The ACH Network, which provides for the interbank clearing of electronic payments, is governed by *The NACHA Operating Rules and Guidelines (Rules)*. The *Rules* apply to all entries and entry data transmitted through the ACH Network. **As an ACH Originator, you must comply with and are bound by the *Rules*.** To ensure compliance, all ACH Originators must have access to a current copy of the *Rules*. The ACH Rules for Corporate Originators is published annually and may be ordered at http://www.wespay.org/wpa/wespaypublic. Alternately, an electronic version of the ACH Rules may be viewed online by registering at http://www.achrulesonline.org/.

BAC Community Bank *(Bank)* provides this document as a brief summary of ACH facts and ACH Originator Responsibilities. It is not a replacement or substitution for the *Rules,* which are subject to change.

ACH Facts
- ACH entries are categorized as "consumer" or "corporate."
- ACH is capable of crediting or debiting checking or savings accounts.
- ACH entries are received by most financial institutions.
- ACH is a batch system (not real time).
- ACH entries are irrevocable once they have been sent for processing.
- ACH stop payments do not have an expiration date.

ACH Legal Framework
You are required to abide by multiple rules and agreements including, but not limited to, the following when initiating
ACH transactions:
- NACHA Operating Rules (www.nacha.org)
- Regulation E (for consumer entries)
- UCC4 (for corporate credits)
- *Bank* Deposit Agreement and Terms and Conditions
- *Bank* Cash Management Agreement
- Authorizations from employees, customers, etc.
- *Bank* and Corporate agreements

Definitions of ACH Participants
Originator – The Originator is the entity or company that agrees to initiate ACH entries into the payment system according to an arrangement with a Receiver. The Originator is usually a company directing a transfer of funds to or from a consumer or another company's account.

Originating Depository Financial Institution (ODFI) – The ODFI is the financial institution that receives the payment instructions from Originators and forwards the entries to the ACH Operator.

Automated Clearing House Operator – An ACH Operator is the central clearing facility operated by a private organization or the Federal Reserve Bank on behalf of Depository Financial Institutions

Receiving Depository Financial Institution (RDFI) – The RDFI is the Depository Financial Institution that receives ACH entries from the ACH Operator and posts the entries to the accounts of its depositors (Receivers).

Receiver – A receiver is a natural person or an organization that has authorized an Originator to initiate an ACH entry to the Receiver's account with the RDFI. A Receiver may be either a company or a consumer, depending on the type of transaction.

How Does the ACH Network Function?

As the Originator, your company must first obtain authorization to initiate a transaction to the Receiver's account or provide notice to the Receiver that a transaction will be initiated to their account. Your company (Originator) then creates a file of ACH transactions assigning a company name that is easily recognized by the Receiver. The file is then sent to your Originating Depository Financial Institution (ODFI), BAC Community Bank.

The ODFI collects ACH files from Originator with which it has contractual relationships, verifies the validity of these files and at specified times, transmits these files to the ACH Operator. The ACH Operator receives ACH files from the ODFI , edits the file to make sure they are formatted properly and distributes files of entries to the Receiving Depository Financial Institution (RDFI). The RDFI receives files of entries from the ACH Operator for its account holders. Entries are posted based upon the Settlement Date and account Number. Periodic statements are provided to the Receiver with descriptive information about the ACH transaction, including the date of the transaction, dollar amount, payee (Originator) name, transaction description (i.e. Payroll, water bill).

How Are ACH Funds Settled?

Settlement is the actual transfer of funds between financial institutions to complete the payment instructions of an ACH entry. The Federal Reserve Bank provides settlement services for ACH entries. The timing of settlement is based upon the Effective Entry Date indicated on the ACH file and the time of its delivery to the ACH Operator. Your company as the Originator will determine the Effective Entry Date of the file you send to your ODFI. This is the date your company intends the entries to post to the accounts of the Receivers (employees or customers). When the ACH Operator processes an ACH file, the Effective Entry Date is read and entries are settled based upon that date, known as the Settlement Date. The Effective Entry Date in most cases is the same as the Settlement Date, but it is possible that the Settlement Date could be after the Effective Entry Date. For example, if the ACH Operator cannot settle on the Effective Entry Date due to untimely file delivery, a stale date, weekend or holiday, the ACH Operator will apply a Settlement Date of the next business day.

Your Responsibilities as an Originator

- Obtain proper authorizations, dependent upon the transaction type, and retain authorizations for two years past revocation.
- If requested by the *Bank*, provide a copy of the authorization. The *Bank* may request to see your authorizations from time to time as part of an annual audit.
- Send entries on the proper date.
- Give appropriate notice to debtor if changing amount or date.
- Cease subsequent entries when notified.
- Make necessary changes to payee account information within three (3) banking days upon receipt of a Notice of Correction or before another entry is sent.
- Check payees against OFAC compliance checklists.
- Protect the banking information received to originate transactions.
- Ensure your computer and you are protected as outlined in the *Bank* Cash Management Agreement.
- Ensure the Originator is clearly identified as the source of the ACH transaction. Specifically, populate the Company Name Field of the NACHA formatted file with a name known to and readily recognized by the Receiver of the entry.

Direct Deposit Payroll Authorizations (Consumer)

- Use a direct deposit authorization form that collects employee account information. This form should allow the company to make credit and debit entries in the event a payroll adjustment is necessary.
- Obtain a voided check from the employee (if possible).
- The most common SEC code for direct deposit is PPD.

Consumer Debit Authorizations

- For consumers, an authorization to debit an account must be in writing or "similarly authenticated."
- The most common SEC code for consumer debits is PPD.

Corporate Authorizations

- For companies, there must be a record of an agreement between the two parties.
- The most common SEC codes for corporate transactions are CCD or CTX, depending upon addenda origination. It is used for debits and credits.

Changing Date or Amounts of Debits

- ACH Rules require you to notify your debtors of any changes in date or amount debited under the following circumstances:
    1. Seven (7) calendar days notice for a change of date (consumer and corporate).
    2. Ten (10) calendar days notice for a change in amount (consumer only).
- Sending the notice via U.S. Mail is acceptable.

Prenotifications (Prenotes)

- Prenotes are zero-dollar entries that precede the first live entry. The purpose of a prenote is to verify account information.
- Prenotes are optional for you to send. However, if sent, prenote rules must be followed and a prenote must precede the first live entry by at least three (3) banking days.
- The Receiving Bank is not required to validate the name of the payee on the prenote, although many do; they are only required to check the account number.

Notice of Change (NOC)

- NOC is created by the Receiver's financial institution to notify the originator (via the *Bank*) that:

    1. Previously valid information in an ACH entry (Direct Deposit/Direct Payment) is now outdated, and needs to be **changed**

    2. Information in an ACH entry (Direct Deposit/Direct Payment) is erroneous, and needs to be **corrected**.

- The *Bank* will notify you of any NOCs received on your behalf.
- ACH Rules require the originator to make changes or corrections within three (3) banking days of receiving the information from the *Bank* or before another entry is sent.
- The Receiving Bank warrants that the Information they provide to you is correct.
- The *Bank* may pass along any fines received based upon your non-compliance.
- The Originator has the option of responding to NOCs for Single Entry (non-recurring) payments. This applies to the following SEC Codes only: ARC, BOC, POP, POS, RCK and XCK entries, as well as, TEL and WEB entries bearing a single entry indicator ("S" or "blank" for TEL and "S" for WEB).

Notification of Change (NOC) Codes (most common)

NOC Code	Reason	Description
C01	Account Number	Account number is incorrect or is formatted incorrectly.
C02	Transit/Routing Number	Due to a merger or consolidation, a once valid routing number must be changed.
C03	Transit/Routing Number and Account Number	Due to a merger or consolidation, a once valid transit/routing number must be changed and the account number structure is no longer valid.
C04	Account Name	Customer has changed name.
C05	Transaction Code	Transaction code is incorrect and this is causing the ACH entry to be routed to the wrong application (demand or savings).
C06	Account Number and Transaction Code	Account number is incorrect or is formatted incorrectly and the transaction code is incorrect causing the ACH entry to be routed to the wrong application (demand or savings).
C07	Transit/Routing Number, Account Number and Transaction Code	Due to a merger or consolidation, a once valid transit/routing number must be changed, the account number structure is no longer valid and the transaction code is incorrect causing the ACH entry to be routed to the wrong application (demand or savings).
C09	Individual Identification Number	The individual id number was incorrect.
C13	Addenda Format	Information in the Entry Detail Record was correct and the entry was processed and posted by RDFI. However, information found in the addenda record was unclear or was formatted incorrectly.

Returns

- Returns must be processed by the Receiving Bank within 24 hours of settlement. Returns that are unauthorized beyond the 24 hours are the company's liability and any disputes may have to be settled outside of the banking network. Review your account activity daily.
- An exception to the 24-hour rule is consumer unauthorized returns, which may be returned within 60 days of posting.
- The use of consumer (PPD) or corporate (CCD) entry codes determines the applicable ACH return rules.
- If the Receiving Bank receives a dispute claiming a debit was unauthorized, the Receiving Bank must get a signed Written Statement of Unauthorized Debit from the account holder. You may obtain a copy of that statement by requesting a copy through the *Bank.*
- You may re-initiate a debit entry up to two times if (1) the entry has been returned for insufficient or uncollected funds (Return Reason Code R01 and R09), (2) the entry has been returned for stopped payment and reinitiation has been authorized by the Account Holder, or (3) the *Bank* has taken corrective action to remedy the reason for the return.
- A "Stop Payment" return may be re-initiated only if you receive approval from the payee to re-send the item.
- It is a violation of NACHA Rules to re-initiate the debit entry if a return is received for any other reason.

- **Disagreements regarding authorization should be handled OUTSIDE of the ACH Network**
- **Originators must maintain a return rate below .5% for entries returned as unauthorized.**
- **Originators can have no more that 3% of your total debit entries returned due to administrative or account data errors.**
- **Originators can have no more than 15% of your total debit entries returned for any return reason.**

Return Entry Codes (most common)

Reason for Return	Action by Originator	Available SEC Codes	Return Deadline
R01 – Insufficient Funds	Originator may initiate a new ACH entry within 180 days of original Settlement date.	ALL	24 HOURS
R02 – Account Closed	Originator must stop initiation of entries and obtain an authorization from the Receiver for another account.	ALL	24 HOURS
R03 – No Account / Unable to Locate	Originator must stop initiation of entries and contact the Receiver for correct account information.	ALL	24 HOURS
R04 – Invalid Account	Originator must stop initiation of entries until account number / structure is corrected.	ALL	24 HOURS
R05 – Unauthorized Debit to Consumer Account Using Corporate SEC Code	Originator must stop initiation of entries.	CCD. CTX	60 Days – Written Statement of Unauthorized Debit
R06 – ODFI Request for Return	Originator must accept requested return.	ALL	Not Applicable
R07 – Authorization Revoked	Originator must stop initiation of entries until new consumer authorization is obtained.	PPD, TEL, WEB	60 Days – Written Statement of Unauthorized Debit
R08 – Payment Stopped	Originator must contact Receiver to identify the reason for the Stop Payment and obtain authorization before reinitiating the entry.	ALL	24 HOURS
R09 – Uncollected Funds	Originator may initiate a new ACH entry within 180 days of the original Settlement Date.	ALL	24 HOURS
R10 – Customer Advises Not Authorized, Notice Not Provided, Improper Source Document, or Amount of Entry Not Accurately Obtained from Source Document	Originator must stop initiation of entries.	ARC, BOC, POP, PPD, TEL, WEB	60 Days – Written Statement of Unauthorized Debit
R12 – Account Sold to Another DFI	Originator must stop initiation of entries and obtain correct routing number information for initiation of subsequent entries.	ALL	24 HOURS
R16 – Account Frozen	Originator must stop initiation of entries.	ALL	24 HOURS
R20 – Non Transaction Account	Originator must stop initiation of entries.	ALL	24 HOURS
R24 – Duplicate Entry	Originator should accept the return. If the entry has already been reversed, Originator should contact the RDFI to determine a solution. An Originator may reverse an erroneous or duplicate ACH entry/file up to 5 banking days after the Settlement Date of the entry/file. OR it may request the RDFI to send a return.	ALL	24 HOURS
R29 – Corporate Customer Advises Not Authorized	Originator must stop initiation of entries until subsequent authorization has been obtained.	CCD, CTX	24 HOURS

Reversals

- If a reversing entry must be made, please consult the ACH Manager User Guide or contact Customer Service for instructions.
- Reversals may only be made for the following three conditions:
    1. wrong dollar amount
    2. wrong account number
    3. duplicate transaction
- When initiating a reversal, the reversing entry must be for the full amount, must be sent within five (5) banking days of original entry and must be sent within 24 hours of discovering the error.
- The Receiving Bank is under no obligation to post the reversing debit if it overdraws the payee's account or if the payee's account is closed.
- A payee must be notified if a reversing entry debits his or her account. However, a payee does not need to authorize the reversing debit.
- The word "REVERSAL" must be placed in the Company Batch Header Field and if the file is reversing an erroneous file, then a correcting file must be initiated with the reversing file

OFAC (Office of Foreign Asset Control)

- You are required to check payees against OFAC compliance checklists.
- OFAC lists countries, groups and individuals with which U.S. Companies are not permitted to send or receive funds.
- The *Bank* must protect itself by informing every client that it is against the law to send debit or credit entries to
  OFAC-blocked entities.
- You may check the OFAC SDN list at: http://sdnsearch.ofac.treas.gov

What is an ACH Application (SEC) Code?

ACH applications are payment types used by Originators, such as your company, to identify ACH debit and/or credit entries transmitted to a corporate or consumer account at the RDFI. Each ACH application is identified and recognized by a specific Standard Entry Class (SEC) code, which appears in the ACH record format. The SEC code also identifies the specific record layout that will be used to carry the payment and payment-related information

Standard Entry Class (SEC) Codes

Standard Entry Class (Sec) Code	Title	Transaction Type	Account Type	Required Agreement Or Authorization	Reference - NACHA Operating Rules and Guidelines *(Rules)*
PPD	Prearranged Payment and Deposit	Credit or Debit Single or Recurring Entry	Consumer	In writing and signed for Debits. Orally or other written or non-written means for Credits.	Section V - Chapter 45
CCD	Corporate Credit or Debit Entry	Credit or Debit Single Recurring Entry	Non-Consumer	Agreement between Originator and Receiver	Section V - Chapter 39
ARC	Accounts Receivable Entry	Debit Single Entry	Consumer or Non-Consumer	Written Notice	Section V - Chapter 37
BOC	Back Office Conversion Entry	Debit Single Entry	Consumer or Non-Consumer	Posted Notice and Written Notice	Section V - Chapter 38
CIE	Customer Initiated Entry	Credit Single Entry	Consumer Originated	Agreement between Originator and Receiver	Section V - Chapter 40
CTX	Corporate Trade Exchange	Credit or Debit Single or Recurring Entry	Non-Consumer	Agreement between Originator and Receiver	Section V - Chapter 39
POP	Point-of-Purchase Entry	Debit Single Entry	Consumer or Non-Consumer	Posted Notice and in writing and signed or similarly authenticated	Section V - Chapter 44
POS	Point-of-Sale Entry	Debit Single Entry	Consumer	In writing and signed or similarly authenticated	Section I - Chapter 1
RCK	Re-presented Check Entry	Debit Single Entry	Consumer	Posted Notice	Section V - Chapter 46
TEL	Telephone-Initiated Entry	Debit Single or Recurring Entry	Consumer	Orally authorized over telephone	Section V - Chapter 47
WEB	Internet-Initiated/Mobile Entry	Debit Single or Recurring Entry	Consumer	In writing and signed or similarly authenticated	Section V - Chapter 48

Proper Use of SEC Code

The ODFI warrants that every transaction complies with the Rules. Specifically, Subsection 2.4.1.2: The Entry Complies with The Rules, and states "The Entry Complies with these Rules, including the use of the proper Standard Entry Class Code." Another major concern is that these entries may be returned for an extended period of time, typically not afforded CCD or CTX entries posting to non-consumer accounts.

What are the Fraud Risks for ACH?

ACH Origination fraud is a challenge for Financial Institutions and ACH Originators like your company. In one origination system hacking scheme, perpetrators hack into the originator's (your company) computer system using compromised User IDs and passwords and originate ACH credits to "mule" accounts created for the express purpose of committing fraud. Those accounts are then emptied and abandoned. The true originator's account (your account) is debited for the invalid origination file. The credits are usually irretrievable by the time the fraud is discovered. The originator's credentials may have been compromised by an insider within the organization or stolen through key loggers or Trojan Horse programs on the compromised computer.

Due to the risk of this type of fraud, it is essential that all computer equipment used by your company to operate BAC Community Bank's Cash Management ACH Origination program is regularly updated and patched for security vulnerabilities (including the use of and updating of firewall, virus protection, anti-malware protection, anti-spam protection.) You may also want to consider having one computer in your office which is not used to browse the internet or read e-mail to be your sole source of access to the Cash Management system. Limiting access to the computer which is used to house and transmit ACH data may help avoid the accidental downloading of harmful programs/viruses that could potentially compromise your transactions.

The appropriate steps should be taken within your company to ensure that all User ID's, Passwords, Authentication Methods and any other applicable security procedures issued to your employees are protected and kept confidential. All staff should be aware of the need for proper user security, password controls and separation of duties.

As ACH Origination is a higher risk commercial banking function, we suggest that your company perform your own internal risk assessment and controls evaluation periodically to be sure you are considering all available security options. We have enclosed a form with these materials to assist you in completing a self-evaluation for your business (see **"Customer Information Security Risk Assessment and Controls Evaluation"**). This document is also available on our website: www.bankbac.com

For additional information on protecting your business from Internet fraud, please visit the U.S. Chamber of Commerce website and view the free link to the "Internet Security Essentials for Business" handbook (https://www.uschamber.com/issue-brief/internet-security-essentials-business-20).

What types of controls are in place to help combat ACH Origination fraud?

The Bank's ACH Origination system requires the use of a token which creates a random code to be used in conjunction with your User ID and PIN. While this will hamper a hacker from gaining access outside of your company, the risk still exists for internal fraud by one of your employees or from a hacker who had gained access to your computer system through sophisticated key loggers or Trojan Horse programs.

BAC Community Bank (Bank) strongly encourages companies to have separation of duties for ACH processing, in which one employee generates the ACH batch and the system requires a secondary employee to log in and approve the ACH batch. Dual-approval procedures such as this go a long way in preventing ACH origination fraud. If you don't currently have the Dual-approval security feature in place, you can request to enable it by contacting Bank's Customer Service Department to discuss the options available.

Cash Management ACH transaction rights are limited to personnel with appropriate business need for functionality. Company ensures that all individuals with access to the Cash Management program received training necessary to understand their responsibilities and utilize the program in accordance with the applicable terms, agreements and ACH rules.

It is also very important for your company to make it a practice of monitoring your accounts online daily. Reviewing both the balances and the account transaction daily within the Cash Management system will ensure that you are aware of all transactions, even when they have not yet posted to your account. The sooner account or ACH fraud can be detected, the more successful the bank will be in assisting to recover your company's potentially lost funds.

BAC Community Bank has automatically enabled security alerts to send notifications when your password has been changed, or when an outgoing ACH transaction has been generated.

Please keep in mind that we will **never** email you requesting your Cash Management password or token credential. We may on occasion call to verify other information regarding your on line activity should we see something of concern in your login patterns.

What happens if a Security Breach occurs?

Immediately contact the bank if you suspect an ACH data breach. As an ACH Originator, you are required to immediately report the breach to BAC who must report it to NACHA.

ACH Rule Changes and Rules of Awareness

The National Automated Clearing House Association (NACHA) is the rule making body governing the ACH network and therefore all participants of the ACH network must comply with the NACHA Operating Rules. Each company sending ACH entries through BAC Community Bank using its Cash Management ACH Origination program must comply with the NACHA Operating Rules as stated within the ACH agreement between BAC Community Bank and the Corporate Customer.

BAC Community Bank will annually communicate applicable Operating Rules changes to ensure that our companies are educated on those Rules and make any necessary changes to its daily process as a result of these changes. Annually, you may purchase copy of the updated NACHA Operating Rules & Guidelines by visiting www.nacha.org or you may obtain free limited access to the basic NACAH Operating Rules in read-only format by visiting www.achrulesonline.org.

Third Party Sender Registration effective 09/27/2017

This rule will require Originating Depository Financial Institutions (ODFIs, like BAC Community Bank) to identify and register Third-Party Sender clients. The registration process will promote consistent customer due diligence among all ODFIs, and serve as a tool to support NACHA's continuing efforts to maintain ACH Network quality.

A Third Party sender is defined as an intermediary between the Originator (you, our client) and the ODFI (BAC Community Bank) when there is no signed ACH Agreement between the ODFI (BAC Community Bank) and the Originator (you, our client). For example: if you outsource any of your originator functions to a Third Party Service and you do not have an ACH Agreement with us (which you are required to do), your Third Party Service Provider would be considered a Third Party Sender.

Same Day ACH Phase 3

Effective March 16, 2018 funds from all Same Day ACH credits must be made available for cash withdrawal at 5:00pm local time.

Reinitiated Entries

Effective September 18, 2015, this Rule change stipulates that when reinitiating, or resubmitting, an ACH Collection or ACH Single Receipt or an ACH entry for the same dollar amount that was previously returned as R01 Insufficient Funds, that entry must contain the words 'Retry Pmt' in the addenda information. In addition, the reinitiated entry must contain the same content in the Company Name, Company ID and amount fields as the original entry. Please note: the rule is not applicable to debit entries in a recurring series or for debits returned as R07 Authorization Revoked.

Effective August 18, 2016, there was a clarification made to this Rule that an originator wouldn't use 'Retry Pmt' following a return for reason R03 (No Account – Unable to Locate) or for reason R04 (Invalid account number).

Right to Audit / NACHA Enforcement Authority

Upon written request, BAC Community Bank shall have the right to examine your ACH Operations to ensure that ACH data is being processed correctly and that processing is adequate to meet the terms of our agreement and all NACHA Operating Rules. BAC Community Bank may voluntarily provide to NACHA, information such as return data that may be indicative of a potential Rules violation by any of our customers.

If you have any questions relating to ACH Origination Rules, please contact BAC Community Bank Customer Service Department at 1-877-226-5820.

SAMPLE AUTHORIZATION FOR
DIRECT DEPOSIT VIA ACH (ACH CREDIT)

CONSUMER AUTHORIZATION FOR DIRECT DEPOSIT VIA ACH (ACH CREDITS)

I (we) hereby authorize _____("COMPANY") to electronically credit my (our) account (and, if necessary, to electronically debit my (our) account to correct erroneous credits[1]) as follows:
☐ Checking Account / ☐ Savings Account (select one) at the depository financial institution named below ("DEPOSITORY"). I (we) agree that ACH transactions I (we) authorize comply with all applicable law.

Depository Name_____

Routing Number_____ Account Number _____

Name(s) on the Account_____

Amount of credit(s) or method of determining amount of credit(s)_____

Date(s) and/or frequency of credit(s)_____

I (we) understand that this authorization will remain in full force and effect until I (we) notify COMPANY [insert manner of revocation, i.e., in writing, by phone, location, address, etc.] that I (we) wish to revoke this authorization. I (we) understand that COMPANY requires at least [X days/weeks] prior notice in order to cancel this authorization.[2]

Name(s)_____
(Please Print)

Date_____Signature(s)_____

[1] The *NACHA Operating Rules* do not require the consumer's express authorization to initiate Reversing Entries to correct erroneous transactions.
[2] Written credit authorizations must provide that the Receiver may revoke the authorization only by notifying the Originator in the time and manner stated in the authorization. The reference to notification should be filled with a statement of the time and manner that notification must be given in order to provide company a reasonable opportunity to act on it (e.g., "In writing by mail to 100 Main Street, Anytown, NY that is received at least three (3) days prior to the proposed effective date of the termination of authorization").

SAMPLE AUTHORIZATION FOR
DIRECT PAYMENTS VIA ACH (ACH DEBIT)

CONSUMER AUTHORIZATION FOR DIRECT PAYMENT VIA ACH (ACH DEBITS)

I (we) hereby authorize _____("COMPANY") to electronically debit my (our) account (and, if necessary, to electronically credit my (our) account to correct erroneous credits[1]) as follows:

☐ Checking Account / ☐ Savings Account (select one) at the depository financial institution named below ("DEPOSITORY"). I (we) agree that ACH transactions I (we) authorize comply with all applicable law.

Depository Name_____

Routing Number_____ Account Number_____

Name(s) on the Account_____

Amount of debit(s) or method of determining amount of debit(s)_____

Date(s) and/or frequency of debit(s)_____

I (we) understand that this authorization will remain in full force and effect until I (we) notify COMPANY [insert manner of revocation, i.e., in writing, by phone, location, address, etc.] that I (we) wish to revoke this authorization. I (we) understand that COMPANY requires at least [X days/weeks] prior notice in order to cancel this authorization.[2]

Name(s)_____

(Please Print)

Date_____ Signature(s)_____

[1] The *NACHA Operating Rules* do not require the consumer's express authorization to initiate Reversing Entries to correct erroneous transactions.
[2] Written debit authorizations must provide that the Receiver may revoke the authorization only by notifying the Originator in the time and manner stated in the authorization. The reference to notification should be filled with a statement of the time and manner that notification must be given in order to provide company a reasonable opportunity to act on it (e.g., "In writing by mail to 100 Main Street, Anytown, NY that is received at least three (3) days prior to the proposed effective date of the termination of authorization").