



New NACHA Enforcement Rule Implementation FAQ

What changes have been made to the NACHA Operating Rules?

Are the new JavaScript and Best Practices implementations NETbilling requirements?

Are other ACH providers enforcing the NACHA rule?

Are other ACH providers making JavaScript and Best Practices implementations?

What if a Merchant does not send the customer's
NBCheck JavaScript for Authorization Checkbox ID number and IP Address?

What if a Merchant's chargebacks exceed 1.0 percent?

What report should I use to monitor chargebacks and where is it located?

What is the procedure if a Merchant is integrated with a shopping cart or
third party software provider?

How will recurring billing be handled?

What changes have been made to the NACHA Operating Rules?

Recently, NACHA passed The Network Enforcement Rule (NER) as an amendment to the standard NACHA Operating Rules. The NER requires Merchants to maintain no more than 1.0 percent of "not-authorized" chargebacks within a 60-day period. According to NACHA, it will allow the ACH Rules Enforcement panel to suspend ACH processing for those who do not maintain this percentage.

Are the new JavaScript and Best Practices implementations NETbilling requirements?

In response to the NER, NETbilling has developed some solutions to help reduce your Merchants' overall "not-authorized" chargeback exposure. The Best Practices and "NBCheck Not-Authorized Monitor" reports have been created for your convenience, and should help substantially reduce "not-authorized" chargeback percentages.

Are other ACH providers enforcing the NACHA rule?

The NACHA Operating Rules apply to all ACH providers and their Merchants.

Are other ACH providers making JavaScript and Best Practices implementations?

It is each ACH provider's discretion about how they choose to support their Merchants in meeting the terms of NACHA's Network Enforcement Rule.

What if a Merchant does not send the customer's NBCheck JavaScript for Authorization Checkbox ID number and IP Address?

The customer's ID number and IP Address must be provided with every NBCheck transaction.

What if a Merchant's chargebacks exceed 1.0 percent?

NETbilling will review the Merchant's alternatives to continue processing NBChecks on the NETbilling Gateway.

What report should I use to monitor chargebacks and where is it located?

NETbilling has developed "NBCheck 'Not-Authorized' Monitor" reports to aid in tracking Merchants' "not-authorized" chargeback percentages. The reports will display the percentage of "not-authorized" chargebacks in 60-day periods. However, the Agent-level report will display this information regarding all of your Merchants, and the Merchant-level report will reflect the numbers for their own individual Merchant account. These easy-to-follow reports are located under the "Standard Reports" link in the navigation menu.

What is the procedure if a Merchant is integrated with a shopping cart or third party software provider?

If your Merchant is integrated with a shopping cart or third party software provider that sends the Direct Mode request, it is the vendor that can most efficiently program these modifications.

How will recurring billing be handled?

If it is generated through the NETbilling Gateway, recurring billing will continue to be processed as is. However, if recurring billing is Merchant managed, the NBCheck JavaScript for Authorization Checkbox ID number and customer's IP address from the original transaction must be included in each submission to the NETbilling Gateway. Future recurring billing of transactions that were originally processed before the ID number feature was introduced will be grandfathered, meaning they will continue to be approved without it. All new ACH transactions require a valid NBCheck JavaScript for Authorization Checkbox ID number and customer IP address.