What follows are brief descriptions of some important acronyms found in this treatise that may be unfamiliar to the reader and that are often confused with other terms:

**ACH** is the Automated Clearing House, a major network that facilitates electronic transfers. See “NACHA” definition, *infra.*

An **ACH Operator** processes all ACH transactions that flow between different depository financial institutions. An ACH Operator serves as a central clearing facility that receives entries from the ODFIs (see “ODFI” definition, *infra*) and distributes the entries to the appropriate Receiving Depository Financial Institution. There are currently two ACH Operators: FedACH and Electronic Payments Network (EPN).

**ATM** is an automated teller machine used to withdraw cash from, deposit funds to, or view information about a consumer’s bank, prepaid card, credit card, or other type of account. ATM cards are discussed in Chapter 5 [*infra.*]

**Check 21** is a federal law that facilitates banks transporting electronic images of the consumer’s check instead of using the paper check itself. It provides the bank with a right to offer substitute checks instead of the original paper check. Check 21 is discussed in Chapter 4 [*infra.*]

The term **debit card** is used in this treatise to refer to a card directly linked to and used to access funds from the consumer’s bank account. See “prepaid card” definition, *infra.* Debit cards are discussed in Chapter 5 [*infra.*]

**Depository bank** refers to the bank into which a check or payment is deposited, as distinguished from the “payor bank” or “drawee,” which is the bank on which the check is written. A “depository bank” is also different from a “depository institution.”

**Depository institution** is an institution authorized to take deposits—that is, a bank, savings association, or credit union.

**Drawer** is the writer of a check, the person against whose account the check is drawn.

**EBT** refers to an electronic benefits transfer card or system generally used to distribute needs-based benefits. The term “EBT card” can have different meanings, depending on whether it is used to refer to any card that accesses needs-based benefits, a particular form of electronic transfer system developed in the mid-1990s, or a specific legal exemption from the Electronic Fund Transfers Act. EBT cards and the law governing them are discussed in Chapter 8 [*infra.*] The term “EBT card” does not usually include prepaid cards used to distribute non-needs-based government payments such as unemployment insurance and pass-through child support.

**ECC** is an electronic check conversion whereby the merchant takes the consumer’s check and uses it as a source document to initiate an electronic fund transfer out of the consumer’s bank account. ECC is discussed in Chapter 5 [*infra.*]

**EFT 99** refers to the electronic fund transfer provisions of the Debt Collection Improvement Act of 1996, which enacted the general requirement that federal benefits be electronically transferred starting in 1999, usually through direct deposit. EFT 99 is discussed in Chapter 9 [*infra.*]

**EFTA** refers to the Electronic Fund Transfer Act, which applies generally to the electronic transfer of money involving consumers. The EFTA is discussed in Chapter 5 [*infra.*]

The **E-Sign Act** is the federal Electronic Signatures in Global and National Commerce Act that facilitates the use of electronic signatures and records. The E-Sign Act is discussed in Chapter 11 [*infra.*]

**ETA** is an abbreviation for Electronic Transfer Account, which was a federally regulated account established by the U.S. Department of Treasury to comply with EFT 99 mandates. Individuals could receive their electronic transfer of federal benefits through a special low-cost ETA offered by certain financial institutions. The ETA program is now closed and, as of 2018, there are no longer any ETA accounts.

**Mobile banking** refers to use of a mobile device to access a traditional bank account.

**Mobile payments** refers to payment systems accessed through a mobile device, especially systems other than a traditional bank
account. The term is generally distinguished from mobile banking, which is the use of a mobile device to directly access a bank account. Mobile payments are discussed in Chapters 5 [1] and 7 [6], infra.

NACHA is the National Automated Clearing House Association, which runs the most popular network to facilitate electronic transfers between banks and also issues rules for such transfers. NACHA rules are discussed in Chapter 5 [1], infra.

ODFI is the originating depository financial institution, which is the depository financial institution that originates an ACH transaction and forwards it into the national ACH network. If the consumer’s bank is debited for an ACH payment, the ODFI is the bank that originates that debit, which may or may not be the same as the bank into which the payment is ultimately deposited. The role of ODFIs is discussed in § 1.4 [7] infra.

PIN number and PIN debit transaction: A PIN number is a personal identification number. A PIN debit transaction is a debit card transaction processed using a PIN number, usually after pressing “debit.” It is distinct from a “signature transaction,” defined below. Issues regarding consumer protections for PIN debit transactions, merchant discounts, and PIN fees are discussed in Chapters 5 [1] and 7 [6], infra.

A POS transaction is a transaction at the point of sale, such as at a merchant or on an internet site. It is differentiated from an ATM transaction. POS fees are discussed in Chapter 5 [1], infra.

Prepaid card or general purpose reloadable card refers to an open-loop stored-value card used for general spending purposes, such as one that carries a Visa or MasterCard logo and is useable at many different locations. Prepaid card accounts and the distinction between those accounts and a bank account are discussed in Chapter 7 [6], infra.

RDFI is a receiving depository financial institution, which is the financial institution that receives an ACH transaction and credits or debits funds from the receiver’s account. It is the consumer’s bank when the consumer’s account receives direct deposits or is debited for ACH payments. The role of RDFIs is discussed in § 1.4 [7], infra.

Remote deposit capture (RDC) refers to the process whereby a picture of a check is deposited through a smartphone or other device. RDC is discussed in Chapter 4 [2], infra.

Signature transaction refers to a credit, debit, or prepaid card that is processed without using a PIN, typically by signing (physically or by clicking “I agree”). The transaction is usually initiated by pressing “credit” or selecting “credit card” as the payment method even if a debit card is being used. The choice between signing versus using a PIN number has implications for purposes of liability protections, merchant discounts, and fees that are discussed in Chapters 5 [1] and 7 [6], infra.

Stored value card refers to any card or other access device (which could include a mobile phone or internet account number) used to access funds that are not held in a deposit account held in the consumer’s name. Thus, the term encompasses gift cards, prepaid cards, telephone cards, and payroll cards, among others. Stored value cards are discussed in Chapter 7 [6], infra.

UETA is the Uniform Electronic Transactions Act, which is a model state law facilitating the use of electronic signatures and records. UETA is discussed in Chapter 11 [5], infra.

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