



Traveling Through Same Day ACH Payments

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Summary: Same day payments shot up 243% in Q2 vs the year earlier period. We give you an update for this fast moving area of development.

A movie out now focuses on NASA's mission to land a man on the moon and in particular, it focuses on the life of astronaut Neil Armstrong. We aren't here to plug the movie, but it did get us thinking and researching. Did you know that there have been 536 space travelers (not including aliens) overall and 12 of those have walked on the Moon?

When you next stare up at the stars, or at the Moon for that matter, consider that closer to home bankers travel daily to the world of ACH with customers. To catch up on the development of same day ACH, here is some information on the giant leaps being made in this area.

To start, we looked at information from the National Automated Clearing House Association (NACHA). It found [same-day ACH payments shot up 243%](#) in Q2 vs. the year-earlier period. This is a testament to how popular it is and how many customers may be using it these days.

NACHA reports its service, which was introduced for credits in 2016 and debits last year, continues to gain traction. [It has announced several pending changes](#)--to be rolled out over the next 2Ys as well. The upshot is that speed and access for same-day funds will expand, and per-transaction limits will increase. Here's what you can expect in the months ahead:

1. The first change, to take effect Sept. 20, 2019, will make funds available faster for certain same-day and next-day ACH credits. After this point, funds from same-day ACH credits processed in the existing first window will be made available by 1:30 p.m. local time.
2. Next, an increase in the per-transaction dollar limit will become effective on March 20, 2020. While NACHA notes that the current \$25k limit covers about 98% of ACH transactions, the low limit has been a pain point for many corporations that want to use ACH for payments such as federal taxes and mortgages. While some were gunning to have the upper limit increased even more, NACHA is sticking to \$100k--at least for now.
3. The third change--which has the farthest out implementation date of 2Ys from this past September--allows same-day ACH transactions to be submitted to the ACH Network for two extra hours each business day. This will be accomplished through the creation of a third processing window for same-day ACH payments--a move that a significant majority of financial institutions supported, according to NACHA.

Currently, the latest an Originating Depository Financial Institution can submit files of same-day ACH transactions to an ACH operator is 2:45 p.m. ET. The new window will allow same-day ACH files to be submitted until 4:45 p.m. ET. This timing was chosen to mitigate banks' concerns about possible interference with their end-of-day and re-opening operations.

To be sure, refining the same-day payments regime is a work-in-progress, as it's still in what we'll call the early childhood stage. We fully expect more tweaks will be introduced to the system over time, as the need arises.

So, stay tuned.

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