Fraud Monitoring by all Originators, Third Party Senders, and Third Party Service Providers

June 19, 2026

What is Changing?

Beginning **June 19, 2026,** Nacha is requiring all **non-consumer Originators and Third Party Senders** to:

- **Establish and implement risk-based processes and procedures** that are reasonably intended to identify ACH entries initiated due to fraud
- Apply these processes to **both ACH debits and ACH credits**
- **Review and update** these processes at least annually to address evolving fraud risks

What Does This Mean for Your Organization?

Under the updated Rules, fraud monitoring is expected to occur at the point of origination. This means that your organization is responsible for maintaining appropriate controls to identify potentially fraudulent ACH activity **before entries are submitted for processing.**

Examples of risk-based fraud monitoring activities may include, but are not limited to:

- Monitoring unusual changes in payment amounts, timing, or frequency
- Reviewing changes to payee or payroll account information
- Implementing review or approval steps for ACH files prior to release
- Segregation of duties between ACH file creation and approval
- Validating payment requests that involve changes to vendor or employee instructions

Nacha does not prescribe specific tools or systems; however, your processes should be **documented, actively used, and appropriate for your ACH activity, business operations, and risk profile**. Please see our Nacha Rule Change Library for a template document that can help you evaluate and document your current fraud monitoring processes. Use it to record the fraud monitoring practices you currently have in place and to identify additional monitoring activities or controls that may be appropriate for your organization.

Our Role as Your Financial Institution

As your ACH Originating Depository Financial Institution (ODFI), we will continue to:

- Maintain bank-level ACH monitoring and risk controls
- Provide guidance and education on Nacha Rule changes
- Partner with you if suspicious ACH activity is identified

However, the Nacha Rules require that **Originators and Third Party Senders maintain their own fraud monitoring processes**. The bank cannot design, operate, or assume responsibility for your internal fraud monitoring controls.

Action Requested

We encourage you to take the following steps:

1. Review your current ACH fraud monitoring practices
2. Update or formalize written procedures as needed. Feel free to use the attached template to document your processes
3. Ensure appropriate internal controls are in place and functioning
4. Be prepared to confirm compliance with applicable Nacha Rules upon request

Questions or Assistance

If you have questions about this rule change or would like assistance reviewing your ACH setup, please contact your Treasury Management Consultant.