

From: Kim Clements <[REDACTED]>
Sent: Wednesday, August 20, 2025 3:38 PM
To: Comments
Subject: [EXTERNAL MESSAGE] June 20, 2025 Request for Information On Potential: Actions To Address Payments Fraud Comment Request (RIN 3064-ZA49)

Ms. Jennifer M. Jones
Deputy Executive Secretary
Attention: Comments—RIN 3064-ZA49
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

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

I am the Bookkeeping Department Officer for Denison State Bank. I am writing to respond to the Office of the Comptroller of the Currency (OCC)'s, Board of Governors of the Federal Reserve System (Board)'s, and Federal Deposit Insurance Corporation (FDIC)'s request for information (RFI) on payments fraud.

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.

We are a small NE Kansas community bank with 5 locations & just over \$457 million in assets. We've been in operation in the same community since 1901 with a long, proud tradition of taking care of our customers & neighbors. We are one of just 3 local banks in Jackson County Kansas.

We serve a predominately rural, agricultural community. We are lucky enough to live in a community where you still know your neighbors and you generally trust people to treat each other with care & respect. A recent influx of check fraud has certainly disrupted our peaceful community. Our customers are shocked to find out their checks have been stolen right out of the US Postal system. Then, the checks are either washed & reused or counterfeit checks are created using the information from the original check. Recent cases have affected local farmers & everyday citizens as well as school districts, small corporations, & everyone in between. Unfortunately, check fraud isn't the only type of fraud our

community has experienced. Every day, we fight scams, impersonations, elder financial abuse & card fraud as well.

I believe the most impactful action the OCC, Board/FRS, & FDIC could take is to establish a secure communications channel that is accessible via FRB FedlineWeb that every institution (even the largest ones) would be required to participate in. Not only could it provide accurate contact information for every institution by routing number, it could also have a secure communications portal.

The most crucial part of any fraud investigation is a timely response. I think I speak for ALL community banks when I say our interactions with the larger institutions are anything but fast & easy. In most cases, you can spend weeks just trying to find accurate contact information for a bank. Even then, you'll wait 30-45 days for a response. We all know the funds are long gone by that point. In one particular case, it took 6 months to get a response!

As an industry, we must come together to present a united front against fraud across all payment channels. There have been advances in the fight to slow card fraud, ACH fraud, & other electronic payments. Nothing significant has changed in the world of check-clearing in over 25 years. The fraudsters know this. We know this. For starters-there should be higher standards placed on check-printing companies. They should have an obligation to verify the information they put on a check is accurate & properly authorized. Secondly-depositing institutions should be required to add their name/routing number and other crucial information to the back of a check they are sending out for presentment. These simple changes could lead to identifying fraud faster and holding the correct party responsible.

Thank you for the opportunity to provide comments on this RFI. DSB 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,

Kim Clements

Bookkeeping Department Supervisor, AAP/NCP

Denison State Bank, Member FDIC/Equal Housing Lender



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I would be glad to help with your banking, but do not provide full account numbers or confidential information in non-secure emails such as this. If you need to tell me an account number, either type (mask) your account number like this "xxxxx56", send a secure message/file to me at [REDACTED] (registration required), or contact me personally as listed above.

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