A detailed breakdown of the **ACH rule changes effective April 1, 2025**, which expands the **ODFI Request for Return** process:

🔄 What Is the ODFI Request for Return?

The **Originating Depository Financial Institution (ODFI)** can request that a **Receiving Depository Financial Institution (RDFI)** return an ACH entry—typically in cases of fraud, error, or other exceptional circumstances. This is done using **Return Reason Code R06**.

📅 What Changed on April 1, 2025?

This rule builds on an earlier update from **October 1, 2024**, which allowed ODFIs to request returns for **any reason**, not just limited cases. The April 2025 update adds a **response requirement** for RDFIs:

- **RDFIs must respond to the ODFI's request within 10 banking days** of receiving it.
- The response must indicate either:
    - That the entry will be returned, or
    - The status or decision regarding the request.

Importantly, **RDFIs are not required to return the entry**, but they **must reply** to the request.

🛡️ Key Features & Implications

Feature	Details
Expanded Use	ODFIs can request a return for any reason, not just fraud.
Indemnification	ODFIs must indemnify RDFIs for complying with the request.
Response Timeline	RDFIs must respond within 10 banking days.
Optional Compliance	RDFIs are not obligated to return the entry, only to respond.
Communication Methods	RDFIs may respond via the method indicated in the request, Nacha's Risk Management Portal, or the ACH Contact Registry.

🎯 Why This Matters

This rule aims to:

- Improve transparency and communication between financial institutions.
- Enhance fraud recovery efforts.
- Standardize expectations for handling return requests.

A comprehensive breakdown of the **ACH fraud monitoring requirements for Originators**, especially in light of the upcoming Nacha rule changes:

🛡️ What Is Fraud Monitoring by Originators?

Fraud monitoring refers to the **risk-based processes and procedures** that ACH Originators must implement to detect and prevent unauthorized or fraudulent ACH credit entries—particularly **credit-push fraud**, where funds are illicitly sent to fraudsters.

📅 Key Rule Changes & Effective Dates

Phase	Effective Date	Who Must Comply
Phase 1	March 20, 2026	Non-consumer Originators, Third-Party Service Providers (TPSPs), and Third-Party Senders (TPSs) with **≥6 million ACH entries in 2023**
Phase 2	June 19, 2026	All other non-consumer Originators, TPSPs, and TPSs

These rules are part of Nacha's broader **Risk Management initiative** to reduce fraud and improve fund recovery2.

🔍 What Originators Must Do

Originators must establish and maintain **risk-based fraud detection systems** that are "reasonably intended" to identify fraudulent ACH credit entries. This includes:

- **Velocity Checks**: Monitoring unusually high transaction volumes.
- **Anomaly Detection**: Flagging entries that deviate from normal patterns.
- **Behavioral Tolerances**: Identifying behavior inconsistent with past activity.
- **Pattern Recognition**: Spotting recurring fraud indicators.

Originators are free to choose the methods and technologies that best suit their operations—there's no mandated system.

🧩 **Why This Matters**

- **Credit-push fraud** is harder to reverse than debit fraud.
- Expanding fraud monitoring responsibilities helps catch fraud earlier.
- It improves the overall integrity and trust in the ACH Network.

🛠️ **Tools & Support**

Originators may:

- Use internal systems or partner with **third-party fraud monitoring vendors**.
- Refer to Nacha's Credit-Push Fraud Monitoring Resource Center for guidance.
- Consult with ACH experts or associations like Wespay for tailored support.

Under the **Nacha fraud monitoring rule effective March 20, 2026**, **ODFIs themselves are required to comply** with the rule. That means:

- ODFIs must **establish and implement risk-based processes and procedures** reasonably intended to identify ACH entries initiated due to fraud.
- This applies to **all ODFIs**, regardless of volume, and to **non-consumer Originators, Third-Party Service Providers, and Third-Party Senders** with **≥6 million ACH entries in 2023**.

However, while ODFIs are **not explicitly required to enforce** fraud monitoring on their Originators, they **are responsible for ensuring compliance** with Nacha rules across the origination chain. That means ODFIs may need to:

- **Assess and validate** that their Originators have appropriate fraud monitoring in place.
- **Incorporate oversight** into their onboarding, risk management, and audit processes.
- **Design their own procedures** with consideration of what their Originators are doing to monitor fraud.