



Credit Union National Association

cuna.org

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Submitted via email: mbondoc@nacha.org

September 17, 2013

Ms. Maribel Bondoc
Manager, Network Rules
NACHA - The Electronic Payments Association
13450 Sunrise Valley Drive, Suite 100
Herndon, VA 20171

Re: Compliance and Operational Topics - August 2013
Clarification and Use of Return Reason Codes
(R03 and R04)

Dear Ms. Bondoc:

This comment letter represents the views of the Credit Union National Association (CUNA) regarding NACHA - The Electronic Payments Association's proposed rule to clarify the use of return reason codes on the Automated Clearing House (ACH) network. By way of background, CUNA is the largest advocacy organization in the country for state and federal credit unions, which serve over 97 million members.

Under the proposed rule, R03 would be the appropriate return reason code for a Receiving Depository Financial Institution (RDFI), including a credit union, to use if it chooses to return an entry because the Receiver's name on the entry does not match the name on the account, while R04 would be used for problems with the account number itself. These changes are intended to standardize return reason code usage across RDFIs.

CUNA generally supports NACHA's proposal to clarify return reason codes. We support initiatives to minimize compliance costs on credit unions and financial institutions, and to clarify rules on the ACH network.

We believe these technical changes would benefit ACH participants by reducing ambiguity currently associated with these return reason codes and improve processing efficiency for financial institutions. Some credit unions already use these return reason codes in a manner that is similar to the proposed rules.



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Thank you for the opportunity to comment on this proposal. If you have any questions concerning our letter, please feel free to contact CUNA SVP and Deputy General Counsel Mary Dunn or me at (202) 508-6733.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Tsang". The signature is written in a cursive style with a horizontal line above the first name.

Dennis Tsang
CUNA Assistant General Counsel