

March 23, 2017

Maribel Bondoc
Manager, ACH Network Rules
NACHA, The Electronic Payments Association
13450 Sunrise Valley Drive
Herndon, VA 20171

Re: Request for Information on DFI to DFI Messaging

Dear Ms. Bondoc:

The American Bankers Association¹ (ABA) respectfully submits its comments to NACHA, the Electronic Payments Association (NACHA) on the DFI to DFI Messaging Request for Information (RFI) published on February 9, 2017. The opportunity to review and comment on NACHA's proposed improvements is most welcome.

The RFI outlines six potential use cases for utilizing the ACH network to send non-monetary messages and to receive responses to those messages. This electronic transmission would take the place of various methods of sending these requests outside of the network. Sending these transactions inside the network would ease the burdens of managing these requests that arrive through disparate means and accelerate any required response.

ABA supports the principle of increasing automation within the network. ABA supports NACHA releasing a more formal Request for Comment (RFC) with additional details with regard to the technical requirements and potential costs of implementation to financial institutions once it has analyzed the responses to this RFI.

The NACHA RFI identifies several non-monetary transactions that could be transmitted within the network. Currently, these transactions are conducted orally by telephone, email, fax, and via the U.S. Postal Services. Moving these transactions through the ACH network would provide the benefits of being faster, more secure, more consistent, and easier to manage and audit.

The transactions that would be affected are:

1. Written Statement of Unauthorized Debit (WSUDD)
2. Proof of Authorization

¹ The ABA represents banks of all sizes and charters and is the voice for the nation's 414 trillion banking industry and its 2 million employees. ABA's extensive resources enhance the success of the nation's banks and strengthen America's economy and communities. Learn more at www.aba.com.

3. Converted Check Copy (Source Document)
4. Originating Depository Financial Institution (ODFI) Requested Returns
5. Additional Information Related to an Originator
6. Trace Request

In some of these circumstances, including WSUDD, Proof of Authorization, and Source Documents, responses are required to be sent to the Receiving Depository Financial Institution (RDFI) within ten days. Allowing both the forward and return messages to be transmitted within the network will greatly reduce the administrative burden of tracking incoming faxes, emails, and phone calls and reconciling them with the outgoing responses to the correct financial institutions.

ABA believes that when this idea is refined to the point where it is approved by the ACH network it would achieve its maximum benefit if it were mandatory. Adding another system on top of a manual system would not be acceptable. Any new process should be adopted in place of the inefficient manual system, not in addition to it.

The discussion in the RFI clearly outlines the benefits of pursuing this type of change within the ACH network. However, the costs associated with making this change are not so well defined. ABA looks forward to seeing a more developed discussion of the costs associated with the potential change in a future Request for Comment.

Conclusion

ABA would like to thank NACHA for the opportunity of responding to the RFI on DFI to DFI messaging. We look forward to reviewing a formal Request for Comment in the future. If you have any questions about these comments, please contact the undersigned at (202) 663-5147.

Sincerely,



Stephen K. Kenneally
Vice President