ACH Processing Guide for ACH Originators

Revised July 1, 2021

As an Originator of ACH debit and credit entries, we encourage you to read and become familiar with the ACH Rules. This quick reference guide was developed to give you an overview of important information you should know as an Originator.

The information and materials contained in this presentation is intended for educational and informational purposes only and is not intended to provide legal advice or guidance. You should consult your own legal counsel for additional advice on any of these important matters.

For your convenience, The Treasury Services Terms and Conditions governing ACH Origination with CIT Bank N. A, (BANK),are posted on our website: http://www.cit.com/ cab-solutions-disclosures.

GENERAL INFORMATION
- An ACH Originator– whether an individual, a corporation or another entity– initiates either a Direct Deposit or Direct Payment transaction using the ACH Network.
- ACH entries are generally categorized as "consumer" or "corporate."
- ACH is a batch system (not real time). Same-Day ACH allows for batch payments but settle on the same day the transaction is originated.
- ACH is capable of crediting or debiting checking or savings accounts.
- Most, but not all banks and credit unions receive ACH entries.
- It is very important to validate the accuracy of the account number on each transaction. The Receiving Bank is not required to validate the name of the payee; they are only required to check the account number. There is a risk that entries can be processed to the wrong account.
- Financial Institutions may use different Routing and Transit numbers for checks and ACH transactions, wires, and deposits. When asking a customer to complete their authorization form, request they provide you the routing and transit number from a check, **not a deposit slip**.
- ACH stop payments specifically placed to stop all future payments **on consumer accounts** do not have expiration dates.
- ACH originators and third parties with more than 2 million ACH payments annually, are required to add an additional layer of security for ACH payment accounts stored electronically. Account numbers stored electronically after June 30, 2022, should be unreadable

ACH LEGAL FRAMEWORK
As an Originator, you are required to abide by ACH Rules and various legal requirements including, but not limited to, the following.
- NACHA Operating Rules (www.nacha.org)
- Regulation E (for consumer entries)
- Uniform Commercial Code
- Bank Account Disclosures and Terms and Conditions
- Customer Authorizations and any other Agreements with your customer

YOUR RESPONSIBILITIES AS AN ORIGINATOR
- For consumer debit transactions, obtain proper written authorizations from your customer and retain the authorizations for two years past revocation or termination. Provide all necessary disclosures in accordance with the ACH Rules.
- Provide a copy of the authorization if requested by us within the time frame requested (usually no more than five business days). **Authorizations not provided in a timely manner will result in the refunding or reversal of past charges.**
- For recurring entries, give appropriate notice to your customer if you change the amount or date of withdrawal. See Changing Dates of Withdrawal or Amount on page 2.

- Properly secure and protect all personal and confidential information of your customers (paper and electronic).
- Send entries with the proper effective date.
- Upon receipt of a Notification of Change (NOC notice), make necessary changes to payee account information within six banking days or no later than the next scheduled transaction.
    - o Note: The Receiving Bank warrants that the information they provide is correct therefore information provided on a NOC Notice is accurate and should be used to update your information

- Cease subsequent entries when appropriate.
- Check payees against Office of Foreign Assets Control (OFAC) compliance checklists before processing transactions. You may check the Office of Foreign Assets Control (OFAC) & Specifically Designed Nationals (SDN) list at: **www.treas.gov/offices/enforcement/OFAC.**
- Ensure you are following security procedures to protect your computers and safeguard customer data from fraudulent attacks. Please review our Terms and Conditions carefully about your responsibilities to prevent and detect fraudulent activity.
- Know and adhere to the rules detailed in this document.

DIRECT DEPOSIT PAYROLL AUTHORIZATIONS (CONSUMERS)
- The Bank recommends you use written direct deposit authorization forms that collect the proper account information to allow you to credit an employee account and as necessary debit the employee's account for any payroll adjustments.
- The most common code for direct deposit to individuals is PPD (Prearranged Payment Deposit).

CONSUMER DEBIT AUTHORIZATIONS
- For consumers, an authorization to debit their account must be in writing and have clear and readily understandable terms. It must also tell the consumer how to revoke consent to the authorization. Refer to the ACH Rules for sample forms.
- Electronic authorizations are permissible so long as it complies with applicable legal requirements and has been visually displayed in a manner that enables the consumer to read the authorization.
- The most common Standard Entry Class (SEC) code is PPD (used for debits and credits to consumers).
- There are additional requirements for debit WEB entries to consumer accounts. You must have a fraudulent transaction detection system to screen each debit WEB entry. ACH Rules require higher standards of fraud detection; therefore, you may be responsible for enhancing your current systems.

CORPORATE AUTHORIZATIONS
- For corporate entities, there must be an agreement between you as the Originator and the corporate entity.
- The most common SEC code used for originating to or from a business account is CCD (Corporate Credit or Debit entry).

CHANGING DATE OF WITHDRAWAL OR AMOUNT
- ACH Rules require you to notify your customers of any changes in date of withdrawal or amount debited as follows:
    - o 7 calendar days' notice for a change of date (consumer and corporate) of withdrawal.
    - o 10 calendar days' notice for a change in amount (consumer only). However, for recurring entries, if the customer has previously given consent to a change in amount within an agreed range, no notice is required.
    - o Sending the change notice via U.S. Mail is acceptable.

ENTRY EFFECTIVE DATE
The date specified by the originator as the day which ACH credits or debits should post to an account.

SETTLEMENT DATE
The date on which the **ODFI** (Originating Depository Financial Institution) and **RDFI** (Receiving Depository Financial Institution) are debited or credited by the Federal Reserve.

PRENOTES/TEST FILES
- Prenotes are zero-dollar entries that precede the first credit or debit entry. The purpose of a prenote is to verify account information.
- Prenotes are optional for you to send. However, if sent, prenote rules must be followed. **A prenote must precede the first credit or debit entry by at least three banking days.**

NOTICE OF CHANGE
- When ACH file information is incorrect, a Notification of Change "NOC" is sent by the Receiving Bank requesting that future entries contain correct information. **ACH Rules require you to make the change within six banking days of receiving the information or before the next transaction is processed. If changes are not made in a timely manner, fines may be assessed.**
- On a NOC, the Receiving Bank warrants that the information they provide is correct.
- CIT Bank N. A will notify you of any NOCs received on your behalf within two banking days.
- CIT Bank N. A may pass along fines assessed to the bank related to non-compliance in changing information provided on a NOC notice.

RETURNS
- In most cases, returns must be processed by the Receiving Bank within 24 hours of settlement.
- An exception to the 24-hour rule is consumer unauthorized returns, which may be returned within 60 calendar days of posting.
- The use of consumer (PPD) or corporate (CCD) entry codes determines applicable ACH return rules. PPD is used on entries involving consumers. CCD is used on entries with businesses.
- If the Receiving Bank receives a notice from its customer claiming a debit was unauthorized, the Receiving Bank must get a signed Written Statement of Unauthorized Debit from the customer.
- You may re-initiate a debit entry up to two times if you receive a return entry of "NSF" or "Uncollected Funds." This gives the Originator a total of three attempts at debiting an account. You may originate a Return Fee Entry to a consumer account (subject to any applicable legal requirements), based upon a return for insufficient or uncollected funds. Please familiarize yourself with the applicable notice requirements before initiating a Return Fee Entry.
- A "Stop Payment" return may be re-initiated only if you receive approval from the payee to re- send the item.
- It is a violation of ACH Rules to re-initiate the debit entry if a return is received for any other reasons.

REVERSALS *(Can only be made under certain conditions.)*
- Once sent, ACH entries are irrevocable. Reversals may only be made to an erroneous entry for the following three reasons: 1) wrong dollar amount, 2) payment to or from the wrong account, or 3) duplicate entry to one previously initiated.
- All reversing entries must have the entry description of "REVERSAL" (CAPITAL LETTERS REQUIRED).
- When doing a reversal, the complete ACH file that was originally submitted must be reversed. The reversing entry must be for the full amount, must be sent within five

banking days of original entry and within 24 hours of discovering the error.
- For wrong amount or wrong account reversing entries, a correcting entry must also be sent.
- The Receiving Bank is under no obligation to post the reversing debit if it overdraws the payee's account or if the payee's account is closed.
- A payee must be notified if a reversing entry debits his or her account. However, a payee does not need to authorize the reversing debit.

OFAC
- You are required to check payees against OFAC compliance checklists.
- OFAC lists countries, groups and individuals that U.S. companies are not allowed to send funds to or receive funds from a third party via ACH.
- It is prohibited to send debit or credit entries to OFAC blocked entities, countries, groups or individuals.
- You may check the OFAC SDN list at: **www.treas.gov/offices/enforcement/OFAC.**

SECURITY
CIT Bank N. A recommends each ACH Originator remind employees or vendors of the importance of working in a secure internet environment. Cyber-thieves use a variety of methods in an attempt to steal your employee's online banking credentials including mimicking a legitimate website, using malware and viruses to compromise your systems as well as social engineering to fool employees into revealing security credentials or other sensitive data.

A Company's systems can be compromised in a variety of ways including but not limited to:
- (1) An infected document attached in an email
- (2) A link within an email that connects to an infected website
- (3) Opening an attachment or clicking on a link while using a social media site
- (4) Using a flash drive from an infected computer

SECURITY FRAMEWORK
The ACH Security Framework establishes minimum data security obligations for ACH Network participants to protect ACH data within their purview. This Rule is aimed at protecting the security and integrity of certain ACH data throughout its lifecycle and is intended to be consistent with other data security obligations of ACH Network participants. The Rule implementation includes three sets of rules:
- Protection of Sensitive Data and Access Controls
- Self-Assessment
- Verification of Third-Party Senders and Originators

PROTECTION OF SENSITIVE DATA AND ACCESS CONTROLS
The ACH Security Framework Rule requires non-consumer Originators, Third Party Service Providers, and Third-Party Senders to establish, implement, and, as appropriate, update security policies, procedures, and systems related to the initiation, processing, and storage of entries. These policies, procedures, and systems must:
- Protect the confidentiality and integrity of Protected Information
- Protect against anticipated threats or hazards to the security or integrity of Protected information
- Protect against unauthorized use of Protected Information that could result in substantial harm to a natural person

The amendment defines Protected Information as the non-public personal information, including financial information used to create, or contained within, an entry and any related Addenda record. This not only covers financial information, but also includes sensitive non-financial information (such as health information) that may be incorporated into the entry or any related Addenda Record. **This Rule applies to consumer information only.** Addenda Record information may only be used for transmitting additional entry detail payment-related

information to the RDFI. Any other use is prohibited.

However, ACH participants may wish to apply the rule so that it covers all customers. Security policies, procedures, and systems of ACH participants covered by this Rule must include controls on system access that comply with applicable regulatory guidelines. The systems impacted include all systems used by the ACH participants to initiate, process, and store Entries.

SELF ASSESSMENT

Each Third-Party Service Provider and Third-Party Sender is required under the amendment to verify, as part of its annual ACH Rules Compliance Audit, that it has established, implemented, and updated the data security policies, procedures, and systems required by the ACH Security Framework Rule. The annual Rules Compliance Audit applies directly to Third-Party Providers and Senders, but not directly to Originators. Originators are bound to the NACHA Operating Rules through their origination agreements with their ODFIs. Therefore, the Originators must ensure that they have existing policies, procedures, and

systems in place that will enable compliance with the ACH Security Framework.

THIRD PARTY SENDER REGISTRATION

The ACH Rules now require that each ODFI must register each Third-Party Sender for which it originates Entries. If you are a Third-Party Sender, then the ODFI is required to disclose your name and principal city and state location to NACHA within the later of 30 calendar days of transmitting the first Entry or within 10 days of becoming aware of your Third-Party Sender status.

COMMON DESCRIPTIONS – NACHA FILE PROCESSING

This is a list of descriptions for commonly used acronyms you should know.

- ODFI is the Originating Depository Financial Institution
- RDFI is the Receiving Depository Financial Institution
- PPD (Prearranged Payment Deposit) is a credit entry or debit entry originated by an Organization **to a Consumer Account** of a Receiver based on a standing or a Single entry authorization from the Receiver.

  This authorization must be in writing and signed or similarly authenticated by the receiver. The authorization must be readily identifiable as an authorization and must clearly state its terms, as well as indicate that the Receiver may revoke the authorization by notifying the Originator in the manner specified in the authorization. The authorization process must evidence both the consumer's identity and his or her agreement to the transaction. Further, the Rules require that the PPD entry contain certain information, including, but not limited to, the Receiver's bank routing number and account number.

- CCD (Corporate Credit or Debit entry) is originated by an Organization to offset **that Organization or another Organization**. A CCD entry may be a credit entry or a debit entry, and may provide payment related information in one Addenda Record.

  A CCD Entry that is a Health Care EFT Transaction must include one Addenda Record that contains the ASC X12 835 TRN (Reassociation Trace Number) data segment in the Payment Related Information field.

- TEL is a debit entry originated based on an oral authorization provided to the Originator by a Receiver via the telephone. A TEL entry may only be used when there is an existing relationship between the Originator and the Receiver, or, when the Receiver initiates the telephone call. Originators or Third-Party Sender must perform, the requirements of Subsection 2.5.15.2 (Authorization of TEL entries) and subsection 2.5.15.3 (Retention of the Record of Authorization for TEL Entries) and be authorized by the Bank before initiating a TEL entry.

- WEB is a debit entry to a consumer account originated based on an authorization that is communicated, other than by an oral communication, from the Receiver to the Originator via the Internet or a wireless network. An Originator or Third-Party Sender must perform the requirements of subsection 2.5.17.2 (Authorization of WEB Entries) and subsection 2.5.17.4 (WEB Annual Audit) and be authorized by the Bank before initiating a WEB entry. Further, you must have appropriate fraud detection systems in place as required by the ACH Rules in order to transmit WEB entries.

SUMMARY OF COMMONLY USED SEC CODES

SEC Code	Title	Transaction Type	Account Type	Agreement or Authorization	Additional Bank Approval Req'd
ARC	Accounts Receivable Entry	Debit - Single Entry	Consumer or Non-Consumer	Written Notice - Authorization	Yes
CCD	Corporate Credit or Debit Entry	Credit or Debit - Single Entry or Recurring Entry	Non-Consumer	Agreement - Originator and Receiver	No
COR	Notification of Change (NOC) or Refused NOC	Non-Monetary	Consumer or Non-Consumer	NA	No
CTX	Corporate Trade Exchange	Credit or Debit - Single Entry or Recurring Entry	Non-Consumer	Agreement - Originator and Receiver	Yes
IAT	International ACH Transaction	Credit or Debit - Single Entry or Recurring Entry	Consumer or Non-Consumer	Consumer Debit - in writing and signed or authenticated / Consumer Credit - orally or other non-written means / Corporate - Agreement between Originator and Receiver	Yes
POS	Point of Sale Entry	Debit - Single Entry	Consumer	In writing and signed or authenticated	Yes
PPD	Prearranged Payment and Deposit	Credit or Debit - Single Entry or Recurring Entry	Consumer	Consumer Debit - in writing and signed or authenticated / Consumer Credit - orally or other non-written means	No
RCK	Re-presented Check Entry	Debit – Single Entry	Consumer	Posted Notice	Yes

FILE SPECIFICATIONS

Fields within each record type are alphabetic, numeric or alphameric (both alphabetic and numeric).
- All alphabetic fields must be left justified and blank filled.
- All alphabetic characters must be in upper case or "caps".
- All numeric fields must be right justified, unsigned, and zero filled.
- CIT Bank N. A prefers unbalanced files, however, may accept a balanced file with Bank approval.

    In an unbalanced ACH file, there is no need for the originator to include the offsetting transaction to their settlement account in the file as the Bank will automatically offset the file to their account on record.
- All records are 94 characters in length.
- The file's blocking factor is '10', as indicated in positions 38-39 of the File Header '1' record. Every 10 records are a block. If the number of records within the file is not a multiple of 10, the remainder of the block must be nine filled. The total number of records in your file must be evenly divisible by 10.

**All data transmitted to CIT Bank N. A for the origination of ACH entries must conform to
the standard format developed by the National Automated Clearing House Association (NACHA).**

File Structure

There are five different record types that define an ACH file containing PPD and/or CCD transactions. With the addition of the addenda record, there are 6 different record types that define a CCD+ file.

These **record types** include:
1. **File Header Record** - This record designates the physical file characteristics and identifies the immediate origin and destination of the entries contained within the file. In addition, this record includes date, time, and file identification fields used to identify the file uniquely.

    5. **Company/Batch header Record** - This record identifies the Originator and briefly describes the reason for the transaction originated by the Originator. This record also identifies CIT Bank N. A as the institution for settlement, routing of returns, and other control purposes. In addition, the Company/Batch Header Record indicates the effective entry date of all transactions within the batch.

    The information contained in this record applies uniformly to all subsequent Entry Detail Records in the batch.

    5. **Entry Detail Record** - The Entry Detail Record contains the information necessary to route the entry to the Receiver (i.e., the Receiver's financial institution, account number, account type, receiving name, and the debit or credit amount.)

    5. **For CCD+ Addenda Record** - This record provides business transaction information in a machine-readable format. It is usually formatted according to American National Standards Institute (ANSI), Accredited Standards Committee (ASC), X12 Standard or NACHA-endorsed banking conventions.

5. **Company/Batch Control Record** - This record contains the counts, hash totals, and total dollar controls for the preceding detail entries within the indicated batch.

5. **File Control Record** - This record contains dollar, entry, and hash total accumulations from all Company/Batch Control Records in the file. This record also contains counts of the number.of records and the number of batches within the file.

Sequence of Records

CIT Bank N. A Processing and Settlement are based on matching two fields:
Company Name (positions 5-20) and **Company ID** (41-50) in the Company/Batch

Header Record. Record Type

(1)	File Header Record	Key Batch Header Fields
(5)	Company Batch Header Record	
(6)	First Entry Detail Record	Example of first batch header record:
	Additional Entry Detail Records	Company Name: ABC COMPANY
	Last Entry Detail Record	Company ID: 1234567890
(8)	Company/Batch Control Record	
(5)	Company/Batch Header Record	Example of second batch header record:
(6)	First Entry Detail Record	Company Name: ABC Subsidiary
(7)	First Addenda	Company ID: 9234567890
(6)	Last Entry Detail Record	
(7)	Last Addenda	
(8)	Company Batch Control Record	
(9)	File Trailer Record	

Understanding Field Inclusion Requirements

In the following pages the record layout will indicate if the field is Mandatory (M), Required (R), or Optional (O). This information is provided in the Field Inclusion Requirement line.

Mandatory - A mandatory field is necessary to ensure the proper origination of an entry. Any "Mandatory" field not included in an ACH record will cause that entry, batch, or file to be rejected by CIT Bank N. A, Any "Mandatory" field not meeting required data specifications will cause that entry, batch, or file to be rejected by the ACH Operator. A rejected entry will be returned to the ODFI by the ACH Operator. A rejected batch or rejected file will be reported to the ODFI or sending point by the ACH Operator.

Required - A required field will not cause the entry to reject at the point of origination CIT Bank N. A but may cause a reject at the Receiving Depository Financial Institution (RDFI) and may result
in the return of the entry.

Optional - Any field labeled "Optional" is to be used at the discretion of the Originator. However, if a DFI does originate files using optional data fields, the RDFI must return these fields to the ODFI if the entry is returned.

ACH Processing Guide

FILE HEADER RECORD

Field	1	2	3	4	5	6	7	8	9	10	11	1	13
Data Element Name	Record Type Code	Priority Code	Immediate Destination	Immediate Origin	File Create or Transmission Date	File Create or Transmission Time	File ID Modifier	Record Size	Blocking Factor	Format Code	Immediate Destination Name	Immediate Origin Name	Reference Code
Field Inclusion Requirement	M	R	M	M	M	M	M	M	M	M	M	M	M
Contents	'1'	Numeric	b TTTTAAAAC	b or 1 + tax ID	YYMMDD	HHMM	UPPER CASE A-Z, NUMERIC 0-9	'094'	'10'	'1'	Alphameric	Alphameric	Alphameric
Length	1	2	10	10	6	4	1	3	2	1	23	2	8
Position	01-01	02-03	04-13	14-23	24-29	30-33	34-34	35-37	38-39	40-40	41-63	64-86	87-94

FIELD NAME/POSITIONS RECORD TYPE FORMATS.

01-01

CODE **1**.

PRIORITY CODE THIS
02-03

IMMEDIATE DESTINATION 04-13
BLANK

IMMEDIATE ORIGIN 14-23
BEGINS ORIGINATORS S

CANNOT BE

FILE CREATION DATE

FILE CREATION TIME

FILE ID MODIFIER 34-34

RECORD   SIZE
CHARACTERS 35-37
USED.

BLOCKING FACTOR 38-39

FORMAT CODE 40-40

IMMEDIATE DESTINATION NAME 41-63

IMMEDIATE ORIGIN NAME FILE.
64-86
USED

REFERENCE CODE 87-94

**CONTENTS/DESCRIPTION**
THIS IS THE FIRST POSITION OF ALL RECORD

THE CODE IS UNIQUE FOR EACH RECORD TYPE. THE FILE HEADER RECORD USED RECORD TYPE

PRIORITY CODES ARE

NOT USED AT THIS TIME;

FIELD MUST CONTAIN **01**.

ENTER YOUR CIT Bank N. A TRANSIT/ROUTING NUMBER PRECEDED BY A SPACE I.E. B999999999.

THIS FIELD IDENTIFIES THE ORGANIZATION OR COMPANY ORIGINATING THE FILE. THE FIELD

WITH A NUMBER, TYPICALLY'1' AND THE

9-DIGIT TAX ID WILL FOLLOW. IF THE FIELD

POPULATED WITH 10 DIGITS, A BLANK AND 9 DIGITS CAN BE USED.

DATE WHEN THE ORIGINATOR CREATED THE FILE. THE 24-29 DATE MUST BE IN "YYMMDD" FORMAT.

TIME WHEN THE ORIGINATOR CREATED THE FILE. THE 30-33 TIME MUST BE IN "HHMM" FORMAT.

THIS PROVIDES A MEANS FOR AN ORIGINATOR TO DISTINGUISH BETWEEN MULTIPLE FILES CREATED ON THE SAME DATE. ONLY UPPERCASE, A-Z AND NUMBERS,

0-9 ARE PERMITTED. THIS FIELD

INDICATES THE NUMBER OF

CONTAINED IN EACH RECORD. THE VALUE **094** IS

THIS BLOCKING FACTOR DEFINES THE NUMBER OF PHYSICAL RECORDS WITHIN A FILE. THE VALUE **10** MUST BE USED.

THIS FIELD MUST CONTAIN **1.**

ENTER CIT Bank N. A

THIS FIELD IDENTIFIES THE ORIGINATOR OF THE

THE NAME OF THE ORIGINATING COMPANY SHOULD BE

BLANKS FILL THIS FIELD.

Company Batch Header Record

Field	1	2	3	4	5	6	7	8	9	10	11	12	13
Data Element Name	Record Type Code	Service Class Code	Company Name	Company Discretionary Data	Company ID	Standard Entry Class Code	Company Entry Description	Company Descriptive Date	Effective Entry Date	Settlement Date (Julian)	Originator Status Code	Originating DFI ID	Batch Number
Field Inclusion Requirement	M	M	M	O	M	M	M	O	R	Inserted by ACH Operator	M	M	M
Contents	'5'	Numeric	Alphameric	Alphameric	Alphameric	Alphameric	Alphameric	Alphameric	YYMMDD	Numeric	Alphameric	TTTTAAAA	Numeric
Length	1	3	16	20	10	3	10	6	6	3	1	8	7
Position	01-01	02-04	05-20	21-40	41-50	51-53	54-63	64-69	70-75	76-78	79-79	80-87	88-94

FIELD NAME/POSITIONS

RECORD TYPE
RECORD FORMATS. CODE
01-01

CONTENTS/DESCRIPTION

THIS IS THE FIRST POSITION FOR ALL

IS UNIQUE FOR EACH RECORD TYPE. THE COMPANY/BATCH HEADER RECORD USED RECORD TYPE CODE 5.

SERVICE CLASS CODE
THE TYPE OF ENTRIES
02-04

THE SERVICE CLASS CODE DEFINES

CONTAINED IN THE BATCH.

CODE	TRANSACTION TYPE
200	ACH DEBITS AND CREDITS
220	ACH CREDITS ONLY
225	ACH DEBITS ONLY

COMPANY
NAME 05-20

CODE CONTAINED IN 51-53
PAYMENTS AND DESTINED TO AN
DISBURSEMENT)

FINANCIAL

CUSTOMER'S

COMPANY DISCRETIONARY
DATA ORIGINATOR.
21-40

COMPANY
IDENTIFICATION
TRANSACTION 41-50
THE

STANDARD ENTRY CLASS

THIS FIELD IDENTIFIES THE COMPANY THAT HAS THE RELATIONSHIP WITH THE RECEIVERS OF THE ACH TRANSACTION(S). THE NAME MUST MATCH THE ACCOUNT NAME WITH CIT Bank N. A WHEN REQUESTING ACH SERVICE TO BE ESTABLISHED. IN ACCORDANCE WITH FEDERAL REGULATION

INDIVIDUAL or **CCD** (CASH CONCENTRATION OR FOR CORPORATE TRANSACTIONS.

E, MOST RECEIVING

INSTITUTIONS WILL

DISPLAY THIS FIELD

ON THEIR BANK

STATEMENT

REFERENCE INFORMATION FOR USE BY THE

THIS FIELD IDENTIFIES THE ORIGINATOR OF THE VIA A UNIQUE IDENTIFIER USUALLY ASSIGNED BY

ORIGINATOR AND AGREED TO BY THE BANK. THE IDENTIFIER CAN CONTAIN ALPHA AND NUMERIC CHARACTERS. WE SUGGEST USING THE COMPANY TAX ID PRECEDED BY A 1.

THIS FIELD DEFINES THE TYPE OF ACH ENTRIES THE BATCH. ENTER: **PPD** (PREARRANGED DEPOSITS) FOR CONSUMER TRANSACTIONS

COMPANY ENTRY DESCRIPTION ORIGINATOR TO PROVIDE A 54-63 RECEIVER. FOR ACCORDANCE WITH DISPLAY THIS

THIS FIELD IS USED BY THE

DESCRIPTION OF THE TRANSACTION FOR THE EXAMPLE, PAYROLL OR DIVIDEND, ETC. IN REGULATION E, MOST RECEIVING BANKS WILL FIELD ON THEIR BANK STATEMENT.

FIELD NAME/POSITIONS	CONTENTS/DESCRIPTION

COMPANY DESCRIPTIVE DATE ORIGINATOR TO PROVIDE A 64-69

THIS FIELD IS USED BY THE

DESCRIPTIVE DATE FOR THE RECEIVER. THIS IS SOLELY FOR DESCRIPTIVE PURPOSES AND WILL NOT BE USED TO CALCULATE SETTLEMENT OR USED FOR POSTING PURPOSES. MANY RECEIVING FINANCIAL INSTITUTIONS WILL DISPLAY THIS FIELD ON THE CONSUMER'S BANK STATEMENT.

EFFECTIVE ENTRY DATE ORIGINATOR 70-75

THIS REPRESENTS THE DATE ON WHICH

THE INTENDS A BATCH OF ENTRIES TO BE

SETTLEMENT DATE 76-78

SETTLED. THIS FIELD MUST BE LEFT

BLANK.

ORIGINATOR STATUS CODE 79-79

THIS FIELD MUST CONTAIN **1**.

ORIGINATING DFI ID NUMBER 80-87

ENTER THE FIRST 8 DIGITS OF YOUR CIT Bank N. A, Routing Number

BATCH NUMBER 88-94 FILE.

USED BY THE ORIGINATOR TO ASSIGN A NUMBER IN ASCENDING SEQUENCE TO EACH BATCH IN THE

Entry Detail Record

Field	1	2	3	4	5	6	7	8	9	10	11
Data Element Name	Record Type Code	Transaction Code	Receiving DFI Identification (BANK performs a mod 10 check on TR nbrs)	Check Digit	DFI Account Number	Amount	Individual Identification Number	Individual Name/ Receiving Company Name	Discretionary Data	Addenda Record Indicator	Trace Number
Field Inclusion Req.	M	M	M	M	R	M	O	R	O	M	M
Contents	'6'	Numeric	TTTTAAAA	Numeric	Alphameric	\$\$\$\$\$\$\$\$CC	Alphameric	Alphameric	Alphameric	Numeric	Numeric
Length	1	2	8	1	17	10	15	22	2	1	15
Position	01-01	02-03	04-11	12-12	13-29	30-39	40-54	55-76	77-78	79-79	80-94

FIELD NAME/POSITIONS	CONTENTS/DESCRIPTION
RECORD TYPE CODE 01-01	6
TRANSACTION CODE 02-03	THE TRANSACTION CODE IDENTIFIES THE TYPE OF ENTRY.

LIVE-DOLLAR CODES TRANSACTION TYPE
22 - CREDIT TO CHECKING ACCOUNT
27 - DEBIT TO CHECKING ACCOUNT
32 - CREDIT TO SAVINGS ACCOUNT
37 - DEBIT TO SAVINGS ACCOUNT

ZERO-DOLLAR CODES TRANSACTION TYPE
23 - CREDIT PRENOTE TO CHECKING
28 - DEBIT PRENOTE TO CHECKING
33 - CREDIT PRENOTE TO SAVINGS
38 - DEBIT PRENOTE TO SAVINGS

FIELD NAME/POSITIONS	CONTENTS/DESCRIPTION
RECEIVING DFI ID 04-11	FIRST 8 DIGITS OF THE RECEIVER'S BANK TRANSIT ROUTING NUMBER AT THE FINANCIAL INSTITUTION WHERE THE RECEIVER'S ACCOUNT IS MAINTAINED.
CHECK DIGIT 12-12 ROUTING NUMBER	LAST DIGIT OF RECEIVER'S BANK TRANSIT
DFI ACCOUNT NUMBER NUMBER. IF 13-29 POSITIONS,	THIS IS THE RECEIVER'S BANK ACCOUNT THE ACCOUNT NUMBER EXCEEDS 17 ONLY USE THE LEFT MOST 17 CHARACTERS. ANY SPACES WITHIN THE A CCO UN T NUMBER SHOULD BE OMITTED WHEN PREPARING THE ENTRY. **THIS FIELD MUST BE LEFT JUSTIFIED.**
AMOUNT 30-39	THE AMOUNT OF THE TRANSACTION. FOR PRENOTIFICATIONS, THE AMOUNT MUST BE ZERO.
INDIVIDUAL ID NUMBER BY WHICH THE 40-54	THIS IS AN IDENTIFYING NUMBER RECEIVER IS KNOWN TO THE ORIGINATOR. IT IS INCLUDED FOR FURTHER IDENTIFICATION AND DESCRIPTIVE PURPOSES.
INDIVIDUAL NAME OR RECEIVING IDENTIFYING THE RECEIVER OF COMPANY NAME 55-76	THIS IS THE NAME THE TRANSACTION.
DISCRETIONARY DATA LEFT BLANK. 77-78	THIS FIELD MUST BE

ADDENDA RECORD INDICATOR
INDICATE 79-79

IF PPD OR CCD, ENTER **0** IN THIS FIELD TO
NO ADDENDA RECORD WILL FOLLOW. IF AN

ADDENDA DOES FOLLOW THIS DETAIL
RECORD, ENTER **1** TO INDICATE A '7'
RECORD WILL FOLLOW.

FIELD NAME/POSITIONS	*CONTENTS/DESCRIPTION*
TRACE NUMBER 80-94	THE TRACE NUMBER IS A MEANS FOR THE ORIGINATOR TO IDENTIFY THE INDIVIDUAL ENTRIES. THE FIRST 8 POSITIONS OF THE FIELD SHOULD BE YOUR CIT Bank N. A TRANSIT ROUTING NUMBER (WITHOUT THE CHECK DIGIT). THE REMAINDER OF THE FIELD MUST BE A UNIQUE NUMBER, ASSIGNED IN ASCENDING ORDER FOR EACH ENTRY. TRACE NUMBERS MAY BE DUPLICATED ACROSS DIFFERENT FILES. THE TRACE NUMBER FOR EACH '6' RECORD SHOULD BE IN NUMERICAL ORDER: 043000090000001, 043000090000002, 043000090000003, ETC. HOWEVER, IF THE TRACE NUMBER IS NOT IN STRICT NUMERICAL ORDER IT MUST, AT A MINIMUM, BE IN ASCENDING ORDER: 043000090000001, 043000090000005, 043000090000009, ETC.

ADDENDA RECORD (Optional Record used for CCD+ transactions)

Field	1	2	3	4	5
Field Name	Record Type Code	Addenda Type Code	Payment Related Information	Addenda Sequence Number	Entry Detail Sequence Number
Field Inclusion Requirement	M	M	O	M	M
Contents	'7'	05	Alphameric	Numeric	Numeric
Length	1	2	80	4	7
Position	01-01	02-03	04-83	84-87	88-94

FIELD NAME/POSITIONS	CONTENTS/DESCRIPTION
RECORD TYPE 01-01	7
ADDENDA TYPE CODE 02-03	05
FREE FORM 04-83	MAY CONTAIN ALPHAMERIC INFORMATION/TEXT THAT FURTHER IDENTIFIES THE PURPOSE OF THE TRANSACTION. THIS FIELD MAY CONTAIN INVOICE OR REFERENCE NUMBERS TO HELP THE RECEIVER APPLY THE TRANSACTION IN THEIR ACCOUNTING SYSTEM.
ADDENDA SEQUENCE NUMBER TO EACH 84-87 SEQUENCE	A NUMBER CONSECUTIVELY ASSIGNED ADDENDA RECORD FOLLOWING A NUMBER ENTRY DETAIL RECORD. FOR CCD+ OR PPD+, THIS NUMBER WILL ALWAYS BE **0001**.
ENTRY DETAIL SEQUENCE NUMBER LAST 7 DIGITS OF 88-94	THIS NUMBER IS THE SAME AS THE THE TRACE NUMBER FROM THE ENTRY DETAIL RECORD.

COMPANY BATCH CONTROL RECORD

Field	1	2	3	4	5	6	7	8	9	10	11
Field Name	Record Type Code	Service Class Code	Entry Addenda Count	Entry Hash	Total Debit Entry Dollar Amount	Total Credit Entry Dollar Amount	Company Identification	Message Authentication Code	Reserved	Originating DFI Identification	Batch Number
Field Inclusion Requirement	M	M	M	M	M	M	M	O	N/A	M	M
Contents	'8'	Numeric	Numeric	Numeric	$$$$$$$$$$cc	$$$$$$$$$$cc	Alphameric	Blank	Blank	TTTTAAAA	Numeric
Length	1	3	6	10	12	12	10	19	6	8	7
Position	01-01	02-04	05-10	11-20	21-32	33-44	45-54	55-73	74-79	80-87	88-94

FIELD NAME/POSITIONS	*CONTENTS/DESCRIPTION*
RECORD TYPE ALL RECORD FORMATS. 01-01	THIS IS THE FIRST POSITION FOR THE CODE IS UNIQUE FOR EACH RECORD TYPE. THE COMPANY/BATCH CONTROL RECORD USES RECORD TYPE CODE **8.**

SERVICE CLASS CODE
02-04

THE SERVICE CLASS CODE DEFINES THE TYPE OF ENTRIES CONTAINED IN THE BATCH. <u>CODE</u>

	<u>TRANSAC TION TYPE</u>
200	ACH DEBITS AND CREDITS
220	ACH CREDITS ONLY
225	ACH DEBITS ONLY

ENTRY/ADDENDA COUNT IF
05-10

COUNT IS A TALLY OF EACH TYPE '6' RECORD AND

USED, ALSO EACH ADDENDA WITHIN THE BATCH.

ENTRY HASH
11-20

FOR EACH ORIGINATED TRANSACTION, YOU HAVE GENERATED A TYPE '6' OR ENTRY DETAIL RECORD. ON THE ENTRY DETAIL RECORD THERE IS A RECEIVING DEPOSITORY FINANCIAL INSTITUTION (RDFI) IDENTIFICATION (TRANSIT ROUTING NUMBER) L O C AT ED IN POSITIONS 4 THROUGH 11. THE FIRST 8 DIGITS OF EACH RDFI's TRANSIT ROUTING NUMBER IS TREATED AS A NUMBER.

EXAMPLE:
DETAIL
04300009
ROUTING
+03100005
ENOUGH ZEROS 07400014
NUMBER TEN

ALL TRANSIT ROUTING NUMBERS WITHIN THE BATCH ARE ADDED TOGETHER FOR THE ENTRY HASH ON THE TYPE '8', BATCH CONTROL RECORD. ALL TRANSIT ROUTING NUMBERS WITHIN EACH FILE ARE ADDED TOGETHER TO CALCULATE THE VALUE OF THE ENTRY HASH ON THE TYPE '9', FILE CONTROL RECORD. (NOTE: DO NOT INCLUDE THE CHECK DIGIT OF THE TRANSIT ROUTING NUMBER, POSITION 12, IN THIS CALCULATION.) THE ENTRY HASH CALCULATION CHECK IS USED IN THE CIT Bank,FILE EDITING PROCESS TO HELP ENSURE DATA INTEGRITY OF THE BATCH AND FILE GENERATED BY YOUR PROCESSING.

IN THIS EXAMPLE, THERE ARE ONLY TWO ENTRY

RECORDS. THE TOTAL OF THE TWO TRANSIT

NUMBERS IS LESS THAN TEN DIGITS, SO ADD

TO THE FRONT OF THE NUMBER TO MAKE THE DIGITS SO THAT 0007400014 IS THE ENTRY HASH.

FIELD NAME/POSITIONS	CONTENTS/DESCRIPTION
	IF THE SUM OF THE RDFI TRANSIT ROUTING NUMBERS IS A NUMBER GREATER THAN TEN DIGITS, REMOVE OR DROP THE NUMBER OF DIGITS FROM THE LEFT SIDE OF THE NUMBER UNTIL ONLY TEN DIGITS REMAIN. FOR EXAMPLE, IF THE SUM OF THE TRANSIT ROUTING NUMBERS IS 234567898765, REMOVE THE "23" FOR A HASH OF 4567898765.
TOTAL DEBIT ENTRY AMOUNTS WITHIN 21-32 AMOUNT TYPE '6' RECORD.	SUM TOTAL OF ALL DEBIT BATCH'S DOLLAR
TOTAL CREDIT ENTRY DOLLAR AMOUNT 33-44	SUM TOTAL OF ALL CREDIT AMOUNTS WITHIN BATCH'S TYPE '6' RECORD.
COMPA NY ID 45-54	TAX ID PREFIXED WITH A NUMERIC.
MESSAGE AUTH. CODE 55-73	BLANKS.
RESE RVED 74-79	BLANKS.
ORIGINATING DFI ID 80-87	FIRST 8 DIGITS OF CIT Bank N. A, ABA NUMBER. NUMBER ASSIGNED IN ASCENDING SEQUENCE TO EACH BATCH WITHIN THE FILE.
BATCH NUMBER 88-94	

FILE CONTROL RECORD

Field	1	2	3	4	5	6	7	9
Field Name	Record Type Code	Batch Count	Block Count	Entry/ Addenda Count	Entry Hash	Total Debit Entry Dollar Amount in File	Total Credit Entry Dollar Amount in File	Reserved
Field Inclusion Requirement t	M	M	M	M	M	M	M	N/A
Contents	'9'	Numeric	Numeric	Numeric	Numeric	$$$$$$$$$$cc	$$$$$$$$$$cc	Blank
Length	1	6	6	8	10	12	12	39
Position	01-01	02-07	08-13	14-21	22-31	32-43	44-55	56-94

FIELD NAME/POSITIONS	*CONTENTS/DESCRIPTION*
RECORD TYPE CODE 01-01	THIS IS THE FIRST POSITION FOR ALL RECORD FORMATS. THE NUMBER IS UNIQUE FOR EACH RECORD TYPE. THE FILE CONTROL RECORD USES RECORD TYPE CODE **9.**
BATCH COUNT BATCH 02-07	VALUE MUST BE EQUAL TO THE NUMBER OF '8' RECORDS IN FILE.
BLOCK COUNT 08-13	NUMBER OF PHYSICAL BLOCKS IN THE FILE, INCLUDING FILE HEADER AND FILE CONTROL RECORDS.
ENTRY/ADDENDA COUNT 14-21 USED.	SUM OF ALL '6' RECORDS AND ALSO '7' RECORDS, IF
ENTRY HASH 22-31	SUM OF ALL RECEIVING DEPOSITORY FINANCIAL INSTITUTION IDS IN EACH '6' RECORD. IF SUM IS MORE THAN 10 POSITIONS, TRUNCATE LEFTMOST NUMBERS.
TOTAL DEBIT ENTRY DOLLAR AMOUNT RECORDS, 32-43	TOTAL OF ALL DEBIT AMOUNTS IN '8' POSITIONS 21-32.
TOTAL CREDIT ENTRY DOLLAR AMOUNT RECORDS, 44-55	TOTAL OF ALL CREDIT AMOUNTS IN '8' POSITIONS 33-44.
RESERVED 56-94	BLANKS.

Transit/Routing information is needed for:

- File Header Record (Positions 4 - 13),
- Originating Depository Financial Institution (ODFI) for Batch Header and Trailer Records (Positions 80 - 87), and
- First 8 positions of the Trace Number on the Entry Detail Record (Positions 80 - 87).

Transit/Routing Numbers

The CIT Bank N. A transit/routing (T/R) numbers that may be used for the origination of ACH files is **104002894.**