



Effective June 30, 2021, the new rule limits the length of time in which an RDFI will be permitted to make a claim against the ODFI's authorization warranty.

For an entry to a non-consumer account, the time limit will be one year from the settlement date of the entry.

For an entry to a consumer account, the limit will cover two time periods:

1. The first 95 calendar days from the settlement date of the first unauthorized entry to the consumer's account will always be covered.
 - This period covers the time Regulation E states an RDFI may be liable to a consumer for errors for 60 days from the transmittal of an account statement that shows the first error.
2. If outside the first 95 days, then two years from the settlement date of the entry.
 - This period exceeds the one-year Statute of Limitations in the Electronic Funds Transfer Act (covering Regulation E claims), which runs from the date of the occurrence of the violation, which may be later than the settlement date of the transaction. This also allows for "extenuating circumstances" in which a consumer is delayed from reporting an error to his or her financial institution.

The implementation of the new rule shifts liability for some older transactions from ODFIs and Originators to RDFIs and Receivers. If your bank has any questions regarding these changes, please reach out to CCI.