

## 2025 ACH Rule Amendments Summary and General Originator Information

As part of your ACH Services Agreement with 1st Security Bank, we want to ensure your continued compliance with the Nacha Operating Rules. Annually, we will send you rule updates along with other useful information related to ACH origination. The rules below are intended to improve Risk Management in the Network for all parties, and your organization may not be directly affected by some or all of these changes. This summary does not address all ACH Rule requirements but highlights key topics for businesses to consider when initiating ACH entries. In this letter, you will find more information on the following topics:

- Nacha Operating Rules and Guidelines and where to purchase
- Origination Fraud Monitoring
- RDFI Fraud Monitoring
- Company Entry Description Requirements
- Fraud Trends and Prevention
- 2025 Federal Reserve Holidays observed

### **Nacha Operating Rules and Guidelines:**

We recommend that you purchase a full copy of the Nacha Operating Rules and Guidelines each year. This manual is published yearly and contains the most up-to-date information needed to make sure you stay in compliance with ACH Rules.

The premium version of these rules can be purchased in multiple formats at:

<https://www.mywespay.org/public/s/information-center/store>

A basic version of the ACH Rules is also available each year and can be obtained free of charge through Nacha at: [www.nachaoperatingrulesonline.org](http://www.nachaoperatingrulesonline.org)

1. Click on 'Login' then 'Create a New Account' to create a new account.
2. Enter your email address and click 'Continue'.
3. Check the box that says 'Check this box if you do not have a Subscription Code. You will receive access to only the Basic Version', agree to the Terms of Use and then click on 'Redeem'.
4. Enter all information on the registration page and follow the remaining prompts to get access to the basic version of the Rules.
5. Click on 'Resources' and you will find the Basic Edition 'Front Matter', 'Articles', and 'Appendices' to choose from.

### **Origination Fraud Monitoring**

**Phase 1** – Effective March 20, 2026, for all ODFIs, Originators, Third-Party Service Providers, and Third-Party Senders with ACH volume greater than 6 million in 2023

**Phase 2** – Effective June 19, 2026, this will apply to all ODFIs, Originators, Third-Party Services Providers, and Third-Party Senders

### **Summary**

This rule will require all parties on the origination side of entries to have risk-based processes to identify fraudulently originated ACH entries.

## Details

The Rules do not currently require Originators to have fraud monitoring processes, except for WEB debit entries. This rule will have requirements for all entries with the goal of detecting and preventing fraud from scams such as business email compromise and fake invoices.

## Impact

Originators may already have processes such as anomaly detection or other “flags” that detect and prevent fraudulent entries. Each organization will need to review its processes and procedures to determine whether it needs to make updates to meet these new requirements.

## RDFI Fraud Monitoring

**Phase 1** – Effective March 20, 2026, for all RDFIs with ACH receipt volume greater than 10 million in 2023

**Phase 2** – Effective June 19, 2026, for all RDFIs

## Summary

This rule will require RDFIs to have processes to review received credit entries to identify potential fraud.

## Details

The Rules will not prescribe how RDFIs review entries and will not require RDFIs to review each entry; each RDFI will determine how to comply with this requirement based on its environment.

## Originator and Third-Party Sender Impact

This rule, along with the additional exception for funds availability and use of the R17 return reason code, will likely result in more returns of fraudulent entries, reducing losses for Originators, Third-Party Senders, and ODFIs.

## Company Entry Descriptions

March 20, 2026

## Summary

The Rules will require specific company entry descriptions for payroll entries and online purchases of goods.

## Details

Originators will be required to use the description “PAYROLL” for PPD credits to pay wages, salaries, and other compensation.

Originators will be required to use the description “PURCHASE” for e-commerce purchases, which will be defined as “a debit Entry authorized by a consumer Receiver for the online purchase of goods”.

## Originator and Third-Party Sender Impact

Originators will need to review the company entry descriptions they use in ACH files and ensure they update these descriptions as required by the Rules. These standardized descriptions will help improve processes to monitor entries for potential fraud. Originators can begin using this description anytime but must comply with the requirements by the implementation date.

## Fraud Trends and Prevention

Fraud schemes and attacks represent a serious threat to your business and your customers. Fraud volumes continue to grow year-over-year and electronic methods of generating payments are increasingly targeted. Scams such as fake invoices, business or government impersonation, tech support, and fake checks continue to grow, and perpetrators continue to target businesses. The Federal Trade Commission (FTC) has a [resource page](#) for small businesses with details on these scams and tools that your staff and customers can use to help protect themselves. Here are some tips to keep in mind to avoid potential fraud:

- Train employees to never send passwords or sensitive information by email, even if the email seems to come from a manager.
- Make sure procedures are clear for approving purchases and invoices and ask your staff to check all invoices closely. Pay attention to how someone asks you to pay and tell your staff to do the same. If someone demands that you pay with a wire transfer, cryptocurrency, or gift cards, don't pay. It's a scam.
- Since scammers often fake their phone numbers, don't trust caller ID. If you get an unexpected text message or email, don't click any links, open attachments, or download files.
- Before doing business with a new company, search the company's name online with the term "scam" or "complaint." Read what others are saying about that company. Ask people you trust for recommendations.

## 2025 Federal Holidays observed:

Date Observed	Holiday
January 1, 2025	New Year's Day
January 20, 2025	Martin Luther King Jr. Day
February 17, 2025	Presidents Day
May 26, 2025	Memorial Day
June 19, 2025	Juneteenth National Independence Day
July 4, 2025	Independence Day
September 1, 2025	Labor Day
October 13, 2025	Columbus Day
November 11, 2025	Veterans Day
November 27, 2025	Thanksgiving Day
December 25, 2025	Christmas Day

The ACH Network and Nacha Operating Rules continue to evolve to meet the needs of businesses, governments, and consumers who use the network to initiate over \$50 trillion in transaction value each year. The Rules can be difficult to understand, but we can assist with questions to help your company better utilize the ACH Network. Feel free to call our Business Services department at (800) 683-0973, option three.

Sincerely,

1st Security Bank