

# NACHA, MICHAEL HERD

## Proposal and Comment Information

**Title:** Collection of Checks and Other Items by Federal Reserve Banks and Funds Transfers Through the Fedwire Funds Service and the FedNow Service, R-1891

**Comment ID:** FR-2026-0011-01-C19

## Submitter Information

**Organization Name:** Nacha

**Organization Type:** Organization

**Name:** Michael Herd

**Submitted Date:** 06/04/2026

Attached are the Nacha comments pertaining to the Collection of Checks and Other Items  
by Federal Reserve Banks and Funds Transfers Through the Fedwire Funds Service and the FedNow  
Service; Regulation J



June 5, 2026

Electronic File Delivery

**Collection of Checks and Other Items by Federal Reserve Banks and Funds Transfers Through the Fedwire Funds Service and the FedNow Service; Regulation J, Docket No. R-1891**

Attn: Benjamin W. McDonough, Secretary, Board of Governors

Dear Mr. McDonough,

Nacha appreciates the opportunity to submit comments to the Federal Reserve (Fed) on its Notice of Proposed Rulemaking (NPRM) on Collection of Checks and Other Items by Federal Reserve Banks and Funds Transfers Through the Fedwire Funds Service and the FedNow Service; Regulation J (Docket No. R-1891).

**Nacha and the ACH Network**

Nacha governs the modern ACH Network, the electronic payment system that moves consumer and business payments safely and quickly to accounts at all U.S. banks and credit unions. More than 35 billion ACH Network payments were made in 2025, moving a total of \$93 trillion. The ACH Network is governed by the Nacha Operating Rules ("Nacha Rules"). Nacha represents nearly 8,000 financial institutions of all sizes and types throughout the United States, both directly and through 9 Payments Associations.

**Nacha's Comments**

The proposed rule would permit FedNow participants to use intermediaries, other than Reserve Banks, to send funds transfers through the FedNow Service. In the NPRM the Fed states that it "believes this change could support private-sector cross-border payment solutions by allowing FedNow participants to leverage an intermediary (for example, a correspondent bank) for the international portion of a cross-border transaction and use the FedNow Service for the U.S. domestic portion." Indeed, on the same day that the NPRM was issued, the Fed, as the operator of the FedNow service, also said that it expects just such an outcome - "the FedNow Service...is laying the groundwork to expand beyond its original domestic-only framework in the future. FedNow participants would be permitted to process instant payments on the network even when the ultimate sender or receiver is located outside of the United States."<sup>1</sup>

While Nacha does not have a position on whether the Federal Reserve should adopt the proposed rule, we offer these comments for consideration.

Under the proposed rule, U.S. financial institutions that participate in the FedNow service could receive FedNow payments that originate outside of the U.S. (i.e., inbound instant

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<sup>1</sup> <https://explore.fednow.org/explore-the-city?id=3&building=news-center&postId=111&postTitle=fednow-service-plans-future-support-for-global-payment-experiences>



credits). According to the NPRM, such institutions “would be obliged to make funds available immediately to the beneficiary.”

The NPRM further says that “the Board believes these proposed amendments do not create material new money laundering, sanctions evasion, or payment system integrity risks, as the correspondent payment model is substantially similar to how the Fedwire Funds Service operates today.” Nacha notes that while the correspondent payment *model* being proposed is substantially similar to Fedwire, the operational reality within receiving financial institutions may be very different. Financial institutions currently do not receive Fedwire transfers on a 24x7x365 schedule. Further, there is no immediate funds availability requirement when receiving Fedwire transfers as there is for FedNow transfers.

Nacha’s experience with U.S. financial institutions receiving inbound international ACH transactions (IATs) suggests that many institutions could have challenges meeting AML and OFAC screening requirements (as examples of operational realities) for these inbound payments while at the same time meeting the funds availability requirements of Reg J. Further, some financial institutions have reported to Nacha that a significant percentage of cross-border payments require manual review to clear potential OFAC screening matches. Under Nacha Rules, receiving institutions are exempt from funds availability requirements when an IAT requires additional review to clear potential OFAC matches.

Nacha respectfully suggests that the Fed consider further industry engagement and/or surveys on receiving institutions’ operational and risk management capabilities before proceeding to adopt a final rule.

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Nacha appreciates the opportunity to provide comments on the NPRM.

Sincerely,

/s/

Michael Herd  
Executive Vice President, ACH Network Administration  
Nacha