

October 23, 2026

Jane Larimer
President and Chief Executive Officer
Nacha
11951 Freedom Drive, Suite 1001
Reston, VA 20190

RE: Request for Comment – Definition of Banking Day

Dear Ms. Larimer:

The Independent Community Bankers of America (“ICBA”)¹ appreciates the opportunity to comment on Nacha’s Request for Comment regarding the definition of Banking Day.² ICBA represents community banks across the United States and advocates for policies that promote a safe, efficient, and equitable payments system. ICBA supports the proposal to revise the definition of Banking Day to mean “a calendar day other than a Saturday, Sunday, or Federal banking holiday in the United States,” and supports the related proposal to remove the ability of a Receiving Depository Financial Institution (“RDFI”) to defer ACH debit settlement when it is closed on a Banking Day.

Summary

As a result of the feedback received through the Request for Information process earlier in 2026, Nacha is proposing to update the definition of Banking Day to: “A calendar day other than a Saturday, Sunday, or Federal banking holiday in the United States.”

This definition is identical to Nacha’s current definition of Business Day. Under the proposal, the term Business Day would be removed from the Nacha Operating Rules (“Rules”), and several existing references to Date and Day would be clarified to specifically reference Banking Day. The proposal is intended to address inconsistencies among the definitions of Banking Day used by Nacha, The Clearing House (“TCH”), and the Federal Reserve.

Additionally, Nacha is proposing to remove an RDFI’s ability to defer ACH debit settlement on a Banking Day if the RDFI is closed.

¹ The Independent Community Bankers of America® has one mission: to create and promote an environment where community banks flourish. We power the potential of the nation’s community banks through effective advocacy, education, and innovation. As local and trusted sources of credit, America’s community banks leverage their relationship-based business model and innovative offerings to channel deposits into the neighborhoods they serve, creating jobs, fostering economic prosperity, and fueling their customers’ financial goals and dreams. For more information, visit ICBA’s website at icba.org.

² Nacha Request for information <https://www.nacha.org/rules/proposed>

Banking Day

ICBA supports the proposed revised definition of Banking Day to be “a calendar day other than a Saturday, Sunday, or Federal banking holiday in the United States.” This change adds commonality to definitions used by Nacha, TCH, and the Federal Reserve. The concept of Banking Day underpins numerous ACH Network requirements, including deadlines for returns, reversals, notifications of change, and documentation requests. Maintaining clarity and consistency in this definition will support operational efficiency and reduce ambiguity across the network.

ICBA acknowledges that differences among definitions used by Nacha, TCH, and the Federal Reserve add complexity to the broader payments landscape. ICBA members have reported infrequent and rare instances in which differing interpretations of Banking Day between institutions were central to a dispute. The concept of a Banking Day, being different from a Business Day, predates innovations such as ATMs, online and mobile banking, and instant payments. These payment tools create a perception that all banking functions operate in real-time.

Deferred Settlement

Nacha proposes ending an RDFI’s ability to defer settlement of ACH debits when it is closed on the settlement date. Under the current Nacha Rules³ and Federal Reserve Operating Circular 4⁴, a closed RDFI must settle on the settlement date unless it has notified the Federal Reserve in advance and received approval to defer settlement until the next Banking Day. Nacha reports that no institution has sought this approval for many years.

Removing an unused provision will simplify the Rules and eliminate potential ambiguity regarding settlement timing. Therefore, ICBA supports the removal of this unused provision in the ACH Operating Rules.

Community banks frequently encounter situations, such as state holidays, in which branches and offices are closed while the ACH Network remains operational. When banks are closed on Banking Days, institutions continue to process ACH files on the settlement date, with staffing often managed through compensatory arrangements such as floating holidays.

Compliance with ACH processing requirements is a well-established part of banks’ operational and business continuity planning. Maintaining a uniform Banking Day standard across all participating institutions promotes consistency, predictability, and timely processing throughout the ACH Network. Nacha’s existing framework includes multiple processing windows, such as

³ Nacha, *Nacha Operating Rules & Guidelines*, Section 7.6 & 7.6 (Closing on Settlement Date).

⁴ Federal Reserve Banks, *Operating Circular No. 4: Automated Clearing House Items*, www.frbservices.org.

Same Day ACH windows as well as next-day and two-day options. The store-and-forward nature of ACH processing accommodates these windows without introducing additional delays. These options give RDFIs room to manage ACH credits.

The proposal does not affect the Rules governing Excused Delays, an important safeguard for community banks facing localized disruptions such as severe weather, natural disasters, or other events beyond their control. While routine closures, including state holidays, generally present limited operational challenges, extended disruptions can significantly impair a community bank's ability to satisfy procedural requirements within prescribed timeframes. Although automated systems and business continuity arrangements support routine ACH processing, certain functions continue to require manual intervention and staff availability.

ICBA encourages Nacha to continue evaluating how Banking Day calculations interact with procedural obligations that require manual intervention, including responses to requests for proof of authorization, Written Statements of Unauthorized Debit, source document requests, and notices of potential Rules violations. Smaller institutions may face unique challenges during extended closures, even when automated ACH processing continues uninterrupted.

Conclusion

ICBA appreciates Nacha's efforts to modernize these provisions. ICBA supports both elements of the proposal and believes they will enhance consistency, certainty, and operational efficiency throughout the ACH Network. Please contact Kari Neckel at kari.neckel@icba.org if ICBA can provide additional information.

Sincerely,

Kari Neckel

Kari Neckel, AAP
Vice President, Payments Policy
Independent Community Bankers of America®