

# ACH Payment Recurring Billing (PPD/CCD)

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When [ACH Payments are added to your merchant account](#), your customers may use ACH payment methods for recurring billing. Set up a [Subscription](#) in the same way that you would for a saved credit card payment method, but select the customer's saved ACH payment details instead of a credit card.

## Authorizations for Recurring Billing

Before you begin debiting your customers' bank accounts on a recurring basis, you must collect their authorization. We suggest collecting a [written authorization for recurring billing](#).

*NACHA rules allow written authorizations to be collected electronically as long as they comply with the Electronic Signatures and Global National Commerce Act (E-Sign Act)(15 U.S.C. § 7001, et seq.).*

As in the example linked above, written authorizations for recurring billing should contain:

- That the authorization is for recurring billing
- The amount of each payment, or the method of determining the amount of each payment
- The payment schedule, including the start date, number, and/or timing of each payment
- Your customer's name or identifier
- Your customer's account to be debited
- The date your customer authorized recurring payments
- How your customer may revoke their authorization, including timing and method of communication to be used

## Standard Entry Class Codes for Recurring Billing

Standard Entry Class (SEC) codes indicate the type of authorization you collect from your customers before you debit their bank accounts. When customers' banks request a stored authorization for review, the authorization type should match the SEC code on the transaction.

When you use Plans and Subscriptions on the platform, the SEC code PPD (Prearranged Payment and Deposit) will be used on recurring payments (except for business bank accounts, which are assigned the CCD (Corporate Credit or Debit) code). The PPD code indicates that you collected written authorization from your customer to debit their account on a recurring basis.

When you send recurring payment transactions through the API, use the `moto_ecomm_ind` value "2" to denote that a recurring payment is being used so that the platform will appropriately apply the SEC code PPD(/CCD) to the transaction.

## Changes to the Amount to be Billed

If you must change the amount you will bill your customer, you must notify them in writing at least ten (10) days before the date you will bill them. You must tell them the date they will be billed and the new amount.

