

ACH AUTHORIZATION REVOCATION KIT

Stop automatic loan payments from your bank account — legally and immediately

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What Is an ACH Authorization?

An **ACH (Automated Clearing House) Authorization** is a legal document buried in your loan agreement that gives your lender permission to electronically withdraw money directly from your bank account. You may have signed it without realizing it — it is often presented as a routine part of the loan paperwork.

The key fact most borrowers don't know: You have the right to revoke this authorization at any time, under NACHA Operating Rules §2.3.2 and Regulation E (12 CFR §1005.10). Revoking it does NOT cancel your loan — you still owe the balance. But it does stop the lender from reaching into your bank account automatically.

■ **IMPORTANT: Revoking or cancelling your automatic payment does NOT cancel your loan. You still owe the full balance. Always arrange an alternative payment method with your lender at the same time you revoke ACH authorization.**

Step-by-Step: How to Revoke ACH Authorization

STEP 1 | Locate Your ACH Authorization in Your Loan Documents

Search your loan agreement for any of these phrases using Ctrl+F:

- "ACH Authorization"
- "Automated Clearing House"
- "Electronic Payment Authorization"
- "Automatic Debit Authorization"
- "Electronic Fund Transfer"

It is usually in a separate section or addendum. Note the exact company name and any Company ID listed — you will need these for your revocation letter.

STEP 2 | Write Your Revocation Letter to the Lender

Your letter must include these 4 elements (NACHA §2.3.2):

1. Your full name and account number with the lender
2. The exact company name and Company ID from the ACH Authorization
3. A clear statement: "I hereby revoke all ACH debit authorization effective immediately"
4. The date

Send via: Certified mail (recommended) OR email with read receipt. Keep a copy for your records. A template letter is provided on pages 3–4 of this document.

STEP 3 | Notify Your Bank — Separately

You must ALSO notify your bank. This is a separate step. Your bank can place a stop payment order under UCC §4-403.

- Under Regulation E (12 CFR §1005.10(c)), your bank MUST honor your stop payment request if received at least 3 business days before the next scheduled debit.
- Provide your bank with: a copy of your revocation letter to the lender, the lender's name and Company ID, the scheduled payment date and amount.
- Your bank cannot charge you a fee for honoring a Regulation E stop payment request on consumer accounts.

STEP 4 | Monitor Your Account

After revoking, check your bank account for the next 2–3 payment cycles.

- If the lender attempts a withdrawal after revocation: dispute it with your bank immediately as an unauthorized transaction.
- If your bank processes a debit after receiving your stop payment order: the bank is liable for the loss under UCC §4-403(c).
- Document everything — dates, amounts, names of representatives you spoke with.

STEP 5 | Arrange Alternative Payment

Contact your lender to arrange a different payment method:

- Check or money order mailed to the lender
- Online payment through lender's portal (not autopay)
- Phone payment

Get written confirmation of any new payment arrangement. Keep records of every payment made after revocation.

STEP 6 | File a Complaint if Needed

If the lender continues withdrawing after revocation, or your bank fails to honor your stop payment:

- File a complaint with the CFPB: consumerfinance.gov/complaint or call (855) 411-2372
- Contact your state attorney general's office
- Contact your state banking regulator
- Consider consulting a consumer rights attorney — many offer free consultations

Template Letter 1: Revocation Notice to Your Lender

Copy this letter exactly. Fill in the bracketed fields. Send via certified mail or email with read receipt. Keep a copy.

[YOUR FULL NAME]

[YOUR ADDRESS]

[CITY, STATE, ZIP]

[DATE]

[LENDER COMPANY NAME]

[LENDER ADDRESS]

Re: Revocation of ACH Debit Authorization

Account Number: [YOUR LOAN ACCOUNT NUMBER]

To Whom It May Concern:

I am writing to formally revoke all Automated Clearing House (ACH) debit authorizations previously granted to [LENDER COMPANY NAME] for my account number [YOUR ACCOUNT NUMBER].

Effective immediately, [LENDER COMPANY NAME] is no longer authorized to initiate any electronic debit transactions from my bank account ending in [LAST 4 DIGITS OF BANK ACCOUNT] at [YOUR BANK NAME].

This revocation is made pursuant to my rights under NACHA Operating Rules §2.3.2 and the Electronic Fund Transfer Act (Regulation E, 12 CFR §1005.10).

Please confirm receipt of this revocation in writing within 3 business days.

I understand that revoking this authorization does not cancel my outstanding loan balance, and I will arrange an alternative payment method separately.

Sincerely,

[YOUR FULL NAME - SIGNATURE]

[YOUR FULL NAME - PRINTED]

Date: _____

Enclosures: Copy of original ACH Authorization (if available)

Send this letter to your bank SEPARATELY — on the same day as Letter 1. Your bank must receive this at least 3 business days before the next scheduled debit to be required to honor it under Regulation E.

[YOUR FULL NAME]
[YOUR ADDRESS]
[CITY, STATE, ZIP]
[DATE]

[YOUR BANK NAME]
[BANK BRANCH ADDRESS]

Re: Stop Payment Order & Revoked ACH Authorization
Bank Account Number: [YOUR BANK ACCOUNT NUMBER]

To Whom It May Concern:

I am writing to notify [YOUR BANK NAME] that I have revoked all ACH debit authorizations previously granted to [LENDER COMPANY NAME] (Company ID: [COMPANY ID IF KNOWN]).

Please place an immediate stop payment order on all future ACH debits from this company from my account ending in [LAST 4 DIGITS].

Details of the recurring debit to stop:

Company Name: [LENDER COMPANY NAME]
Company ID: [COMPANY ID IF KNOWN]
Payment Amount: \$[PAYMENT AMOUNT] (or variable amounts)
Next Scheduled: [DATE OF NEXT SCHEDULED PAYMENT]

I have enclosed a copy of my revocation letter to the lender for your records.

Under Regulation E (12 CFR §1005.10(c)), I understand that you are required to honor this stop payment request if received at least 3 business days before the scheduled transfer.

If any unauthorized debits are processed after this notice, I will dispute them as unauthorized transactions under Regulation E and NACHA return procedures.

Please confirm this stop payment order in writing.

Sincerely,

[YOUR FULL NAME – SIGNATURE]

[YOUR FULL NAME – PRINTED]

Date: _____

Enclosures: Copy of revocation letter sent to lender

Quick Reference: ACH Revocation Checklist

<input type="checkbox"/>	Located ACH Authorization section in loan documents
<input type="checkbox"/>	Noted lender's exact Company Name and Company ID
<input type="checkbox"/>	Completed Letter 1 (Revocation to Lender) — all fields filled
<input type="checkbox"/>	Sent Letter 1 via certified mail or email with read receipt
<input type="checkbox"/>	Kept a copy of Letter 1 for my records
<input type="checkbox"/>	Completed Letter 2 (Stop Payment to Bank) — all fields filled
<input type="checkbox"/>	Sent Letter 2 to bank at least 3 business days before next debit
<input type="checkbox"/>	Kept a copy of Letter 2 for my records
<input type="checkbox"/>	Arranged alternative payment method with lender
<input type="checkbox"/>	Set calendar reminder to monitor account for next 3 payment cycles
<input type="checkbox"/>	Documented all communications — dates, names, amounts

Your Key Legal Rights at a Glance

Legal Basis	What It Gives You
NACHA §2.3.2	Right to revoke ACH authorization at any time, in writing
Regulation E 12 CFR §1005.10(c)	Bank must honor stop payment if received 3+ business days before debit
UCC §4-403	Right to stop payment on any check or ACH debit — consumer AND business accounts
EFTA 15 U.S.C. §1693e	Right to dispute unauthorized electronic transfers and receive a refund
CFPB Payday Lending Rule	After 2 failed withdrawal attempts, lender cannot retry without new authorization (March 2025)

Official CFPB Resources:

- File a complaint: consumerfinance.gov/complaint | Phone: (855) 411-2372
- CFPB sample revocation letter: consumerfinance.gov/ask-cfpb/en-1605
- ACH authorization explained: consumerfinance.gov/ask-cfpb/en-1569

Also contact if problems persist:

- Your state attorney general's office
- Your state banking regulator
- A consumer rights attorney (many offer free consultations)

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Auto-Pay Loan Traps: What Lenders Can Do With Your Bank Account
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