

# ACH Originator Risk Management

## Minimizing the Threat



Nacha places responsibility for Originator security and compliance on the ODFI...

How do you currently ensure your Originators' compliance with the Nacha Rules?

Today's manual processes aren't scalable or effective. We need an automated risk management solution.

We created LexAlign to automate remote operational and compliance risk management, to enable banks to meet regulatory expectations and prevent fraud that attacks customers as the entry point.

By sensitizing and fortifying the frontline of fraud (your customers), LexAlign meets Nacha's call for a New Risk Management Framework for the Era of Credit-Push Fraud.

- As the **Originating Depository Financial Institution** (ODFI), you understand the immense responsibility of ensuring your Originators' compliance with Nacha Rules.
- **Managing risk without overburdening** customers or your Treasury Management team is a challenge for many financial institutions—that's why we created LexAlign.
- LexAlign provides your Originators with:
  - **An online self-assessment** that empowers them to identify gaps in their compliance as well as fraud vulnerabilities, and furnishes them with clear actionable guidance.
  - **Explanation of rule changes** and requirements under the Nacha Rules and federal law (including Regulation E).
  - **Issue identification** with clear remediation guidance.
- For the ODFI, LexAlign **automates** the annual audit process, creating records that demonstrate the required oversight and management of remote operational risk. You get actionable data on your secure, online dashboard that enables proactive, targeted, scalable, and effective risk management with minimal staff effort.

# ACH Originator Risk Management

## Minimizing the Threat



Your treasury customers are key to your financial institution's commercial portfolio success.

- It's a modern convenience your customers expect.
- But as you know ...

It's almost impossible to manage the risk.

- **Massive Risk:** 80% of organizations were victims of payments fraud attacks/ attempts in 2023. This is a 15-percentage point increase over the previous year. ([JPMorgan AFP 2024 Payments Fraud and Control Survey Report](#))
- **Ineffective, Burdensome Risk Management:**
  - Your Treasury Management staff likely uses a manual process to gather and analyze relevant data on compliance and security risk.
  - But it's a huge burden with no obvious benefit to customers, and
  - It's simply impossible to assess every customer using current methods.
  - Not to mention that skilled Treasury Management talent is proving more difficult to attract.
- As a result, **risk overwhelms growth:** Your staff is preoccupied with risk and compliance, not growth.

### That's why we created LexAlign

- **LexAlign automates compliance audit and support** so that ACH risk management is proactive, targeted, efficient, and routine, and your staff can focus on growth not compliance.
- **Your customers receive:**
  - A better experience: a dynamic and intuitive online self-assessment, that incorporates best practices and regulator insights.
  - Instant access to audit reports, action plans and policies—the foundational information for risk management.
- **Your financial institution receives:**
  - Risk ratings and actionable data on customer operational risk.
  - Actionable reports that filter and group customers by audit status and relevant risk factors.
  - Customer-specific data and aggregate trend analysis that clearly demonstrate robust risk management **with minimal staff involvement**.
  - A meaningful customer experience that shows that you care for their business safety and continuity.
  - **Up to 90% savings** on current ineffective risk management.
  - The ability to grow your customer base and increase your institution's footprint.

# ACH Originator Risk Management

## Minimizing the Threat



### Per Nacha:

- “All non-consumer Originators... must establish, implement and... update security policies, procedures, and systems related to the initiation, processing and storage of entries and resulting Protected Information.”
- “In addition to its own compliance with the ACH security requirements, an ODFI is responsible for the compliance with these provisions by its Originators.”
- “The Rules provide ODFIs with the express right [and expectation] to perform an audit [of] Originators’ compliance with the Rules.”

### The LexAlign Solution for Treasury Risk Management

The LexAlign solution includes the following diagnostic self-assessment modules designed to provide risk management in line with federal law, the Nacha Rules, and FFIEC Guidance:

- **Security for Electronic Banking (ACH Part 1):**
  - Identifies security gaps and risks to combat fraud, including Credit-Push Fraud, the now dominant form of payments fraud
  - Provides detailed guidance on how to remediate the gaps and risks
  - Furnishes customers with a customized Security Policy required under the Nacha Rules
- **ACH Risk & Compliance Assessment (ACH Part 2):**
  - Empowers Originators to assess their operations for compliance with the Nacha Rules and federal law, including the EFTA and Regulation E
  - Provides Originators with the foundation of a risk management program, including an Audit Report and Action Plan, policies and procedures
  - Automatically generates the records you (the ODFI) need to demonstrate required risk management and oversight
- **Remote Deposit Capture Risk Management:**
  - Identifies your customers’ operational gaps and risks to combat remote check deposit fraud and customer mistakes
  - Empowers your customers to manage their risk with detailed guidance and procedures
  - Demonstrates compliance with FFIEC Guidance, and enables more sales, customer growth, higher retention and deposits



## About LexAlign

LexAlign automates the commercial customer security and compliance audits for remote deposit, ACH and Wires in a way that **empowers** customer security and compliance, **prevents fraud**, **protects** the bank and its officers from fraud-related liability, and **demonstrates** the risk management required by FFIEC guidance, federal regulations, and Nacha Rules.

Founded by a banking attorney to solve a systemic gap, LexAlign is a first-of-its-kind solution that uses a bespoke mathematical model to make it feasible to do risk management in line with the letter of the law.

Contact us today for a demo:  
[contact@lexalign.com](mailto:contact@lexalign.com)