



## Partner Ryan Stinneford comments for Payments Dive on new Nacha WEB debit rule

March 24th, 2021

On March 19, Nacha's new WEB debit rule took effect, aimed at fighting the recent rise in fraudulent digital payment transactions. The rule affects companies that allow consumers to make payments via online or mobile devices and directly debit payments from consumers' checking accounts. Nacha stated that it will not enforce the rule until March 19, 2022 for covered entities that are "working in good faith toward compliance."

Hudson Cook Partner [Ryan Stinneford](#) spoke to *Payments Dive* about what the rule entails. "The rule change explicitly identifies account validation as a required part of an Originator's 'commercially reasonable fraudulent transaction detection system'," Ryan explained. "This means that any time a consumer authorizes a payee to initiate an ACH debit, the 'payee' must validate the consumer's deposit account."

Ryan assists community, regional and national banks, as well as non-bank lenders and service providers, with a wide variety of federal, Maine and Massachusetts regulatory compliance matters. His retail financial compliance experience includes prepaid access, consumer and commercial deposit products, electronic banking and payment services, consumer finance products (residential mortgages, home equity loans/lines, personal loans/lines, credit cards, student loans, auto loans and leases, and retail installment sales contracts), marketing and advertising issues, privacy and data security issues, and vendor contracting/third party risk management issues.

To read the full article, [visit the \*Payments Dive\* website](#).

For additional information about the rule, [read the Hudson Cook Insights article](#) or [request a replay of the January Compliance Coffee Break](#), presented by Ryan Stinneford and [Katie Hawkins](#).

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