Payliance™

ACH Tokenization

Secure Payment Processing for Lenders



Transform sensitive bank account and routing numbers into secure tokens while maintaining full payment functionality, adding an additional layer of security to your payment processing infrastructure.

The Operating Environment

Protecting borrower data and keeping pace with security standards becomes more challenging as your ACH volume grows. Payliance ACH Tokenization is an optional solution that replaces raw account details with secure tokens, helping you strengthen your security posture, streamline compliance, and safeguard your margins.

Key Challenges Facing Lenders

Sensitive Data Exposure

As ACH volumes grow and regulatory requirements evolve, the landscape around data security is becoming increasingly stringent. Storing raw account credentials across systems creates potential exposure points that need to be addressed as part of a comprehensive security strategy.

Rising Regulatory Standards

Nacha mandates increasingly require originators and processors to render stored ACH data unreadable, typically through encryption, enforcing stricter compliance requirements. The unreadable data requirement specifically applies to ACH account data at rest; while encrypting data in transit is recommended, the rule's core mandate is protection of data when stored. Payliance's tokenization goes beyond current requirements, creating a protective barrier that positions customers ahead of evolving standards similar to how PCI DSS evolved for card data. This forward-looking approach safeguards against future regulatory tightening while meeting today's mandates. These requirements affect all lenders processing ACH payments, regardless of size or volume.

The Payliance ACH Tokenization Solution

Payliance delivers a purpose-built ACH payment platform engineered for speed, compliance, and security in consumer lending environments. At the heart of this platform is ACH Tokenization, a technology that converts sensitive bank account and routing numbers into non-decryptable tokens. These tokens maintain payment functionality while adding an additional layer of security to your payment processing infrastructure.

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How ACH Tokenization Works

Collect

1 Customer bank account details are captured by the lender and securely passed through Payliance APIs or portals.

Generate

2 A unique token is created to replace the account and routing numbers, with sensitive data stored in a protected environment with an added layer of security.

Initiate

3 The token is then used to process ACH transactions and recurring payments without exposing actual account details.

Integrate

4 Tokenization fits seamlessly into existing Payliance workflows for batch or API-based processing.

Comply

5 Each tokenized transaction remains tied to the original authorization and SEC code type (i.e. WEB, TEL, PPD), preserving traceability and compliance with Nacha and ODFI audit requests.

Key Solution Benefits

Industry-Leading Security

With ACH tokenization, you can process recurring debits and repayments using secure tokens instead of real bank account details. Because Payliance systems contain only non-decryptable tokens, not actual account information, there is no sensitive credential risk when processing with the stored tokens.

Compliant by Design

Embedded compliance features ensure data is rendered unreadable in Payliance systems, meeting Nacha and regulatory requirements for data security. Cloud-based reporting and automated controls provide transparent monitoring and support regulatory reviews. The platform maintains compliance documentation to support your audit requirements.

Risk Reduction

By preventing unauthorized access to actual account credentials, tokenization reduces the risk surface for fraudulent transactions. This strengthens your security foundation by ensuring that even if systems are compromised, attackers cannot access actual account information.

Operational Efficiency

The platform supports API and batch, streamlining loan funding, recurring billing, and payment reconciliation. Tokenization works with all ACH options including Same-day and late-cutoff processing options to accelerate cash flow without compromising compliance.

Strategic Growth Enablement

Multi-bank partnerships and adaptive limits accommodate high transaction volumes while remaining subject to Payliance's risk-based compliance standards. This layered approach combines scalable capacity with disciplined risk controls to protect lenders and customers from financial exposure while enabling sustainable growth. Scalable systems support business expansion and evolving market demands within a framework designed to safeguard all parties.

Platform Features and Capabilities

Integration Options



- **Direct API Integration:** Connect loan management and customer systems directly to Payliance
- **Batch File Processing:** Support for existing batch-based workflows

Processing Capabilities



- **Multiple ODFI Support:** Redundancy and reach through multiple banking relationships
- **Same-Day ACH Processing:** Accelerated funding and collection options
- **Flexible Cut-off Times:** Extended processing windows to optimize cash flow

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Risk Management Tools



- **Automated Return Rate Monitoring:** Track and manage return rates across your portfolio
- **Verification Services:** Verify account validity before processing
- **Compliance Reporting:** Built-in reports for regulatory requirements

Reporting and Reconciliation



- **Cloud-Based Reporting:** Access payment data and analytics from anywhere
- **Real-Time Transaction Status:** Monitor payment processing as it happens
- **Reconciliation Support:** Streamlined matching of payments to accounts

Why Choose Payliance for ACH Tokenization

Deep Industry Experience

Payliance combines deep experience in specialty lending with payment security leadership, offering ACH tokenization as a core differentiator for lenders focused on compliance, risk mitigation, and operational efficiency.

Purpose-Built for Lending

Unlike generic payment processors, Payliance understands the unique requirements of merchants and lenders:

- High-volume recurring transactions
- Subprime borrower considerations
- Regulatory compliance requirements

Commitment to Security and Compliance

As regulatory and consumer expectations for data security evolve, tokenization positions lenders to stay ahead, operate securely, and foster trust with borrowers and partners.

Next Steps

Connect with the team at Payliance to assess your current ACH storage practices. ACH Tokenization may be applied to new or existing accounts by request. To schedule your personalized consultation, click here to Get Started today.

To learn more, scan the QR code and complete a brief form to get started.

About Payliance

Payliance, founded in 2007, simplifies lending and borrowing by optimizing payment acceptance, reducing processing costs, and mitigating fraud risk. Serving 350+ lenders and 40,000+ merchant locations, they process 203 million transactions annually worth $92 billion. Their Payments-as-a-Service platform boosts payments performance by increasing approvals, streamlining transaction processing, and reducing charge-offs.