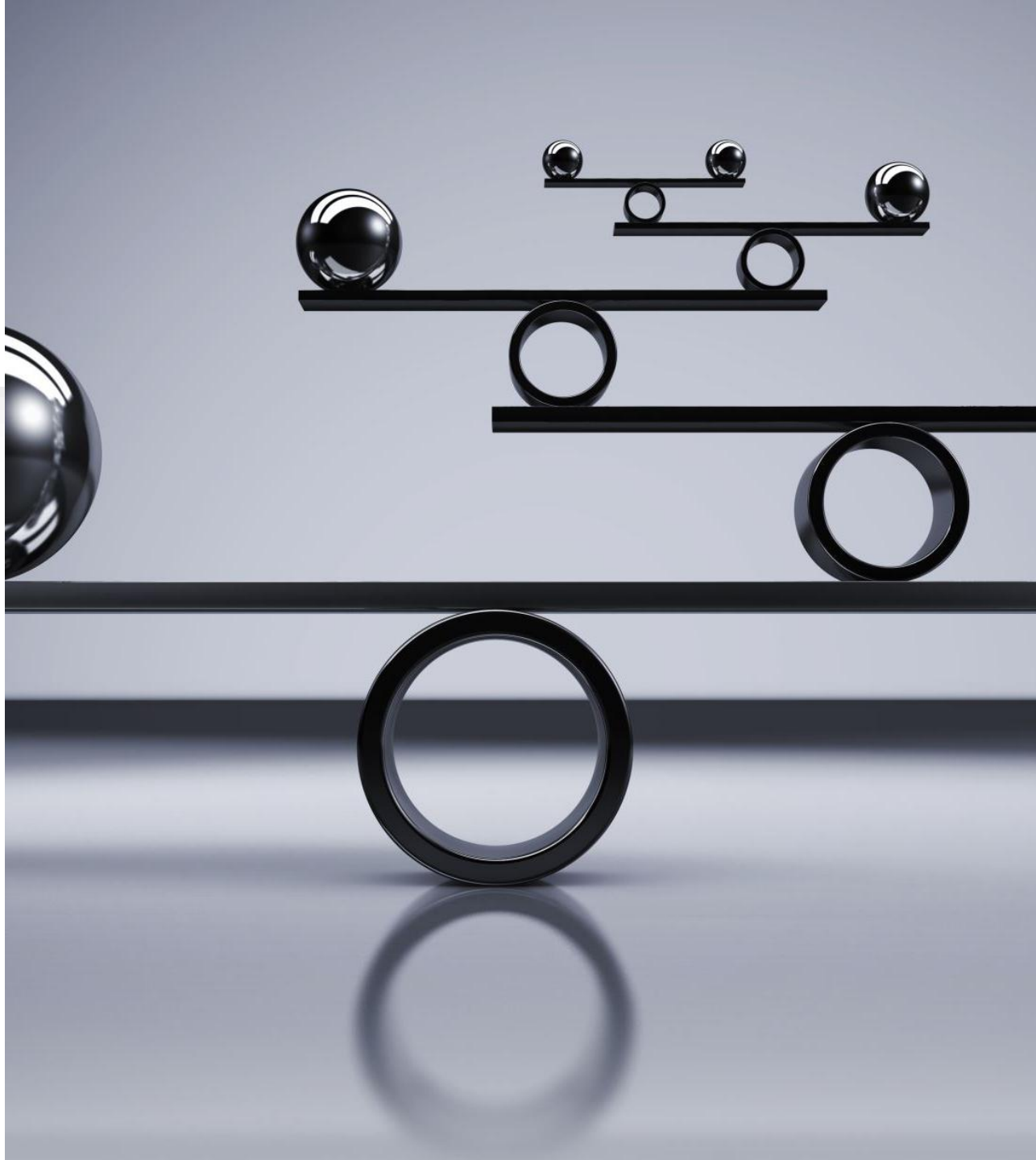
ACH Exception Handling

- **AAP/APRP Credits: 1.8**



Agenda

- You Make the Call!
- Prenotifications
- Notification of Change
- Death Notification Entries
- Returns
  - Standard Returns
  - Extended Returns
  - Dishonored Returns
  - Contested Dishonored Returns

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With Exceptions, You Make the Call!

- Accept
- Accept and Correct
- Return

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Accept

- Post entry to the account contained in the entry
  - Debit rejects for a specific reason:
    - Bad account number
      - Entry comes in but we just post it to the correct account

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Accept and Correct

Accept and post to another account

- By posting to a different account than contained in the entry, the RDFI accepts the warranty
  - Example: Account number in entry is 1234567 but RDFI posts to 1234569

Send a Notification of Change with correct information

- By sending it, warrants the account information is correct
  - If RDFI give wrong information and Originator suffers a loss, the RDFI is liable!

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Return

- Entry rejects and we return it
  - Insufficient funds (NSF)
    - Return of NSF entry
  - Bad account number
    - Return entry and let Originator contact Receiver to correct account information
  - Closed account
    - Return entry as account closed

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Prenotifications

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Origination of a Prenotification

- Subsection 2.6.1 General Rule for Prenotifications
  - Prior to the initiation of future credit or debit Entry to a Receiver's account with an RDFI, an Originator may originate a Prenotification Entry to the RDFI.

- English:
  - Prenotifications are "optional", based on Origination Agreement w/ ODFI
    - If ODFI says they are "optional", Originator gets to decide whether they want to sent prenotifications or not
    - If ODFI say they are "mandatory", Originator MUST originate prenotifications

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Origination of a Prenotification

- Subsection 2.6.2 Waiting Period Following Prenotification Entries
  - An Originator that has originated a Prenotification Entry to a Receiver's account may initiate subsequent Entries to the Receiver's account as soon as the third Banking Day following the Settlement Date (SD) of the Prenotification Entry, provided the ODFI has not received a Return or a Notification of Change (COR) related to the Prenotification

Prior to SD	Settlement Date	1st Banking Day	2nd Banking Day	3rd Banking Day
Originator originates Prenote				Originator may initiate live entry
ODFI sends Prenote	Prenote Settles		No return or COR received	
RDFI	Prenote Posts	No return or COR sent		

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Origination of a Prenotification

- Subsection 2.6.2 Waiting Period Following Prenotification Entries
  - If the ODFI receives a Return Entry or a Notification of Change in response to the Prenotification by the opening of business (OOB) on the second Banking Day following the Settlement Date of the Prenotification, the Originator must not transmit subsequent Entries to the Receiver's account until it has remedied the reason for the Return Entry or made the correction requested by the Notification of Change (COR).

	Settlement Date	1st Banking Day	OOB 2nd Banking Day	3rd Banking Day
Originator originates Prenote				Originator must correct before live entry
ODFI sends Prenote	Prenote settles		ODFI Receives Returned Prenote or COR	
RDFI	Prenote settles	Prenote Returned or COR sent		

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Receipt of a Prenotification

- Section 3.5 Specific Provisions for Prenotifications
  - An RDFI that receives a Prenotification Entry must verify that the account number contained in the Prenotification is for a valid account. If the Prenotification does not contain a valid account number, or is otherwise erroneous or unprocessable, then the RDFI must Transmit either (a) a Return Entry, or (b) a Notification of Change (COR)
    - Erroneous or unprocessable – could be account closed

	Settlement Date	1st Banking Day	2nd Banking Day	3rd Banking Day
Originator originates Prenote				Originator must correct before live entry
ODFI sends Prenote	Prenote settles		ODFI Receives Returned Prenote or COR	
RDFI	Prenote settles	Prenote Returned or COR sent		

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Notification of Change

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Origination of a Notification of Change

- Subsection 3.9.1 General Rule for Notification of Change (COR Entry)
  - An RDFI may Transmit a Notification of Change (also known as a COR Entry) to its ACH Operator provided that:
    - (a) the COR Entry complies with the requirements of Appendix Five (Notification of Change); and
    - (b) the COR Entry is Transmitted within two Banking Days of the Settlement Date of the Entry to which the Notification of Change relates, except for Notifications of Change due to merger, acquisition, or other similar events.
- Subsection 3.9.2 RDFI May Correct a Refused Notification of Change
  - If a COR Entry is refused by the ODFI, an RDFI may transmit a corrected COR Entry to the Receiving ACH Operator within five Banking Days after the Settlement Date of the refused COR Entry.

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Origination of a Notification of Change

- Subsection 3.9.3 RDFI Warranties for Notifications of Change
  - In addition to the other warranties contained in these Rules, an RDFI that transmits a COR Entry, including a corrected COR Entry, warrants to each ODFI and ACH Operator that the information contained within the Corrected Data field of a COR Entry or corrected COR Entry is correct.
  - The RDFI's warranty supersedes and renders inoperative any similar warranty (but not any other warranty) of the ODFI contained within Subsection 2.4.1 (General ODFI Warranties).
    - While the ODFI warrants that the original entry is authorized and "good", when sending an NOC, the RDFI takes on the warranty of the corrected account information

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Origination of a Notification of Change

- Subsection 3.9.4 Indemnity by RDFI for Breach of Notification of Change Warranties
  - An RDFI shall indemnify every ODFI and ACH Operator from and against any and all claims, demands, losses, liabilities, or expenses, including attorneys' fees and costs that result directly or indirectly from any breach of the warranties contained in Subsection 3.9.3 (RDFI Warranties for Notifications of Change).
    - If the ODFI experiences a loss based on using the RDFI's corrected account information, the RDFI "covers the loss"

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Receipt of a Notification of Change

- Subsection 2.12.1 ODFI and Originator Action on Notification of Change (NOC)
  - An ODFI must accept a Notification of Change (also known as “NOC” and “COR Entry”) or a corrected NOC that complies with the requirements of Appendix Five (Notification of Change) and is Transmitted by the RDFI within the time limits established by these Rules, unless otherwise provided for in this Section 2.12.
  - For each NOC or corrected NOC it receives, an ODFI must provide the Originator with the following minimum information within two Banking Days of the Settlement Date of the NOC or corrected NOC:
    - (a) Company Name; (b) Company Identification; (c) Company Entry Description; (d) Effective Entry Date; (e) DFI Account Number; (f) Individual Name/Receiving Company Name; (g) Individual Identification Number/Identification Number; (h) Change Code; (i) Original Entry Trace Number; (j) Original RDFI Identification; and (k) Corrected Data.
  - **Except as noted below …**

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Receipt of a Notification of Change

- Subsection 2.12.1 ODFI and Originator Action on Notification of Change (NOC)
  - **Except as noted below**, the **Originator must make the changes** specified in the NOC or corrected NOC **within six Banking Days of receipt of the NOC information or prior to initiating another Entry to the Receiver's account, whichever is later**.
    - l) The Originator may choose, at its discretion, to make the changes specified in any NOC or corrected NOC received with respect to any ARC, BOC, POP, RCK, Single-Entry TEL, Single-Entry WEB, and XCK Entry.
    - m) In the case of CIE and credit WEB Entries, the ODFI or the Third-Party Service Provider (rather than the consumer Originator) must make the changes specified in the NOC.
    - **n)** **For an NOC that is in response to a Prenotification Entry**, the Originator must make the changes specified in the NOC prior to originating a subsequent Entry to the Receiver's account if the NOC is received by the ODFI by the opening of business on the second Banking Day following the Settlement Date of the Prenotification Entry.

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Receipt of a Notification of Change

- Subsection 2.12.1 ODFI and Originator Action on Notification of Change (COR)
  - **For an COR that is in response to a Prenotification Entry**, the Originator must make the changes specified in the COR prior to originating a subsequent Entry to the Receiver's account if the COR is received by the ODFI by the opening of business on the second Banking Day following the Settlement Date of the Prenotification Entry.

	Settlement Date	1st Banking Day	OOB 2nd Banking Day	3rd Banking Day
Originator originates Prenote				Originator must correct before live entry
ODFI sends Prenote	Prenote settles		ODFI Receives Returned Prenote or COR	
RDFI	Prenote settles	Prenote Returned or COR sent		

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Receipt of a Notification of Change

- Subsection 2.12.2 ODFI Right to Refuse Notification of Change (COR) Entries
  - An ODFI may refuse a COR or corrected COR for all Entries except IAT Entries if:
    a) the NOC or corrected COR contains incorrect information;
    b) the NOC or corrected COR does not contain all information required by Appendix Five (Notification of Change); or
    c) the NOC otherwise fails to comply with Appendix Five (Notification of Change).
  - To refuse an COR or corrected COR, the ODFI must Transmit a refused COR complying with Appendix Five (Notification of Change) to its ACH Operator within fifteen days of receipt of the COR or corrected COR.

* IAT entries do not allow for refused or corrected CORs

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Death Notification Entries

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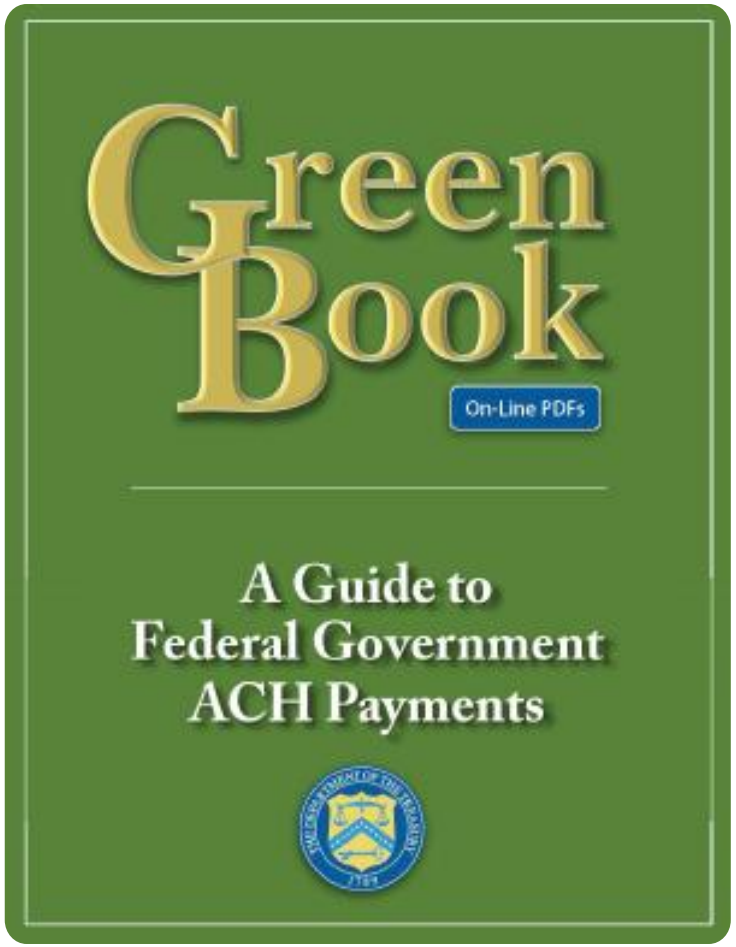

Death Notification Entries

- Official notification of death sent only by a Federal Government agency
- Non-monetary ACH entry with an addenda record
- Addenda contains:
  - Date of death
  - Deceased payee's Social Security Number
  - Amount of next scheduled benefit payment
- DNE received from one federal agency constitutes notification by all federal agencies sending recurring benefit payments

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Death Notification Entries

- What do you do next?
  - First, you have been notified of the death, time to limit your liability!
  - A DNE means that a payment is in the “system”
  - Check the account to see if any additional payments have come in from other Federal Government agencies
  - Do you need to return a payment or payments?

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Standard Returns

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Standard Return Timeframe

- Section 3.8 - RDFI's Right to Transmit Return Entries
  - Use correct & valid return reason code
  - An RDFI must Transmit a Return Entry to its ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the Settlement Date of the original Entry …
    - **2 Banking Days Timeframe**
  - A Return Entry that is rejected by an ACH Operator does not satisfy or extend the timing requirements contained in this Section 3.8.

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R01 – Insufficient Funds

Definition:

The available and/or cash reserve balance is not sufficient to cover the dollar value of the debit entry

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**2 Banking Days**	**No**

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R02 – Account Closed

Definition:

A previously active account has been closed by action of the customer or the RDFI.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**2 Banking Days**	**No**

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R03 – No Account / Unable to Locate Account

Definition:

The account number structure is valid and it passes the check digit validation, but the account number does not correspond to the individual identified in the entry, or the account number designated is not an existing account

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**2 Banking Days**	**No**

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R04 – Invalid Account Number Structure

Definition:

Account number structure is not valid.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**2 Banking Days**	**No**

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R08 – Payment Stopped

Definition:

The Receiver has placed a stop payment order on this debit entry.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**2 Banking Days**	**No, Stop Payment is documentation**

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R09 – Uncollected Funds

Definition:

A sufficient ledger balance exists to satisfy the dollar value of the transaction, but the available balance is below the dollar value of the debit entry.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**2 Banking Days**	**No**

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R14 – Representative Payee Deceased or Unable to Continue in That Capacity

The representative payee is either deceased or unable to continue in that capacity. The beneficiary is not deceased.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**2 Banking Days**	**No**

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R15 – Beneficiary or Account Holder (Other Than a Representative Payee) Deceased

(1) The beneficiary is deceased; or
(2) The account holder is deceased

Account Type	Time Frame	Written Statement Required?
Consumer	**2 Banking Days**	**No**

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R16 – Account Frozen / Entry Returned Per OFAC Instruction

(1) Access to the account is restricted due to specific action taken by the RDFI or by legal action; or
(2) OFAC has instructed the RDFI or Gateway to return the entry.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**2 Banking Days**	**No**

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R20 – Non-Transaction Account

ACH entry to a non-transaction account

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**2 Banking Days**	**No**

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R23 – Credit Entry Refused by Receiver

Any credit entry that is refused by the Receiver may be returned by the RDFI

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**RDFI must transmit the return entry to the ACH Operator by the ACH Operator's deposit deadline for the return entry to be made available to the ODFI no later than the opening of business on the second banking day following the RDFI's receipt of notification of refusal of the entry from its Receiver**	**No**

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R24 – Duplicate Entry

The RDFI has received what appears to be a duplicate entry, i.e., the trace number, date, dollar amount and/or other data matches another transaction

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**2 Banking Days**	**No**

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R29 – Corporate Customer Advises Not Authorized

The RDFI has been notified by the Receiver (Non-Consumer) that a specific entry has not been authorized by the Receiver.

Account Type	Time Frame	Written Statement Required?
Non-Consumer	**2 Banking Days**	**No**

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Extended Returns

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Extended Return Timeframe

- Subsection 3.13.1 RDFI May Transmit Extended Return Entries
  - The RDFI Transmits the Extended Return Entry to its ACH Operator by its deposit deadline for the Extended Return Entry to be made available to the ODFI no later than the opening of business on the Banking Day following the sixtieth calendar day following the Settlement Date of the original Entry.
    - **60 Calendar Days**

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R05 – Unauthorized Debit to Consumer Account Using Corporate SEC Code

Definition:

CCD or CTX debit entry was transmitted to a consumer account of the Receiver and was not authorized by the Receiver.

Account Type	Time Frame	Written Statement Required?
Consumer	**60 Calendar Days**	**Yes**

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R07 – Authorization Revoked by Customer

Definition:

The RDFI's customer (the Receiver) revoked the authorization previously provided to the Originator for this debit entry.

Account Type	Time Frame	Written Statement Required?
Consumer	**60 Calendar Days**	**Yes**

Note: This return reason code CANNOT be used for ARC, BOC, POP or RCK entries!

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R10 – Customer Advises Originator is Not Known to Receiver and/or Originator is Not Authorized by Receiver to Debit Receiver's Account

Definition:

The RDFI has been notified by the Receiver that the Receiver does not know the identity of the Originator; has no relationship with the Originator; or has not authorized the Originator to debit his account

- For ARC and BOC entries, the RDFI has been notified by the Receiver that the signature on the source document is not authentic, valid, or authorized.
- For POP entries, the RDFI has been notified by the Receiver that the signature on the authentic, valid, or authorized.

Account Type	Time Frame	Written Statement Required?
Consumer (for ARC, BOC, IAT, or POP, may also be a Non-Consumer)	**60 Calendar Days**	**Yes**

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R11 – Customer Advises Entry Not in Accordance with the Terms of the Authorization

Definition:

The RDFI has been notified by the Receiver that the Originator and Receiver have a relationship and an authorization to debit exists, but there is an error or defect in the payment such that the entry does not conform to the terms of the authorization

Account Type	Time Frame	Written Statement Required?
Consumer (for ARC, BOC, IAT, or POP, may also be a Non-Consumer)	**60 Calendar Days**	**Yes**

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R11 – Customer Advises Entry Not in Accordance with the Terms of the Authorization

Terms of Authorization:

- The entry is for an amount different than authorized
- The entry was initiated for settlement earlier than authorized
- The entry is part of an Incomplete Transaction
- The debit entry was improperly initiated
- For ARC, BOC, or POP entries: Ineligible source document; Notice was not provided; Amount not accurately obtained from the source document
- The reversing entry was improperly initiated by the Originator or ODFI
- The Receiver did not affirmatively initiate a Subsequent Entry in accordance with terms of Standing Authorization

Account Type	Time Frame	Written Statement Required?
Consumer (for ARC, BOC, IAT, or POP, may also be a Non-Consumer)	**60 Calendar Days**	**Yes**

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R33 – Return of XCK Entry

The return reason code may only be used to return XCK entries and is at the RDFI's sole discretion

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**60 Calendar Days**	**No**

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R37 – Source Document Presented for Payment

Definition:

The source document (check) to which an ARC, BOC, or POP entry relates has been presented for payment.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**60 Calendar Days**	**Yes**

Return Tip: If both the ACH entry (ARC, BOC, POP) and the check post, return the ACH entry

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R38 – Stop Payment on Source Document

Definition:

The RDFI determines a stop payment order has been placed on the source document to which the ARC or BOC entry relates.

- Receiver placed a stop payment on the “check”, but the check was converted to an ARC or BOC entry
- **NOT USED FOR RCK ENTRY**

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**60 Calendar Days**	**No, the Stop Payment Form is your documentation**

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R51 – Item Related to **RCK** Entry Is Ineligible or **RCK** Entry is Improper

Definition:

A RDFI entry is considered to be ineligible or improper.

Account Type	Time Frame	Written Statement Required?
Consumer	**60 Calendar Days**	**Yes**

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R52 – Stop Payment on Item Related to **RCK** Entry

Definition:

A stop payment order has been placed on the item to which the RCK entry relates.

- Receiver placed a stop payment on the “check”, but the check was converted to an RCK entry
- **NOT USED FOR ARC or BOC**

Account Type	Time Frame	Written Statement Required?
Consumer	**60 Calendar Days**	**No, the Stop Payment Form is your documentation**

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R53 – Item and **RCK** Entry Presented for Payment

Definition:

In addition to an RCK entry, the item to which the RCK entry relates has also been presented for payment.

Account Type	Time Frame	Written Statement Required?
Consumer	**60 Calendar Days**	**Yes**

Return Tip: If both the RCK entry and the check post, return the RCK entry

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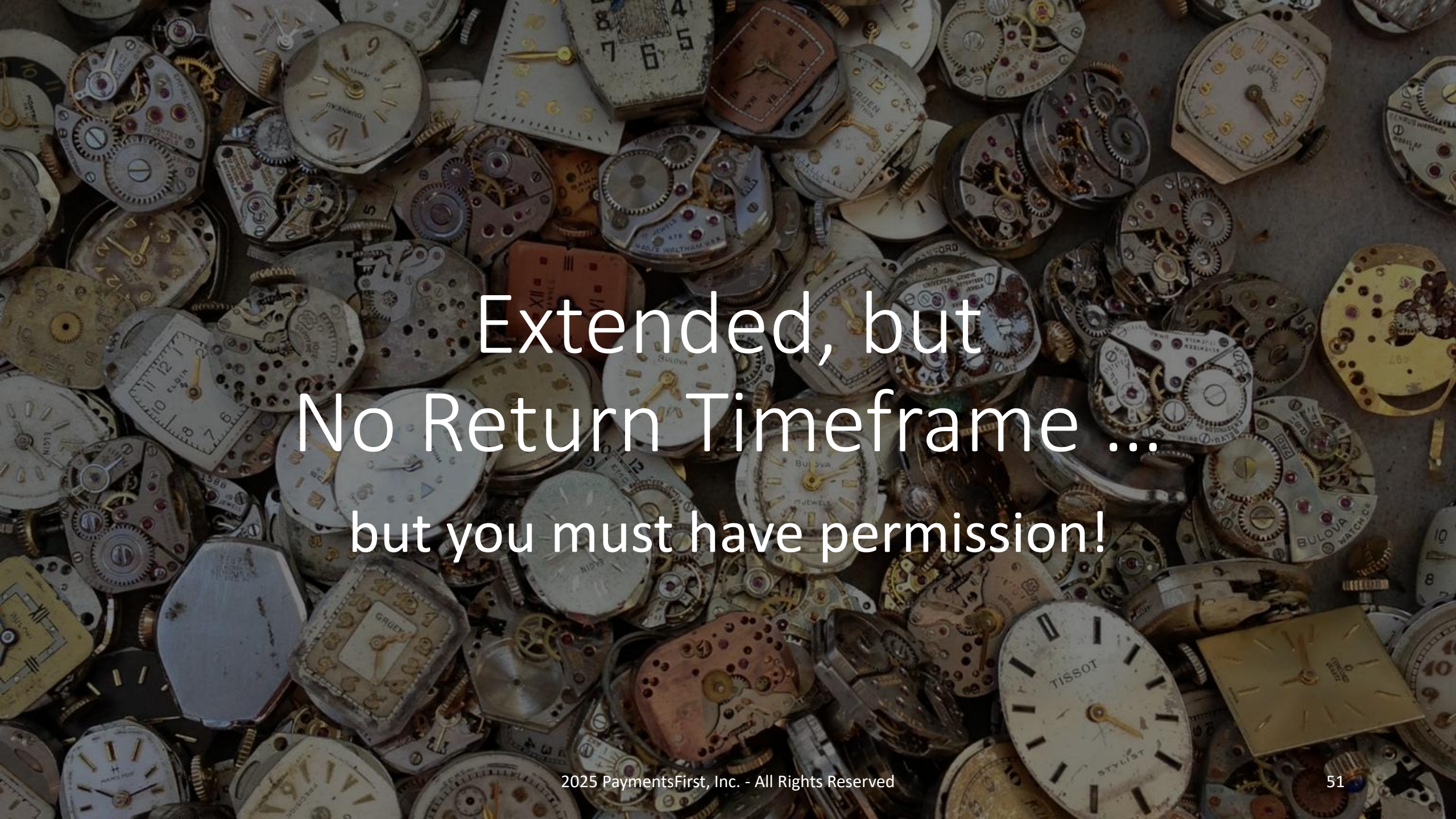

Extended, but No Return Timeframe …

but you must have permission!

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R06 – Returned per ODFI's Request

Definition:

The ODFI has requested that the RDFI return an erroneous entry, or a credit entry originated without the authorization of the Originator.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**Not defined, determined by the ODFI and RDFI**	**No**

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R31 – Permissible Return Entry (CCD or CTX only)

The RDFI may return a CCD or CTX entry that the ODFI agrees to accept.

Account Type	Time Frame	Written Statement Required?
Non-Consumer	**Not defined, determined by the ODFI and RDFI**	**No**

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Dishonored Returns

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Dishonored Return Timeframe

- Subsection 2.13.6 Dishonor of Return by ODFI
  - To dishonor a Return Entry, the ODFI must Transmit a dishonored Return Entry complying with Appendix Four (Return Entries) to its ACH Operator within five Banking Days after the Settlement Date of the Return Entry.

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Dishonored Return Examples (Sept. 2025)

SUN	MON	TUE	WED	THU	FRI	SAT
	1 - HOLIDAY	2	3 – Debit tries to post	4 – Debit Returned	5 – Debit back at ODFI	6
7	8 - (1)	9 - (2)	10 - (3)	11 - (4)	12 – (5) Dishonor Deadline	13
14	15	16	17	18	19	20
21	22 – Debit tries to post	23 – Debit Returned	24 – Debit back at ODFI	25 - (1)	26 - (2)	27
28	29 – (3)	30 - (4)	1 – (5) Dishonor Deadline			

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R61 – Misrouted Return

The financial institution preparing the return entry (the RDFI of the original entry) has placed the incorrect routing number in the Receiving DFI identification field.

- Example: Original entry came from Bank of America, but return is sent to Chase

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The ODFI must transmit a dishonored return entry to its ACH Operator within five banking days after the settlement date of the return entry**	**No**

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R62 – Return of Erroneous or Reversing Debit

The Originator's/ODFI's use of the reversal process has resulted in, or failed to correct, an unintended credit to the Receiver.

1. A debit erroneous entry and subsequent credit reversing entry are both transmitted to the Receiver's account. The debit erroneous entry is returned but the credit reversing entry is posted and made available to the Receiver
2. A credit erroneous entry and a subsequent debit reversing entry are both transmitted to the Receiver's account. The credit erroneous entry is posted and made available to the Receiver, but the debit reversing entry is returned.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The ODFI must transmit a dishonored return entry to its ACH Operator within five banking days after the settlement date of the return entry**	**No**

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R67 – Duplicate Return

The ODFI has received more than one return for the same entry.

- Example: RDFI accidently returns the “same entry” multiple times

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The ODFI must transmit a dishonored return entry to its ACH Operator within five banking days after the settlement date of the return entry**	**No**

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R68 – Untimely Return

The return entry has not been sent within the time frame established by these rules.

- A return reason code within the standard return time frame (slide 5) is sent late
  - R01, R02. R03, R04, R08, R09, R16, R20, R24, R29
  - Mon - attempted to post, Tue – returned, Wed - ODFI receives by opening of business
    - Instead, RDFI returns entry AFTER Tuesday
- A return reason code within the extended return time frame (slide 6) is sent late
  - R05, R07, R10, R11, R37, R38, R51, R52, R53
  - Return is sent AFTER the 60th calendar date following the settlement date of the entry

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The ODFI must transmit a dishonored return entry to its ACH Operator within five banking days after the settlement date of the return entry**	**No**

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R69 – Field Error(s)

One or more of the field requirements are incorrect.

01 – Return Contains Incorrect DFI Account Number
02 – Return Contains Incorrect Original Entry Trace Number
03 – Return Contains Incorrect Dollar Amount
04 – Return Contains Incorrect Individual Identification Number / Identification Number
05 – Return Contains Incorrect Transaction Code
06 – Return Contains Incorrect Company Identification Number
07 – Return Contains Incorrect Effective Entry Date

Example: 01*03*06 (incorrect account number, dollar amount, and company identification number)

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The ODFI must transmit a dishonored return entry to its ACH Operator within five banking days after the settlement date of the return entry**	**No**

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Remember us from prior sessions?

R06 – Returned per ODFI's Request (Basic Part 1)

The ODFI has requested that the RDFI return an erroneous entry, or a credit entry originated without the authorization of the Originator.

R31 – Permissible Return Entry - CCD or CTX only (Extended)

The RDFI may return a CCD or CTX entry that the ODFI agrees to accept.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**Not defined, determined by the ODFI and RDFI**	**No**

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R70 – Permissible Return Entry Not Accepted / Return Not Requested by ODFI

The ODFI has received a return entry identified by the RDFI as being returned with the permission of, or at the request of, the ODFI, but the ODFI has not agreed to accept the entry or has not requested the return of the entry.

- Returned entry R06 without permission of the ODFI, or
- Returned entry R31 without permission of the ODFI

Account Type	Time Frame	Written Statement Required?
Non-Consumer	**Not defined, determined by the ODFI and RDFI**	**No**

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Contested Dishonored Returns

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Contested Dishonored Return Timeframe

The RDFI must Transmit a contested dishonored Return Entry to the ACH Operator within two Banking Days after the Settlement Date of the dishonored Return Entry and must ensure the contested dishonored Return Entry otherwise complies with the requirements of Appendix Four (Return Entries).

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Contested Dishonored Return Timeframe Examples (Sept 2025)

SUN	MON	TUE	WED	THU	FRI	SAT
	1 - Holiday	2	3 – Debit tries to post	4 – Debit Returned	5 – Debit back at ODFI	6
7	8 - (1)	9 - (2)	10 - (3)	11 - (4)	12 – (5) Dishonor Deadline	13
14	15 – Dishonored Return Tries to Post	16 – (1) Contested back to ODFI	17 - (2) Contested arrives at ODFI	18	19	20
21	22 – Debit tries to post	23 – Debit Returned	24 – Debit Back at ODFI	25 - (1)	26 - (2)	27
28	29 – (3)	30 - (4)	1 - (5) Dishonor Deadline	2 – Dishonored Return Tries to Post	3 – Dishonored Return Tries to Post	4
5	6 - (1) Contested back to ODFI	7 - (2) Contested arrives at ODFI				

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R71 – Misrouted Dishonored Return

The financial institution preparing the dishonored return entry (the ODFI of the original entry) has placed the incorrect routing number in the Receiving DFI identification field.

- Example:
  - Bank of America (BoA) send an original entry to Chase;
  - Chase returns the entry late;
  - BoA dishonors the return but accidentally sends it to US Bank;
  - US Bank contests the return back to BoA

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The contested dishonored return entry must be transmitted to the ACH Operator within two banking days after the settlement date of the dishonored return entry**	**No**

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R72 – Untimely Dishonored Return

The dishonored return entry has not been sent within the designated time frame.

- A return entry was dishonored **AFTER** five business days after the settlement date of the return entry (review slide 10 for example).

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The contested dishonored return entry must be transmitted to the ACH Operator within two banking days after the settlement date of the dishonored return entry**	**No**

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R73 – Timely Original Return

The RDFI is certifying that the original entry was sent within the time frame designated in these rules.

- An entry is returned timely but the “effective entry date” is older so the ODFI thinks the entry is returned late but the return time frame is based on the settlement date of the entry, not the effective entry date.
- A holiday falls on either the day after settlement or the date after the entry is returned, when the ODFI receives the return, they think it’s late and dishonored the return.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The contested dishonored return entry must be transmitted to the ACH Operator within two banking days after the settlement date of the dishonored return entry**	**No**

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R74 – Corrected Return

The RDFI is correcting a previous return entry that was dishonored using return reason R69 (Field Error(s)) because it contained incomplete or incorrect information.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The corrected return entry must be transmitted to the ACH Operator within two banking days after the settlement date of the dishonored return entry**	**No**

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R75 – Return Not A Duplicate

The return entry was not a duplicate of an entry previously returned by the RDFI.

- Usually this may occur if the Originator doesn't update their origination files.
    - Example: The entries in the Originator's July file have the same trace numbers as the June file.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The contested dishonored return entry must be transmitted to the ACH Operator within two banking days after the settlement date of the dishonored return entry**	**No**

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R76 – No Errors Found

The original return entry did not contain the errors indicated by the ODFI in the dishonored return entry.

01 – Incorrect DFI Account Number
02 – Original Entry Trace Number
03 – Incorrect Dollar Amount
04 – Incorrect Individual Identification Number/Identification Number
05 – Incorrect Transaction Code
06 – Incorrect Company Identification Number
07 – Incorrect Effective Entry Date

Example: 01*03*06
(incorrect account number, dollar amount, and company identification number)

- If the dishonored return did not have the errors identified, RDFI should contest the dishonored return.
- Does your "return process" allow you to change information?
  - If not, you shouldn't receive any R69 returns. If you do, contest as R76.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The contested dishonored return entry must be transmitted to the ACH Operator within two banking days after the settlement date of the dishonored return entry**	**No**

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Remember this Dishonored Return?

R62 – Return of Erroneous or Reversing Debit

The Originator's/ODFI's use of the reversal process has resulted in, or failed to correct, an unintended credit to the Receiver.

1. A debit erroneous entry and subsequent credit reversing entry are both transmitted to the Receiver's account. The debit erroneous entry is returned but the credit reversing entry is posted and made available to the Receiver
2. A credit erroneous entry and a subsequent debit reversing entry are both transmitted to the Receiver's account. The credit erroneous entry is posted and made available to the Receiver, but the debit reversing entry is returned.

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The ODFI must transmit a dishonored return entry to its ACH Operator within five banking days after the settlement date of the return entry**	**No**

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R77 – Non-Acceptance of R62 Dishonored Return

The RDFI returned both the erroneous entry and the related reversing entry, or the funds relating to the R62 dishonored return are not recoverable from the Receiver.

ODFI – Dishonors the debit return as an R62 (to bring everyone back to the beginning)

RDFI – Returns the credit entry prior to receiving R62 so they (the RDFI) contest the R62 as an R77, **or**
RDFI – Unable to recover the funds from the Receiver so they (the RDFI) contest the R62 as an R77

Account Type	Time Frame	Written Statement Required?
Consumer or Non-Consumer	**The contested dishonored return entry must be transmitted to the ACH Operator within two banking days after the settlement date of the dishonored return entry**	**No**

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