Summary of Changes to the Image Exchange Network Operating Rules

The SVPCO Business Committee has approved certain revisions to the Image Exchange Operating Rules ("Image Exchange Rules"), which are summarized below. These changes are intended to align the Image Exchange Rules for the Online Adjustments Service with the ECCHO Rules for adjustments, and to make other appropriate updates to reflect Online Adjustments Service functionality. The changes take effect on July 18, 2020 in conjunction with the “go live” date of the technical improvements to the Online Adjustments Service.

- **Section XII (Adjustment Claims).** The changes update Section XII of the Image Exchange Rules to, among other things, (i) describe the purpose of Appendix 1, (ii) reflect that the Online Adjustments Service can be used to exchange adjustments with other depository institutions that have an agreement with The Clearing House to use the Online Adjustment Service but are not Image Exchange Participants, and (iii) make other “clean up” changes.

- **Appendix 1 (Adjustments Matrix).** The changes update Appendix 1 to (i) provide information about “with entry” and “without entry” adjustments, and (ii) explain when a Participant may disclaim an Adjustment Claim or initiate a second timely Adjustment Claim to reverse the settlement on the first Adjustment Claim.

- **Appendix 1 (Adjustments Matrix).** The changes update Appendix 1 to generally align the adjustment categories available in the Online Adjustments Service with the adjustment categories and timing requirements of the ECCHO Rules. This includes adding new categories, removing certain categories, and revising timing requirements. In addition, the changes add “without entry” adjustment types to Appendix 1, which had previously been available in the Online Adjustment Service but were not reflected in the Image Exchange Rules.

**New Adjustment Categories**

- Entry in Error
- Wrong Payee Credit
- Return Adjustment
- Adjustment Reversal
- WIC – Unauthorized RCC Warranty Claim
- WIC - Remote Deposit Indemnity

**Removed Adjustment Categories**

- ICLD (no longer in ECCHO Rules)
- Listed Not Enclosed (LNE) (relates to paper check transactions)
- Enclosed Not Listed (ENL) (relates to paper check transactions)
- Documentation Adjustments (relates to paper check transaction or replaced by ECCHO categories)

Timing Changes

- **NCI**
  - Current Rule: 7 calendar days for debits and one year for credits
  - Proposed Rule:
    - 90 calendar days for certain types within NCI category (Non-Negotiable Item, MICR Mismatch Image)
    - 20 business days for certain types within NCI category (Poor Image Quality, Misdirected Return, Ineligible Item, Not Our Item, Invalid RT, Image Missing)

- **WIC – Expedited Recredit**
  - Current Rule: One year
  - Proposed Rule: 120 calendar days

- **Late Return Claim**
  - Current Rule: 180 calendar days
  - Proposed Rule: 60 calendar days

- **Compensation Claim**
  - Current Rule: 5 business days
  - Proposed Rule: 90 calendar days (to align with Section VII of, and Exhibit VI to, the ECCHO Rules (Compensation Rules))

- **Other**
  - Current Rule: 180 calendar days
  - Proposed Rule: One year