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ACH Risk for Payment Processors and ODFIs

Payments Pros – The Payments Law Podcast

SPEAKERS

[Keith J. Barnett](#) | [Carlin A. McCrory](#)

In the latest episode of *Payments Pros*, hosts Carlin McCrory and Keith Barnett are joined by James Rowe and Nanci McKenzie from Affirmative Technologies to discuss Automated Clearing House (ACH) originator risk.

Affirmative Technologies is one of the nation's leading technology providers in ACH processing and risk management software. The company provides innovative electronic payment solutions to a wide variety of businesses, including financial institutions, third party payment processors, and business entities that seek an effective enterprise, ACH payment solution.

James and Nanci highlight the importance of ACH risk monitoring in the payment processing industry, accounting for a significant portion of noncash payments. They discuss the need for a predictive model to assess the risk of a particular originator, which can help payment processors and Originating Depository Financial Institutions (ODFIs) decide whether to onboard an originator, or how to monitor them once onboarded.

They also discuss Affirmative Technologies' ACH risk scoring tool, which uses historical data to predict the likelihood of an originator submitting an unauthorized transaction. This tool, similar to a FICO score, can help financial institutions manage their risk more effectively.

The group also touches on the regulatory expectations for and increasing focus on risk management.

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