

## NACHA

National Automated Clearing House Association

**NACHA—The Electronic Payments Association** is a not-for-profit association that oversees the Automated Clearing House (ACH) Network, one of the largest electronic payment networks in the world. More than 18 billion ACH payments were exchanged in 2007. NACHA is responsible for the administration, development, and enforcement of the *NACHA Operating Rules* and sound risk management practices for the ACH Network. Through its industry councils and forums, NACHA brings together hundreds of diverse payments system stakeholder organizations to enable the development of new network services and applications. NACHA represents more than 11,000 financial institutions through direct membership and 19 regional payments associations. NACHA and its members provide education, tools, and resources to increase the adoption of ACH payments to benefit businesses, consumers, and governments. To learn more, visit [www.nacha.org](http://www.nacha.org) and [www.electronicpayments.org](http://www.electronicpayments.org).

### Strategic Direction

The ACH Network facilitates commerce electronically by serving as an efficient, reliable and secure payments system. NACHA, led by member depository financial institutions and payments associations, fulfills this purpose by managing the development, administration, and governance of the Network and by providing superior services and value to its members as the industry association responsible for ACH payments.

### Guiding Principles for NACHA and the ACH Network

To ensure that the ACH Network is efficient, reliable, and secure, NACHA shall execute its responsibilities consistent with sustaining the following Network characteristics:

- Governed by depository financial institutions;
- Provides value to depository financial institutions;
- Universally accessible by depository financial institutions;
- Based on rules, regulations, and standards that apply to all depository financial institutions and participants, and that are aggressively enforced;
- Functions in a batch-processing environment;
- Transacts value-dated recurring and spontaneous payments that satisfy business case requirements;
- Employs robust approaches to measure and mitigate risk;
- Accommodates the exchange of payment-related information;
- Recognizes the global nature of commerce and electronic payments.

### What NACHA Does

#### Rule Making

NACHA provides the legal foundation for the ACH Network through the development and enforcement of the *The NACHA Operating Rules*. Rules and guidelines are established for all participants in the ACH system and ensure that the Network infrastructure, applications, rules and enforcement are consistent with processing payments in a secure, reliable, and efficient manner, and that financial institutions have access to effective risk management tools.

## **Education**

NACHA educates its direct members, the regional payments associations, and the public through a diverse offering of conferences, workshops, teleconferences, and publications. Topics covered include ACH fundamentals, Rules updates, risk management, global payments, electronic check, electronic billing and payment, and more. NACHA also offers the Accredited ACH Professional (AAP) program exam each October to individuals seeking industry credentials.

## **New Payments Applications**

NACHA develops new payments applications through an open and disciplined process that measures the impact on all Network participants, including originators and receivers, and is responsive to the priorities of depository financial institutions.

## **Risk Management**

NACHA develops and implements a comprehensive risk management framework for the Network that covers requirements prior to origination, ongoing origination requirements, and enforcement, and ACH Operator risk mitigation services. NACHA also works to create and implement a robust set of risk management tools to reduce risk and improve ACH quality that are consistent with the risk management framework.

## **Member Communications**

NACHA promotes and consistently communicates the value and best uses of electronic payments to depository financial institutions and their customers through marketing, public relations, and education. Additionally, NACHA broadly engages key external audiences to communicate the value proposition of the Network and ACH Payments.

## **Marketing**

NACHA actively promotes the value and use of electronic payments through educational materials, events, speaking engagements, advertising, and television and radio promotions. Additionally, NACHA coordinates the annual Direct Deposit and Direct Payment (May) national campaign, highlighting the benefits of Direct Deposit for payroll, pension, and Social security payments.

## **Regulatory and Government Relations Issues**

NACHA establishes and maintains formal relationships with key industry audiences, including the Federal Reserve System and the U.S. Department of the Treasury and responds expeditiously to regulatory and government relations issues.