

Return Decision Hierarchy

ECCHO is pleased to announce that an update has been approved to the ECCHO Rules that establishes the industry best practice for the routing of unpaid check image returns. This rule change will become effective December 1, 2008 and can be found in Section XX(D) of the ECCHO rules.

Since the implementation of image returns, banks and exchange processors have sometimes interpreted the exchange standards differently, leading to variations in how image returns are routed back to the BOFD (Bank of First Deposit). The ECCHO Operations Committee which includes individuals representing more than 1,400 members and Sponsoring Organizations reached consensus on the routing of image returns.

Most image exchanges utilize the DSTU X9.37 format. Within that format there are certain records that represent electronic endorsements for both the BOFD and the Collecting Bank. The record that identifies the BOFD is referred to in the standards as the Type 26 Record and the record(s) that identify one or more Collecting Banks are referred to as the Type 28 Record(s).

The graphic below depicts the decision hierarchy for determining the appropriate routing for returned check images as provided in the ECCHO Rules. The Rules themselves do not refer to specific formats or record types (for example Type 26 or Type 28), but those record types are used here to more clearly describe the decision hierarchy. For additional information, please refer to the Rules once they are updated on or about December 1, 2008.

