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2026 ACH Origination Annual Disclosure

As part of your agreement for use of ACH Origination Services through Kleberg Bank, you are obligated to follow NACHA Operating Rules. In order to ensure you have the most up to date information, we are required to make you aware of where you may obtain a copy of the most current ACH operations manual, NACHA Operating Rules and Guidelines-Corporate Edition. This manual is published every year containing the most up to date information needed to properly use the ACH system and is currently available in multiple formats including print, CD, USB and online access. We encourage you to obtain the most current version each subsequent year when it is published.

There are currently two online sources available to obtain the manual. Each website encourages your membership in their organization but membership is not required for purchase.

The manual is available for purchase on the following two reputable websites:

https://www.nacha.org/estore/category/rules
https://www.epayresources.org/About/Industry-News/Events/2026-nacha-operating-rules-and-guidelines-print

Below, for your reference are upcoming NACHA Rule Updates, recent changes, and additional Information. Each rule change has a hyperlink directly to the NACHA website to give more detail for each rule change.

2026 ACH Rule Changes

January 1, 2026
Minor Topics Rule Changes
These changes will become effective January 1, 2026. These changes will have little to no impact on ACH participants and no significant processing or financial impact.

March 20, 2026
RISK MANAGEMENT TOPICS – (Fraud Monitoring Phase 1)
These Rule amendments related to monitoring for fraud become effective on March 20, 2026 and are part of a larger Risk Management package intended to reduce the incidence of successful fraud attempts and improve the recovery of funds after frauds have occurred.

RISK MANAGEMENT TOPICS – Company Entry Descriptions
These two Rule amendments on Company Entry Descriptions become effective on March 20, 2026 and are part of a larger Risk Management package intended to reduce the incidence of successful fraud attempts and improve the recovery of funds after frauds have occurred.

June 19, 2026
RISK MANAGEMENT TOPICS – (Fraud Monitoring Phase 2)
These Rule amendments related to monitoring for fraud become effective on June 19, 2026 and are part of a larger Risk Management package intended to reduce the incidence of successful fraud attempts and improve the recovery of funds after frauds have occurred. *NOTE: As June 19 is a federal holiday, the practical effective date for these two rules will be the next banking day – Monday, June 22, 2026. All affected parties are encouraged to become compliant with these rules as soon as possible, but no later than June 22, 2026.*

September 18, 2026
Definition of IAT Entries
Industry participants have indicated difficulty in understanding the existing definition of IAT. The intent of this rule is to provide more clarity for users when making IAT determinations.

Funds Availability Requirements for Non-Same Day Credit Entries
This rule will eliminate the 5:00 pm local time receipt condition, so that funds availability would be required at 9:00 am (in the RDFI's local time) on Settlement Date for all non-Same Day ACH credits.

Previous 2025 ACH Rule Changes

April 1, 2025
Risk Management Topic - April 1, 2025
This portion of a recent Rule amendment becomes effective on April 1, 2025 and requires an RDFI to advise the ODFI of the status of a Request for Return within ten (10) banking days of receipt of the ODFI's request.

General ACH Originator Responsibilities

In addition to the new ACH Rules listed above, all Originators are required to comply with the general origination requirements of the ACH Rules including:

Obtaining Proper Authorization

Originator must obtain authorization from Receiver to originate all ACH entries to Receiver's account, including but not limited to routing number, account number, account type and account name. Debit entry authorization must be in writing and signed or authenticated by the Receiver. Credit entry authorization is not required by NACHA Rules to be in writing, but Kleberg Bank strongly recommends obtaining written authorization from the Receiver.

Notification of Change

Should originating ACH information be incorrect, a Notification of Change (NOC) is sent by the RDFI requesting that all future entries contain correct information. NACHA Rules require that the originator makes the necessary changes within 6 business days of notification from Kleberg Bank or before another entry is submitted, whichever is later.

Kleberg Bank will notify originators of all NOCs received on their behalf within 2 banking business days. If corrections to entries are not made in a timely manner, Kleberg Bank may pass along any fines based on non-compliance.

Rejected or Returned Entry

Returns must be processed by the Receiving Bank within 24 hours of settlement, with the exception of unauthorized returns which may be returned within 60 days of posting. Kleberg Bank recommends reviewing account activity daily.
Should an entry be returned unauthorized, the Receiving Bank must obtain a signed statement of unauthorized debit from the account holder. You may obtain a copy of the statement by requesting a copy through Kleberg Bank. All origination must stop once an unauthorized return is received.

A debit entry may be re-initiated twice if return reason is “NSF or Uncollected Funds” for a total of three attempts at debiting the account.

A Stop Payment return may be re-initiated if approval is received from payee. All other reinitiations for return items are a violation of NACHA rules.

Reversals

All Reversals should be directed to our Cash Management department by contacting our Cash Management Specialist at (361) 595-2967. A Reversal may only be requested for one of the following three reasons:

1. Wrong dollar amount
2. Incorrect account number
3. Duplicate transaction

Reversals must be for the full amount and sent within five (5) banking days of original entry.
ACH Rules require that Originator make an attempt to contact the Receiver of the error and reason for reversal no later than the Settlement Date of the reversal entry.

The Receiving Bank is under no obligation to process the reversal if the payee’s account is closed or if entry will overdraw the account.

Limits and Exposures

When setting up new ACH services, the Bank will evaluate the maximum dollar amount limit of ACH entries to be processed by the Originator based on previous activity, account balances, and information obtained from the customer. This limit will be reviewed annually and adjusted if necessary based on new information and activity. It is the Originator’s responsibility to notify the Bank should the maximum dollar amount limit be exceeded in order to prevent the delay of processing files.

Data Security Procedures for Protecting Information

The Originator must implement internal control policies in regard to the initiation, processing, and storage of ACH entries to protect confidentiality and sensitive information against data breaches. The Originator is bound through their origination agreement with Kleberg Bank to abide by NACHA Operating Rules.

NACHA Rules require that all transmissions of banking information be either encrypted or transmitted through a secure network using a technology that provides a commercially reasonable level of security that complies with applicable regulatory requirements.

Prevention and Detection of Corporate Account Takeover

Each Originator has the responsibility to protect the security of online access to their businesses' accounts. There are steps that should be taken to prevent and protect from corporate account takeover. Kleberg Bank recommends the following:

- Initiate ACH and wire payments under dual control – one person authorizes the initiation of the file and a second person approves the release of the file.
- Ensure that all anti-virus and security software on computer workstations used for online banking activity are up to date.
- Conduct online banking and payment activity on a dedicated computer workstation – one that is not used for browsing the internet or for other online activity.
- Reconcile accounts daily to identify any fraudulent activity as soon as it occurs.

ACH Standard Entry Class (SEC) Codes

NACHA requires that when an ACH entry is submitted for processing, the transaction must include the proper Standard Entry Class (SEC) Code to designate how the transaction was authorized by the originator. The incorrect SEC Code is a direct violation of the NACHA Operating Rules. Below for your reference are the most commonly used SEC Codes:

- CCD - credit and debit entries processed against non-consumer accounts for transactions such as payments to vendors and collections from customers.
- PPD - credits and debits that process against consumer accounts for entries such as payments to vendors and direct deposit.
- WEB – entry to initiate transaction authorized through the internet
- TEL - debit entry to a consumer granted authorization via telephone.

Please contact our Treasury Management Support Team at 361-595-2967 with any questions or concerns regarding NACHA Operating Rules. We appreciate your business and look forward to our continued relationship to meet your financial needs.