



Member FDIC

ORIGINATOR RESPONSIBILITIES

1. Required to comply with The NACHA Operating Rules and Guidelines and the warranties of the ODFI
2. Required to justify ACH Return Entries that exceed the established Return Rate levels:
 - a. 0.5 percent unauthorized ACH Debit Return Entries (Return Reason Codes R05, R07, R10, R29 and R51)
 - b. 3.0 percent administrative or account data errors ACH Debit Return Entries (Return Reason Codes R02, R03 and R04)
 - c. 15.0 percent all ACH Debit Return Entries (excluding RCK entries)
3. Consumer Accounts – Notice by Originator to Receiver of Variable Debits
 - a. Notice of Change in Amount – 10 calendar days
 - b. Consumer may elect to receive notice only if amount falls within a specified range
 - c. Notice of Change in Date of Debit – 7 calendar days
4. Originators choosing to initiate prenotifications must follow requirements of The NACHA Operating Rules and Guidelines. If a prenotification is sent the live dollar entry may not be sent for three (3) banking days
5. Authorizations must be clear and readily understandable. If the authorization is not clear and readily understandable it is not considered to be a valid authorization
6. Originators must obtain the Receiver's authorization for entries as required by The NACHA Operating Rules and Guidelines, and that copies of such authorizations are provided to the Receiver in accordance with the requirements of The NACHA Operating Rules and Guidelines. Copies of authorizations are maintained for two years from the date the authorization is terminated and must be provided to the ODFI within ten banking days of the request
 - a. Corporate to Consumer (PPD) Credits – Authorization required, oral or other non-written means accepted
 - b. Corporate to Consumer (PPD) Debits – written, signed or similarly authenticated authorization required with copy provided to consumer
 - c. Corporate Payment Entries (CTX/CCD) Debits/Credits – Agreement required for transfers between companies, written authorization implied
7. Entries that are returned as R01 or R09 may be reinitiated up to two additional times and within 180 days of the original settlement date. The word "RETRY PYMT" must be included in the Company Entry Description field to identify reinitiated Entries to consumers on their periodic statements. The contents of the Company Name, Company Identification and Amount fields of the Reinitiated Entry must be identical to the contents of the original Entry. The contents of other fields should be modified only as necessary to correct an error or facilitate proper processing of the Reinitiated Entry
8. Originators receiving entries returned as "R07 Authorization Revoked by Customer", "R08 Payment Stopped", or "R10 Customer Advises Not Authorized" may not reinitiate these entries

unless subsequent authorization of their customer has been obtained. Originators should be aware that entries returned "R05 Unauthorized Debit to Consumer Account Using Corporate SEC Code" may not be reinitiated unless (a) subsequent authorization has been obtained, and (b) the Standard Entry Class code has been corrected

9. Originators receiving returns relating to prenotifications indicating that the RDFI cannot accept such entries will not initiate these entries
10. Originators receiving Notification of Change Entries are aware that requested changes should be made prior to the initiation of the next entry or within six banking days, whichever is later
11. Originators ensure that reversing files and reversing entries are transmitted to the Receiving ACH Operator in such time as to be transmitted or made available to the RDFI within five banking days following the Settlement Date of the erroneous entry or file and within twenty four (24) hours of the discovery of the error. The Originator must notify the Receiver before the reversing entry settles to the Receiver's account
12. Originators ensure that they clearly identify themselves in the Company Name field of an ACH entry through the use of a name that is known to and readily recognized by the Receiver
13. Originators initiating entries for which any banking information including, but not limited to, an Entry, Entry Data, a routing number, an account number and a PIN or other identification symbol, is transmitted or exchanged between a Receiver and an Originator, an Originator and an ODFI, or an Originator and a Third-Party Service Provider, via an Unsecured Electronic Network, have prior to key entry and through the transmission of any banking information (1) encrypted using a commercially reasonable security technology that complies with applicable regulatory requirements or (2) transmitted or received via secure session utilizing a commercially reasonable security technology that complies with applicable regulatory requirements.
Transmissions or exchanges of banking information over an Unsecured Electronic Network by means of voice or keypad inputs from a wireline or wireless telephone are not subject to this requirement unless the telephone is used to access the Internet
14. The Originator is (1) in compliance with U.S. law, including, but not limited to, their obligations under programs administered by OFAC and Fin Cen to ask all employees paid via ACH if the entire net pay is being sent outside the territorial jurisdiction of the United States and if such net pay is being sent outside the territorial jurisdiction of the United States, the ACH entry is formatted as an IAT entry; (2) in compliance with the laws and payment system rules of the receiving country
15. Originators are aware of their responsibilities in regard to the Data Passing Rule. This amends the Rules to prohibit sharing of certain customer information by Originators, Third-Party Service Providers and ODFIs for the purpose of initiating debit Entries that are not covered by the original authorization
16. Originators/Third Party Senders are aware of the Security Framework Rule. Ensure they are informed the Rules require them to implement and maintain security policies, procedures and systems related to the initiation, processing and storage of Entries and resulting Protected Information. The policies, procedures and systems will protect the confidentiality and integrity of Protected Information against anticipated threats or hazards to the security or integrity of Protected Information, will protect against the unauthorized use of Protected Information, and will include controls on system access
17. Originators/Third Party Senders are aware that upon receipt of a written request for a CCD, CTX or inbound IAT to a non-consumer account, an accurate record evidencing either the Receiver's authorization or the contact information for the Originator's name and phone number or email address has to be provided to the RDFI within ten banking days