  - ACH receivers would benefit by having faster access to funds from any ACH credit that is received, regardless of whether it is a Same Day ACH transaction, or a next-day or 2-day ACH credit.
  - For the existing, first daily Same Day ACH processing window, funds availability would be provided by 1:00 p.m. local time (an improvement from 5:00 p.m.).
  - For ACH credits that are not Same Day ACH transactions, funds availability would be provided by either 9:00 a.m. or 1:00 p.m. local time (depending on when it is received by the RDFI).
  
3. Raise the per-transaction dollar limit on Same Day ACH transactions from \$25,000 to \$100,000
  - Currently, about 98 percent of ACH transactions are eligible for Same Day ACH processing. Still, there are use cases for Same Day ACH that would benefit from a higher per-transactions dollar limit:
    - Business-to-business payments – Increasing the limit to \$100,000 would make an additional 7% of ACH B2B payment volume eligible for SDA.
    - Insurance claims and disaster assistance payments – These payments can often be for more than \$25,000, and typically are urgent for the recipient.
    - Payroll funding – Payroll processors commonly use an ACH debit to collect funds for a payroll. Even though individual payroll credits are for less than \$25,000, the single funding debit is for more than \$25,000.
    - Account-to-account transfers – Transfers from a checking account into a savings or investment account can often be for more than \$25,000.
  
4. ACH processing on weekends and holidays
  - Although not a formal proposal at this time, NACHA is asking ACH participants about the potential benefits and impacts from the availability of ACH processing on weekends and holidays.
    - Currently, there is no interbank settlement of ACH transactions on weekends and holidays because these are not Federal Reserve banking days. However, deferred posting until Mondays (or Tuesdays on three-day weekends) can cause hardships for cases such as consumer payroll payments and bill payments, and account holders might not have the best information available about their true available balances.
    - Would these situations be improved by having ACH processing occur on weekends and holidays? Would they be improved with only the exchange of ACH files, if interbank settlement still occurs on the next banking day?
  - What is the industry's interest in, and what is the feasibility of, exchanging ACH transactions on weekend and holidays?

#### **COMMENT PROCESS**

All NACHA proposed rules are open for public comment via a Request for Comment. NACHA encourages responses from ACH Network participants and interested parties. For more information about the proposed rules and how to submit comments, please visit [www.nacha.org](http://www.nacha.org).