Originator Obligations with Respect to Notifications of Change for Single Entries

This rule amends the *NACHA Operating Rules* to make optional the Originator's response to Notifications of Change (NOCs) for Single Entry payments.

Do Originators need to worry about acting on NOCs for Single Entries, now that the rule making Originator response to these entries is scheduled to be implemented?

The changes to the *NACHA Operating Rules* will be effective September 20, 2013.

Can I offer these services before the Rule implements?

Originators will be responsible for making all changes from NOCs until the September 20, 2013 effective date.

What does my FI need to do to prepare for implementation?

Financial institutions should take the opportunity to review and ensure the accuracy of checks and other documents available to account holders that could be used to obtain routing and account information for ACH Entries. Because checks are the most commonly used source of banking information for ACH Entries, financial institutions are specifically encouraged to verify the validity of check MICR information for ACH processing. RDFIs should be aware that Originators may not respond to NOCs for Single Entry transactions.

Does this rule change my responsibilities as an ODFI related to NOCs?

No, the ODFI's responsibility for providing NOC information to the Originator within two banking days of the Settlement Date of the NOC has not changed.

Which SEC Codes are impacted by this change?

The Rule defines Originator action on NOCs related to the following SEC Codes as optional: ARC, BOC, POP, RCK, and XCK Entries, as well as TEL and WEB Entries bearing a Single Entry indicator ("S" or "blank" for TEL and "S" for WEB).

Can an RDFI still send NOCs for Single Entry transactions?

The changes do not alter an RDFI's right to initiate an NOC for any Entry, including those identifiable as Single Entries; however, RDFIs need to recognize that changes requested for Single Entries might not be made by the Originator.

Has anything changed as to the Originator's obligation to act on NOCs for all other entries?

No, this rule does not alter Originator obligation on NOCs for other SEC Codes.

If an Originator receives an NOC related to a Single Entry, can it still make the change?

Yes. Originators may continue to act on any NOC received with respect to a Single Entry transaction. Because Single Entry transactions are frequently used to make payments between parties with an on-going relationship (utility payments or grocery purchases, for example), Originators are encouraged to consider the nature of their business and the likelihood of receiving repeat

transactions involving the same customer when determining whether to act on NOCs related to Single Entries.