



NACHA Operating Rule Amendments – Frequently Asked Questions for Consumers

1. Are businesses required to tell me they plan to convert my checks in the back office?

Yes, retailers and financial institutions that intend to utilize back-office conversion (BOC) to convert paper checks to electronic transactions must alert consumers. Retailers must post a sign and provide in-store written notice to consumers, alerting them to the intent to convert paper checks to electronic transactions. Retailers must also establish a customer service phone number to address consumer questions and concerns. This phone number must be a working number, operated and answered during normal business hours.

2. What changes can I expect when these rules are implemented?

For consumers, the changes do not fundamentally change the existing experience in using checks at the register. There is no additional delay in the checkout process caused by the requirement of a written authorization in addition to signing a check. However, consumers may notice a difference on financial statements. Checks converted to electronic transactions through BOC will appear as brief descriptions of an electronic transaction, including the check serial number, the date and amount of the transaction, and the payee or business that received the check.

3. Will BOC affect the amount of the time it takes for a payment to go through and appear on my financial statement?

While BOC does not directly impact the amount of time it takes for a check to be deposited and appear on financial statements, it is possible that funds will be withdrawn more quickly. Due to existing check conversion methods, checks are almost always delivered overnight to the paying bank and debited from the check writer's account the next business day. Check processing speeds should continue to increase as banks make further operational changes in the future. To avoid overdraft charges and other penalties, sufficient account funds are necessary to cover the check.

4. Is BOC a secure method of check processing?

Yes. Like other electronic check processing methods, BOC utilizes technology that has been specifically developed and thoroughly tested to process account information securely and privately. Operating rules, business practices and other guidelines are developed by NACHA, the leading payments organization in the nation. NACHA is committed to efficient, reliable and secure payments systems. For additional information on the security of electronic check processing and NACHA guidelines, visit www.nacha.org.