



Dear Centennial Bank Customer:

Thank You for your Business! Centennial Bank wants to be a good business partner to help your business succeed. One of the most important issues facing all businesses right now is FRAUD!

Threats and fraud can be perpetuated through cyberattacks, email compromise, account takeover, social engineering, and even vendor impersonation fraud. Centennial Bank protects its customers from fraudulent activity by staying on top of emerging threats in the market place, as well as keeping their customers informed. Organizations, and consumers protect themselves and prevent fraudulent activity by knowing about these threats. The FBI reports that 1.7 Billion dollars was lost in an email compromise scam

“For more information on this scam and others impacting businesses, please visit the NACHA website below”.

<https://www.nacha.org/sites/default/files/2019-09/2019-Fraud-Fact-Sheet-Sept-2019-FINAL.pdf>

There are three rule changes in 2020 that will impact ACH Originators:

- (1) Effective March 20, 2020, the dollar limit for each Same Day ACH transaction is \$100,000 for both debits and credits and applies to all eligible SEC codes.

All same-day originators should look into examining risk procedures and educating their receivers.

- (2) Effective April 1, 2020 the first phase of implementation begins for a Rules change on Differentiating Unauthorized Return Reasons. ODFIs and Originators will have clearer information for when a customer claims there was an error with an authorized payment, as opposed to when a customer says the payment was unauthorized. Instead of using the popular R10 return reason code, the R11 code will become the code enabling a return that conveys the new meaning of “error” rather than “no authorization.”
- (3) Effective June 30, 2020 - Supplementing Data Security Requirements focuses on three large groups: Originators that are not Financial Institutions, Third-Party Senders, and Third-Party Service Providers. They’ll be required to render deposit account information unreadable when electronically storing it. This will be phase one and covers companies with 6 million or more annual ACH transactions. Phase two—effective June 30, 2021—will be for firms with 2 million or more ACH transactions a year.

To reach our Cash Management Team with any questions or concerns regarding these changes or other ACH or Wire Transfer matters, please call (844) 213-5198 or email at CEN-CMOperations@my100bank.com.

Sincerely,

Nicole Haynes
SVP, Director of Treasury Management

All of these changes are explained in detail in the 2020 NACHA Operating Rules and Guidelines (Rules), Corporate Edition. For help obtaining a copy of this Handbook, you may contact us directly or you can visit www.NACHA.org to acquire a copy from their official website at a cost of \$59.00 to \$99.00. Information on our ACH originators regarding Same Day ACH services is provided by our regional payment association, EPCOR