

From: [Dawnesea Roper](#)
To: [Comments](#)
Cc: [REDACTED]
Subject: [EXTERNAL MESSAGE] Payments fraud
Date: Monday, September 8, 2025 3:08:01 PM

Jonathan Gould
Comptroller of the Currency, Office of the Comptroller of the Currency
Docket ID OCC-2025-0009

Benjamin W. McDonough
Deputy Secretary, Board of Governors of the Federal Reserve System
Docket No. OP-1866

Jennifer M. Jones
Deputy Executive Secretary, Federal Deposit Insurance Corporation
RIN 3064-ZA49

Dear Mr. Gould, Mr. McDonough, and Ms. Jones:

I am the Compliance Officer of Bank of Salem, a \$256 million community bank located in Salem, Fulton County, Arkansas. I am writing to respond to the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), and Federal Deposit Insurance Corporation (FDIC)'s request for information (RFI) on payments fraud.

Bank of Salem was established by local business leaders in 1908 to fulfill a need for a bank in the community. Since that time, the Bank of Salem has continued to serve the local community and citizens with products and services that are critical to consumers, farmers, and small businesses. The Bank of Salem has expanded to four locations as well as a mortgage lending office.

I applaud the agencies for issuing this RFI and seeking input on ways that the OCC, the Federal Reserve System (FRS), and the FDIC could take actions to help consumers, businesses, and financial institutions mitigate payments fraud. Community banks continue to be challenged by a rise in fraud and scams across payment types, so agency action is much needed.

Specifically, the Bank has been affected by payments fraud in the following ways:

- Substantial dollar volume of losses due to fraudulent transactions
- Increased workload to investigate, dispute, and work fraud cases.
- Consumer frustration directed at Bank employees for fraud that is beyond the bank's control

External Collaboration

Bank of Salem supports collaborative stakeholder efforts to address payments fraud. Fraud and scams persist across state borders, so national stakeholder collaboration is necessary to effectively combat the problem. However, national efforts must recognize the resource constraints individual community banks face when deciding whether to participate. Local and regional collaboration across community banks, federal and state regulators, law enforcement, community organizations, and other stakeholders can be an effective way to build connections and share information at the community level.

Consumer, Business, and Industry Education

- Community banks thrive, in part, because of their close customer relationships, so face-to-face engagement is one of the most effective tools to reach community bank customers. In-branch material and messaging are especially valuable for community banks.
- Community banks serve elderly customers, as well as consumers and small businesses in rural and agricultural areas, so educational materials tailored to these groups would be valuable. Some community banks are in areas that do not have widespread, reliable Internet access, so web-based resources are not always accessible to customers.

Regulation and Supervision

- Broadly speaking, payments fraud regulations and examiner expectations need to be appropriately tailored to community banks with tiered compliance requirements and deadlines. There are opportunities to enhance supervisory guidance around appropriate controls, suitable technology, reporting, and incident response, but it is important to avoid imposing new burdens on community banks.
- Check fraud remains a significant issue. Community banks are concerned that some large financial institutions are not exercising sufficient CIP/KYC processes and opening accounts that are being leveraged by fraudsters. Similarly, community banks have had significant difficulty resolving interbank disputes regarding fraudulent checks. We recently lost \$6,000.00 due to large bank's inability to communicate in a timely manner. In like fashion, we stopped a large fraudulent check but could not get anyone at the paying bank to recall the funds.
- Changes to Regulation CC could help community banks prevent and mitigate fraud. For example, the return deadline related to fraud could be extended, the "reasonable cause to doubt collectability" exception could be clarified, and relevant definitions could be revised (e.g., "altered" and "alteration"). However, hold times should not be shortened; they are an essential tool for banks to detect and prevent fraud. Financial institutions should have flexibility to extend hold times under appropriate circumstances.

Payments Fraud Data Collection and Information Sharing

- While centralized data reporting would be valuable for the ecosystem, agencies should avoid imposing additional data collection requirements on community banks. Appropriate safe harbors would improve banks' ability and willingness to share fraud data.
- Community banks would benefit from automated data collection, analysis, and reporting tools that are integrated with services they already use and do not come with additional costs.

Reserve Banks' Operator Tools and Services

- Community banks would benefit from tools and services that integrate with third-party services they already use and pricing that is appropriate for their size and complexity.
- There are a variety of specific products and services that could benefit community banks, including, for example, a fraud contact directory, a fraud information sharing repository, an interbank check fraud breach of warranty claim mechanism, a check image analysis and verification tool, an atypical payment monitoring service, and confirmation of payee service.

Bank of Salem's Response to Fraud

- Our bank's largest losses are through card fraud; however, we experience various types of check fraud, mobile deposit fraud, and online banking fraud on a regular if not frequent basis.
- We continue to train employees, dedicate more man hours to fraud, try to educate our customer base, and spend countless hours investigating but sadly our efforts are all too often not effective or appreciated.

Thank you for the opportunity to provide comments on this RFI. The Bank looks forward to continuing to work with the OCC, FRS, and FDIC, and other stakeholders to protect our customers and communities from the growing threat of payments fraud.

Sincerely,

Dawnesea Roper

Bank of Salem

Compliance Officer

