



# 2025 NACHA OPERATING RULE CHANGES



**FIRST  
HORIZON BANK.**



## Objective

All ACH Originators are solely responsible for compliance with the Nacha Rules and are strongly encouraged to obtain a current copy of the Nacha Rules that are published annually. The Nacha Rules book and other material may be purchased at [www.nacha.org](http://www.nacha.org) or through the Southern Financial Exchange at [sfe.org](http://sfe.org), a payments association that First Horizon Bank is a member of.

The objective of this document is to provide a summary-level description of Revisions to *Nacha Operating Rules and Guidelines* which go into effect in 2025 or later. We encourage you to review your existing processes and procedures to determine whether these changes will impact your organization. Some changes are only intended for financial institutions that participate in the ACH Network. You may need to consult with your software provider to ensure that changes to Company Entry Descriptions and Phase II of fraud monitoring are implemented in a timely manner.

This is NOT intended to be an inclusive summary of the amendments to the Nacha Rules. The effective dates for these amendments range from April 1, 2025, through June 22, 2026. Please refer to the 2025 version of Nacha Operating Rules and Guidelines for additional detail. All parties are encouraged to become compliant with these rules as soon as possible regardless of the effective date.

## Effective April 1, 2025:

### EXPANDING THE ODFI REQUEST FOR RETURN

This change will require an RDFI to respond to the ODFI with regard to ODFI requests for return of entry.

#### Key Components:

- The new rule will require the RDFI to respond within 10 banking days of the receipt of the ODFI's request.
- An RDFI is not required to return the entry.
- Nacha's Risk Management Portal will be enhanced prior to the effective date in order to enable the RDFI the capability to respond through the portal.

#### Impact to Participants:

- Originators should not be impacted by this change.
- Financial Institutions participating in the ACH Network will primarily be impacted.

## Effective March 20, 2026:

### STANDARD COMPANY ENTRY DESCRIPTIONS – PAYROLL AND PURCHASE

These changes to the Nacha Rules are intended to provide additional risk mitigation tools to be used. Requiring the use of PAYROLL and PURCHASE to identify the transaction contained will provide better information to the RDFI when monitoring transactions.

#### Key Components:

- This change establishes two new Company Entry Descriptions, PAYROLL and PURCHASE. "PAYROLL" must be used as the Company Entry Description for ACH credits with the PPD Standard Entry Class Code that are for the payment of wages, salaries and other similar types of compensation.
- "PURCHASE" must be used for all e-commerce purchases. An e-commerce purchase will be defined as a debit entry authorized by a consumer Receiver for the online purchase of goods.

**Impact to Participants:**

- Originators, Third-Party Service Providers, Third-Party Senders and ODFIs that handle payroll and e-commerce purchase transactions will need to update their systems to utilize the required Company Entry Descriptions.

**FRAUD MONITORING BY ORIGINATORS, THIRD-PARTY SERVICE PROVIDERS/THIRD-PARTY SENDERS AND ODFIs – PHASE I**

These changes will require additional fraud monitoring by non-consumer Originators, Third-Party Service Providers, Third-Party Senders and ODFIs. The objective is to reduce the incidences of successful fraud attempts by expanding fraud detection responsibilities within the ACH Network.

**Key Components:**

- This change will require non-consumer Originators, ODFIs, Third-Party Service Providers, and Third-Party Senders to establish and implement risk-based monitoring processes and procedures to identify ACH entries initiated due to “False Pretenses.”
- All parties will be required at least annually to review their processes and procedures and make any appropriate updates to address evolving risks.
- This rule change also defines a new term “False Pretenses.” This term covers fraud scenarios such as Business Email Compromise, vendor impersonation, payroll impersonation and other payee impersonation.

**Impact to Participants:**

- This rule will apply to all ODFIs and those non-consumer Originators, Third-Party Service Providers, and Third-Party Senders with an annual ACH origination volume that exceeds 6 million entries in 2023.

**RDFI ACH CREDIT MONITORING – PHASE I**

This change is intended to reduce the incidence of successful fraud and better enable the recovery of funds when fraud has occurred.

**Key Components:**

- This change will require RDFIs to establish and implement risk-based processes and procedures reasonably intended to identify credit ACH entries initiated due to fraud.
- RDFIs will be required at least annually to review their processes and procedures and make any appropriate updates to address evolving risks.

**Impact to Participants:**

- RDFIs with annual receipt volume exceeding 10 million entries in 2023 will need to establish processes and procedures reasonably intended to identify credit entries that are suspected of being unauthorized or authorized under False Pretenses.

**Effective June 22, 2026:****FRAUD MONITORING BY ORIGINATORS, THIRD-PARTY SERVICE PROVIDERS/THIRD-PARTY SENDERS AND ODFIs – PHASE II**

The obligations and responsibilities established in Phase I to reduce incidences of fraud attempts will apply to all originators, Third-Party Service Providers, Third-Party Senders and ODFIs regardless of volume.



***Key Components:***

- This change will require non-consumer Originators, ODFIs, Third-Party Service Providers, and Third-Party Senders to establish and implement risk-based monitoring processes and procedures to identify ACH entries initiated due to 'False Pretenses.'
- All parties will be required at least annually to review their processes and procedures and make any appropriate updates to address evolving risks.

***Impact to Participants:***

- This rule will apply to all other ODFIs, non-consumer Originators, Third-Party Service Providers, and Third-Party Senders that were not affected in Phase I.

**RDFI ACH CREDIT MONITORING – PHASE II**

All RDFIs not impacted in Phase I will need to establish processes and procedures reasonably intended to identify credit entries that are suspected of being unauthorized or authorized under False Pretenses.