CHECK 21 Notifications

NACHA requires you to offer consumers the right to “opt-out” of check 21. In other words, you are required to offer consumers (non-business) the right to get their checks back and to not have them converted to electronic items. This notification can be added to whichever customer communication documents that may be applicable to your business including any of the following:

- Your Invoice
- Your agreement
- A letter mailed to your customers
- Email notification

If one of your consumer (non-business, non-third party) customers elects to opt-out, you need to bring those checks to the bank as these checks cannot be scanned. To make these “opt-out” checks simple to identify, simply have the opt-outs go to a separate “Suite” or “PO Box”. When checks arrive at your alternative address, you’ll know that these checks must be physically deposited.

In most cases, opt-outs represent a very small percentage of the total check volume received.

Proposed Language

Add this (or similar) language to your customer communication documents to insure that your business is in compliance with NACHA Check 21 regulations.

All checks received at this location are converted to A.C.H. debits except checks of a Non-Consumer nature
Customers who do not want A.C.H. debit must remit their payment to:
YOUR COMPANY
Street Address
Suite B (or alternate address)
City, ST Zip