FAQs: Same Day Electronic Payments

What is a Same Day Electronic Payment?
A same-day electronic payment is an Automated Clearing House (ACH) payment that debits your account and credits the recipient’s (your payee’s) account on the same day that the payment is authorized by you, our client, for charge against your account. ACH is the system that consumers and businesses have been using since the 1970s to transfer funds from and into deposit accounts. Same-day payments are the latest enhancement to ACH and are designed to provide you with faster payment options and more convenience.

Note: These electronic debits are commonly known as Direct Payment, Direct Debit, ACH Debit, Electronic Check or e-Check, and similar terms. They are different from your debit card payments and ATM transactions.

How Does This Affect Me?
Same Day ACH can provide you with the ability to authorize a payment to a business or other entity and, provided your authorization is given before our established cut off time, you can be assured that the entity you are paying (the payee) will receive the funds on the same business day. This can provide you a means to make a last-minute payment and potentially avoid late fees or other penalties that might occur if a payment is delayed.

NOTE: If same day ACH payment is required by a payee, the payee must inform you in advance that this is a same-day payment (debit) from your account, and receive your verbal or other authorization for the same day payment.

With Same Day ACH, your checking, savings or money market account is debited on the same day you authorize payment before our cut off time, typically posting in the early afternoon. This is an important difference from traditional ACH, which posts first thing in the morning one-to-two business days after authorization. Of course you must be sure that your account has sufficient funds for any payments on the day you authorize them.

If you have pre-authorized an electronic payment, such as a recurring mortgage or insurance payment, it is very likely that there will be no change to the time that these payments are posted to your account. As always, consumers’ financial institutions will receive and post these payments normally as designated by the transaction effective date.

Why is this happening?
Same Day ACH payments are part of an effort to improve and modernize the U.S. payments system. You may have already noticed that we apply electronic Direct Deposits to your account faster. This was to provide you with faster access to funds for same-day Direct Deposits to your account.

What are the benefits to me?
Many merchants and billing companies may offer you the option to make a same-day electronic payment by ACH, such as to pay a bill or to transfer funds to avoid late charges. If you agree to the Same Day ACH payment, the payment funds could be debited from your account as early as that very same business day.