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January 26, 2018

Janet Estep  
President and Chief Executive Officer  
NACHA  
2550 Wasser Terrace, Suite 400  
Herndon, VA 20171

Dear Ms. Estep:

On behalf of America's credit unions, I am writing NACHA regarding its request for comment on expanding same day Automated Clearing House (ACH) transactions. The Credit Union National Association (CUNA) represents America's credit unions and their 110 million members.

. CUNA has elected to provide its comments in letter form rather than using the Survey Monkey questionnaire. Below are CUNA's comments to the major issues for which NACHA is seeking public feedback.

### **Adding a Third Same Day Processing Window**

CUNA generally supports adding a third same day processing window. Adding another ACH processing window will likely require some credit unions to dedicate additional resources to the ACH payments process; however, since credit unions already have staff place to execute these processes twice a day, we estimate the implementation effort and incremental cost of a third processing window should be nominal.

West coast credit unions have expressed support for this change, as it addresses some of their time zone challenges. We see limited benefit to the additional window for other credit unions, however. While we have heard no strong objections, our member institutions in the central and eastern time zones have not expressed enthusiasm either. We ask that NACHA carefully consider the cost/benefit balance before making such a change, based in part on the cost estimates returned via your survey.

We do not envision significant incremental operational, settlement, or credit risk from the addition of a third processing window.

### **Faster Funds Availability**

CUNA supports faster funds availability, generally speaking. As the market moves further toward mobile and electronic payments, public expectations are for funds to move faster and become available more promptly. On the downside, however, increased fraud incidence could become an issue if payees are required to receive access to funds before all desired security screens can be completed.

This is the only one of NACHA's proposed changes that affects all ACH transactions, rather than same day alone. It's also worth noting that Phase 3 of NACHA's initial Same Day implementation plan- involving funds availability- has not yet gone into effect. We propose that NACHA conduct further study of the benefits and costs of faster funds availability- including the results of Phase 3 implementation- before proceeding. Absent further evidence, we do not see this change as a top priority.

### **Higher Same Day ACH Per-Transaction Limit**

CUNA supports increasing the per-transaction dollar limit for Same Day ACH entries from \$25,000 to \$100,000 for B2B and payroll transactions. We do not see sufficient use cases to justify increasing limits for consumer bill pay or P2P at this time. However, also increasing the limit for credit "push" transactions would address some additional consumer use cases (such as account-to-account transfers) without adding undue risk.

It appears NACHA has assigned a proposed effective date further in the future for this change than for the other two changes. Unless there are operational factors we have not considered, CUNA suggests this be the first of the changes to implement, as it will immediately expand Same Day throughput and acceptance with the least effort.

### **Weekend and Holiday Processing**

NACHA should further study weekend and holiday processing and clarify whether this would also apply to funds availability. Although most credit unions can likely add a third weekday processing window without major costs or operational changes, weekend and holiday processing may prove more burdensome to credit unions and other financial institutions without staff currently in place to oversee weekend processing. Absent mandated weekend funds availability, which is likely a greater undertaking, the extent of benefits resulting from this change are unclear.

We ask that NACHA closely review the survey responses pertaining to costs of adding weekend and holiday processing, particularly for smaller institutions. What might appear to be a minor cost can nonetheless represent a substantial burden to a small credit union or other community financial institution. These costs must be carefully considered, and benefits better enumerated, before mandating such a change.

## Other Issues

Credit unions' support of these proposed changes is also dependent on sufficient vendor and core processor capability and cooperation. Most small financial institutions rely on their vendors for ACH transaction processing and thus will have trouble meeting new requirements if vendors cannot provide related capabilities within the prescribed deadlines. Vendors may also charge fees (both one-time and ongoing) for new implementations and/or additional services. These costs may not be reflected in your survey responses, as they are not yet known to the credit unions.

Thank you for the opportunity to express these views to NACHA. If you have any questions about our comments, please do not hesitate to contact me at (202) 508-6705.

Sincerely,

A handwritten signature in cursive script that reads "Lance Noggle".

Lance Noggle  
Senior Director of Advocacy for Payments & Cybersecurity & Senior Counsel