epcor
Electronic Payments Core of Knowledge

PAYMENTS INSIDER
The inside scoop on payments for businesses of all sizes

The ACH Fraud Monitoring Rules Are Now Effective

by Shelly Sipple, AAP, AFPP, APRP, NCP, Director, Certifications & Continuing Education

The new ACH Fraud Monitoring Rules are no longer a future requirement. They're now effective for everyone, so if your organization originates ACH payments, the changes now apply to you.

Need a refresher on all *ACH Rules* changes taking effect in 2026 and beyond? Review EPCOR's *2026 ACH Rules Update for Corporate Originators and Third-Party Senders.*

What's Changed?

Under the new Rule, your company as an ACH Originator must establish and implement risk-based processes and procedures designed to identify payments that are unauthorized or originated under false pretenses. These fraud-monitoring processes must be:

- Tailored to your organization's operations and risk profile.
- Reviewed and updated at least annually and
- Focused on areas where fraud is most likely to occur.

The Rule also applies to Third-Party Senders (TPSs) and Third-Party Service Providers (TPSPs), reinforcing fraud prevention responsibilities throughout the ACH payment chain.

Why the Change Matters

Businesses acting as Originators are often best positioned to identify suspicious activity before fraudulent transactions enter the ACH Network. This Rule is designed to strengthen fraud prevention by requiring companies to take a proactive, risk-based approach to monitoring ACH activity.

Building Your Risk-Based Fraud Monitoring Process

While the Rule does not prescribe specific procedures, two areas deserve particular attention:

New Payment Receivers. When establishing new Receiver relationships—such as with employees, customers, members or vendors—consider the following steps:

- Requesting supporting documentation,
- Verifying identities and authorized personnel,
- Conducting background checks when appropriate,
- Using secure methods to transmit account information and
- Confirming authorization forms meet *ACH Rules* requirements.

Tip: Maintain a verified contact on file for future validation and protect stored account information through appropriate security controls.

Account Change Requests. When an existing payment Receiver requests updated account information, proceed carefully:

- Accept only valid signed or authenticated authorization requests,
- Verify changes using existing contact information already on file,
- Apply Know Your Customer (KYC) procedures where appropriate and
- Follow dual-control and multi-factor authentication practices.

Tip: If dual-control procedures are not already in place, now is a good time to evaluate them as an additional safeguard against fraud.

Ongoing Review Is Essential

Fraud threats continue to evolve, and your controls should evolve with them. The Rule requires your company to review and update their fraud-monitoring processes at least annually to ensure they remain effective.

With this Rule now in effect for all, it is time to confirm that your procedures are documented, risk-based and compliant with the Rule's requirements. Acting today can help reduce the risk of fraud while supporting the continued integrity of the ACH Network.

Electronic Payments Core of Knowledge

EPCOR is a not-for-profit payments association which provides payments expertise through education, advice and member representation. EPCOR assists banks, credit unions, thrifts and affiliated organizations in maintaining compliance, reducing risk and enhancing the overall operational efficiency of the payment systems. Through our affiliation with industry partners and other associations, EPCOR fosters and promotes improvement of the payments systems which are in the best interest of our members.
For more information on EPCOR, visit www.epcor.org.

Nacha® Direct Member

The Nacha Direct Member mark signifies that through their individual direct memberships in Nacha, Payments Associations are specially recognized and licensed providers of ACH education, publications and advocacy.

www.epcor.org
800.500.0100 | 816.474.5630