

Increasing the Same Day ACH Dollar Limit

EFFECTIVE DATE

March 18, 2022

RULE STATUS

Recently Implemented Rule

This rule expands the capabilities of Same Day ACH. Increasing the Same Day ACH dollar limit to \$1 million per payment is expected to improve Same Day ACH use cases, and contribute to additional adoption.

Details

Increasing the dollar limit has been a frequently asked for change by ACH end-users. Most recently, a summer 2020 survey of corporate ACH end-users resulted in recommendations for Same Day ACH:

- Increase or remove dollar limits
- Expand processing hours and days

The dollar limit increase in March 2020 had an immediate impact on the use of Same Day ACH

- The average amount of a Same Day ACH payment increased by 46% from February to April 2020
- Overall Same Day ACH dollar volume increased by 86% in 2020

Technical

This rule increases the Same Day ACH dollar limit to \$1 million per payment.

This rule applies to all Same Day ACH entries; consumer and business payments, credits and debits.

The effective date is March 18, 2022

Impact

Risk monitoring - Nacha frequently surveys financial institutions about Same Day ACH and risk management. In the most recent survey following the March 2020 dollar limit increase, zero financial institutions responded that they had experienced an increase in fraud that is directly attributable to the increase in the Same Day ACH dollar limit.

- All of the responding financial institutions allow their ACH origination clients to originate Same Day ACH payments up to the new \$100,000 limit
- Almost 70% said they have some clients who, as a normal part of their business, regularly initiate transactions above the previous \$25,000 limit

Anticipated Benefits - Increasing the dollar limit is anticipated to contribute to ongoing adoption of Same Day ACH.

Existing use cases would be improved by making a greater percentage eligible for Same Day ACH, such as for:

- Business-to-business payments
- Tax payments
- Payroll funding

- Insurance claim payments
- Merchant settlement
- Same Day Reversals of standard ACH payments
- Business continuity - recovery from missed deadlines or outages

A greater percentage of ACH dollar volume becomes eligible for Same Day ACH

- The percentage of ACH dollars eligible for Same Day ACH would more than double
- An additional 3.5% of B2B payments will become eligible for Same Day ACH

Anticipated Impacts

A dollar limit increase would result in a larger amount of dollars settling at several times throughout the day – 1:00 p.m.; 5:00 p.m., and 6:00 p.m. (all in ET).

All ACH participants should understand and plan for these dollar flows within their organizations.

- ODFIs need to determine whether to offer higher dollar limits to Same Day ACH Originators
 - Higher Same Day ACH dollar limits might impact a financial institution's assessment of its customers' credit risks