Charlesbridge
Dedham Savings | South Shore Bank

September 17, 2025

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 Director of Deposit Operations for Charlesbridge MHC, the mutual holding company of Dedham Savings & South Shore Bank, a combined $5 billion community bank serving Massachusetts. I appreciate the opportunity to respond to the Office of the Comptroller of the Currency (OCC)'s, Board of Governors of the Federal Reserve System (Board), and Federal Deposit Insurance Corporation (FDIC)'s request for information (RFI) on payments fraud.

Dedham Savings, founded in 1831, and South Shore Bank founded in 1833, have proudly served our communities for nearly two centuries. Both institutions remain committed to supporting local families and small businesses as trusted financial partners, with relationship-based banking at the core of our mission.

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:

- **Online Account Takeover:** Consumer & Business clients have fallen victim to Social Engineering tactics such as Phishing and Business Email Compromise. Additionally, cyber criminals have spoofed our website or established otherwise fictious websites in attempts to capture client Online Banking credentials and other personal information which can then be used to perpetrate fraud. Website hosts and search engines used to perpetrate these activities are unreachable and unhelpful with takedown requests.
- **Check Fraud:** Counterfeit and altered checks remain our most significant fraud exposure in terms of volume of cases. This problem for us, along with many other financial institutions, is pervasive due to the fallibility of the postal system. Fraudsters can employ social engineering tactics to deceive clients, leverage readily available technology to perpetrate counterfeiting schemes.
- **Caller ID Spoofing:** We continue to see clients and small businesses victimized by Phishing or Vishing scams where the fraudster pretends to be a bank representative and tricks victims into revealing sensitive information requiring outreach and education by our staff.
- **Fake ID Client Impersonation:** Fraud rings continue to look for ways to exploit publicly available information such as Registry of Deeds data to perpetrate client impersonation fraud. Most recently, many banks in our region have been faced with HELOC-related fraud attempts which appear to be moving throughout the Northeast. Fraudsters have impersonated existing customers using fake

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identification in an attempt to access HELOC accounts creating significant risk for the bank and clients. Additional identification controls as well as leveraging technology has been key in mitigating loss.

External Collaboration & Industry Education

- External Collaboration and Community education are key factors in staying ahead of the war of fraud. We, as community bankers, are in a unique position to combat fraud due to our strong, long-standing relationships with clients to recognize unusual patterns & behaviors. We do this by direct interactions with clients or collaboration with peers and trade groups or others within the community. How these efforts can be supported by regulators is to make the ease of sharing and collaboration amongst other financial institutions in active fraud instances easier.

Payments Fraud Data Collection and Information Sharing

- Centralized fraud reporting could strengthen the entire financial system, but any framework must avoid adding new burdens on community banks. Establishing safe harbor protections would encourage institutions like ours to share data more openly and effectively.
- Community banks would be better positioned to contribute if reporting tools were automated, affordable and built to integrate with the platforms we already use. Solutions that minimize cost and complexity will drive higher adoption and consistency across the industry.

Reserve Banks' Operator Tools and Services

- Reserve Banks should be designed with scalability in mind. Providing tools that connect seamlessly with existing vendor platforms and are priced fairly for smaller institutions with limited resources.

General Questions

- Our combined banks have dedicated five full-time fraud professionals to oversee our monitoring systems. This commitment, paired with ongoing investment in technology, represents a significant cost for our company. While these investments help reduce financial losses, they are equally critical in protecting the bank's reputation & maintaining the trust of our clients.

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,

Tonia S. Reilly

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Director of Deposit Operations
Charlesbridge MHC
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