Prenotification Entries – Reduction in Waiting Period for Live Entries

approved September 9, 2013; effective September 19, 2014

This amendment reduces the current Prenotification waiting period from six to three banking days, while not modifying any RDFI requirements or obligations.

Key Points:

- This amendment will allow Originators to transmit live entries following a Prenote more quickly. This will also benefit ODFIs who originate on their own behalf (mortgages, car loans, etc).
- If the ODFI receives a Return Entry or a Notification of Change in response to the Prenote by the opening of business on the second Banking Day following the Settlement Date of the Prenotification (that is, a timely return or NOC), the Originator is not be permitted to transmit subsequent Entries to the Receiver's account until it has remedied the reason for the Return Entry or made the correction requested by the Notification of Change. These obligations remain unchanged from current Originator requirements for acting on returns and NOCs in response to Prenotes.
- If an untimely NOC in response to a Prenote is received by the ODFI beyond the second banking day deadline, the Originator is required to make the correction requested in the NOC within six banking days or prior to initiating a subsequent Entry to the Receiver's account, whichever is later.
- ODFIs and Originators may need to revise agreements, policies or procedures to accommodate the reduced wait time for subsequent entries following Prenotes.
- This change should have no impact on RDFIs.

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