

# March 2026 NACHA Rule Amendments Factsheet

In the U.S., ACHs remain one of the most cost-effective modes of payment, with billions of transactions processed per year. ACHs are administered by and routed through the NACHA network, where participating corporates and banks send and receive funds daily. Though there are many forms of ACHs: Debits, Credits, CCD, PPD, CTX, etc. – all of these are impacted by updated requirements which are enforced because of changing demand, regulations, and need to combat new fraud schemes.

Recently, NACHA announced changes to its operating rules – with the nearest term ones going into effect March 20, 2026. In this factsheet, we will dive into the upcoming rule amendment, its requirements, and what it means for treasury departments who rely on this crucial payment modality for day-to-day operations.

As stated in the official announcement on NACHA's website, ODFIs (Originating Depository Financial Institutions), TPSPs (Third Party Service Providers), and RDFIs (Receiving Depository Financial Institutions) will be impacted in the below ways:

RULE AMENDMENT	AFFECTED PARTIES	EFFECTIVE DATES	ANTICIPATED BENEFITS	POTENTIAL IMPACTS
<p><b>Fraud Monitoring by Originators, TPSPs, and ODFIs</b></p> <p>This amendment requires establishing and implementing risk-based processes and procedures reasonably intended to identify ACH Entries initiated due to fraud.</p> <p>It expands on existing requirements for WEB debits and Micro-Entries, applying to other transaction types. Key changes from the original proposal include:</p> <ul style="list-style-type: none"> <li>eliminating “commercially reasonable” as a standard, replacing “detection system” with “processes and procedures,” allowing consideration of other participants’ steps</li> <li>clarifying no pre-processing monitoring required</li> <li>mandating at least annual reviews</li> </ul> <p>It incorporates the new “False Pretenses” definition, covering fraud scenarios like <b>Business Email Compromise (BEC), vendor/payroll impersonation</b>, but <b>not</b> scams involving fake goods/services.</p>	<p><b>Originator Financial Institutions &amp; Processors</b></p> <p>(All ODFIs; non-Consumer Originators, TPSPs, and TPSs)</p>	<p><b>Phase 1:</b> <b>March 20, 2026</b></p> <p>Applies to all ODFIs and non-Consumer Originators, TPSPs, and TPSs with annual ACH origination volume of <b>6 million or greater in 2023</b></p> <p><b>Phase 2:</b> <b>June 19, 2026</b></p> <p>Applies to all other non-Consumer Originators, TPSPs, and TPSs</p>	<ul style="list-style-type: none"> <li>Reduces the incidence of successful fraud attempts by expanding fraud detection responsibilities to more parties in the ACH Network, providing additional opportunities to detect and prevent fraud - especially for credit-push payments</li> <li>Establishes baselines of typical activity to identify atypical (fraudulent) activity more easily</li> <li>Improves the quality of transactions in the ACH Network</li> <li>Aligns with existing Nacha Board policy urging fraud control systems</li> </ul>	<ul style="list-style-type: none"> <li>Need to implement or update fraud-detection processes and procedures, particularly for organizations not currently performing comprehensive fraud monitoring</li> <li>May require annual reviews of processes and procedures</li> <li>Potential need to adjust systems to cover non-WEB debits and credits beyond Micro-Entries</li> </ul>

RULE AMENDMENT	AFFECTED PARTIES	EFFECTIVE DATES	ANTICIPATED BENEFITS	POTENTIAL IMPACTS
<p><b>RDFI ACH Credit Monitoring</b></p> <p>This amendment requires establishing and implementing risk-based processes and procedures to identify credit Entries initiated due to fraud.</p> <p>RDFIs can use factors like transactional velocity, anomalies, and account characteristics. It allows for returns or ODFI contact based on monitoring.</p> <p>Key changes from the original proposal mirror those in the originator amendment:</p> <ul style="list-style-type: none"> <li>➤ eliminates the term “commercially reasonable”</li> <li>➤ replaces “detection system” with “processes and procedures”</li> <li>➤ clarifies that no pre-processing required</li> <li>➤ mandates annual reviews</li> <li>➤ introduces the “False Pretenses” definition.</li> </ul> <p><b>Entities performing RDFI functions should implement controls accordingly.</b></p>	<p><b>Receiver Financial Institutions &amp; Processors</b></p> <p>(All RDFIs)</p>	<p><b>Phase 1:</b> <b>March 20, 2026</b></p> <p>Applies to RDFIs with annual ACH receipt volume of <b>10 million or greater in 2023</b></p> <p><b>Phase 2:</b> <b>June 19, 2026</b></p> <p>Applies to all other RDFIs</p>	<ul style="list-style-type: none"> <li>➤ Reduces the incidence of successful fraud and improves fund recovery when fraud occurs</li> <li>➤ Enables heightened scrutiny of accounts receiving suspicious transactions</li> <li>➤ Aligns with regulatory obligations to monitor for suspicious transactions</li> <li>➤ Leverages RDFIs’ view of incoming transactions, account profiles, and historic activity</li> <li>➤ Encourages internal communication between compliance, operations, product management, and relationship staff</li> <li>➤ Supports in-house or vendor solutions for monitoring</li> </ul>	<ul style="list-style-type: none"> <li>➤ Need to establish or ensure existing processes and procedures are sufficient to identify unauthorized or <b>False Pretenses</b> entries, including potential updates to systems and alerting processes</li> <li>➤ May require enabling internal information sharing between teams</li> </ul>

Further – in addition to these changes to existing rules – originators, receivers, processors and their customers will need to use **Standard Company Entry Descriptions** for payroll and online vendor / supplier purchases.

The below table outlines these new requirements which will go into effect no later than March 20, 2026:

STANDARD COMPANY ENTRY DESCRIPTION	AFFECTED PARTIES	EFFECTIVE DATES	ANTICIPATED BENEFITS	POTENTIAL IMPACTS
<p><b>PAYROLL</b></p> <p>This amendment establishes a new standard description for PPD Credits related to wages, salaries, and similar compensation.</p> <p>The Company Entry Description field must contain <b>“PAYROLL”</b></p> <p>It is intended to provide better identification of payroll payments to support RDFI monitoring and reduce fraud involving payroll redirections.</p>	<p><b>Originator Financial Institutions &amp; Processors</b></p> <p>(Originators, Third-Party Service Providers, ODFIs handling PPD Credits for payroll)</p> <p><b>Receiver Financial Institutions &amp; Processors</b></p> <p>(RDFIs monitoring inbound ACH credits)</p>	<p><b>March 20, 2026</b></p> <p>This is the effective “no later than” date</p> <p>Originators may begin using the description as soon as practical</p>	<ul style="list-style-type: none"> <li>› Provides RDFIs with better information on new or multiple payroll payments to an account, enabling improved transaction monitoring</li> <li>› Supports RDFI logic for providing or suppressing early funds availability</li> <li>› Reduces the incidence of fraud involving payroll redirections</li> <li>› Overall, improves targeted risk mitigations by better identifying transaction purposes and enhances ACH quality through standardized data use</li> </ul>	<ul style="list-style-type: none"> <li>› Originators, Third-Party Service Providers, and ODFIs will need to update systems to utilize the required “PAYROLL” description</li> </ul>
<p><b>PURCHASE</b></p> <p>This amendment establishes a new standard description for e-commerce purchases using the WEB debit SEC Code (or TEL as permitted for Standing Authorizations).</p> <p>The Company Entry Description field must contain <b>“PURCHASE”</b></p> <p>E-Commerce PurchaseDefinition: A debit entry authorized by a consumer Receiver for the online purchase of goods, including recurring purchases first authorized online.</p> <p>It enables better identification of e-commerce transactions.</p>	<p><b>Originator Financial Institutions &amp; Processors</b></p> <p>(Originators, Third-Party Service Providers, ODFIs handling e-commerce purchases)</p> <p><b>Receiver Financial Institutions &amp; Processors</b></p> <p>(RDFIs that may monitor or identify such transactions)</p>	<p><b>March 20, 2026</b></p> <p>This is the effective “no later than” date</p> <p>Originators may begin using the description as soon as practical</p>	<ul style="list-style-type: none"> <li>› Enables participants to better identify e-commerce transactions for improved risk management</li> <li>› Supports targeted risk mitigations and tools by standardizing data for transaction purposes</li> <li>› Improves ACH quality through consistent identification of purchase-related debits</li> <li>› Overall, enhances the ability to manage risk across the network</li> </ul>	<ul style="list-style-type: none"> <li>› Originators, Third-Party Service Providers, and ODFIs will need to update systems to utilize the required “PURCHASE” description</li> </ul>

The information from these tables can be found on the official NACHA website using the below links:

[RISK MANAGEMENT TOPICS - \(Fraud Monitoring Phase 1\) | Nacha](#)

[RISK MANAGEMENT TOPICS - Company Entry Descriptions | Nacha](#)

Complying with these rule changes – and thus avoiding significant operational disruption – is no small task. To help streamline compliance and mitigate the risk of failed payment processing, businesses should consider partnering with best-in-class vendor solutions.

Leaders in vendor validation include names like TrustPair and Eftsure and others listed in the NACHA website (<https://www.nacha.org/content/account-validation-resource-center>). When combined with the analytics, reporting, and STP workflows of your ERP-TMS integration – these solutions can help you ready for the upcoming changes and stay prepared no matter what operating rule amendments may be introduced in the future.