



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 President and CEO of Farmers State Bank (FSB), a \$185MM community bank located in West Salem, Ohio. 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.

FSB was originally incorporated in 1915 and we serve a mostly rural market in north central Ohio including consumers, many small businesses and smaller farm operations. We have six locations, several located in smaller communities where we are the only remaining financial institution.

The Federal Reserve System (FRS) and the FDIC need to take actions to help consumers, businesses, and financial institutions mitigate payments fraud. Community banks continue to be challenged by a rise in fraud schemes and scams across payment types and agency action is the only way to address this growing issue.

Being a small rural bank does not protect us or our customers from the fraudster's activities. Many of our older customers fall prey to scammers. Our small businesses have had to deal with account takeover and duplicate check fraud causing thousands of dollars of losses. Just during the first half of 2025, we have tracked \$285K of fraud/scam cases which resulted in losses to our customers of almost \$20K.

We have worked with our trade and payment associations to find ways to recognize and mitigate losses to the bank and to our customers. However, privacy concerns and fear of legal action limits the amount of information banks are willing or able to share regarding their experiences. This allows the fraudster to perfect a scheme, move from institution to institution using their plans perfected in larger markets, then move to smaller markets where we are kept in the dark until we become victim.

---

West Salem  
419-853-4631

Banery•Ashland  
419-281-2554

East Main•Ashland  
419-281-7110

Marshallville  
330-855-8234

Rittman  
330-925-4617

Wooster  
330-262-1177

Toll Free: 1-800-350-2844 • [www.farmersstate-oh.com](http://www.farmersstate-oh.com)

Member FDIC •  Equal Housing Lender

This inability, to recognize and share information BEFORE final investigation and proof of fraudulent activity, allows the time needed to make these actions profitable and gives time to evade detection. Banks are hesitant to label something as fraud incase they later find out different. No one wants to harm an innocent party without proof but if this information could be aggregated from many points, a pattern may emerge to more quickly identify what is truly happening. This could only be accomplished through regulation allowing for this exchange and protection to the banks providing it. The location of a central aggregator, who can quickly use then share this information, could greatly reduce fraud.

If there is an ability, such as with electronic payments, to automated data collection, analysis, and reporting tools that can be integrated with services already in use, this should be developed to help all financial institutions. Maybe this could be done with little or no additional costs.

Finally, changes in Regulation CC could help banks prevent and mitigate check 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”). Financial institutions should have flexibility to extend hold times under appropriate circumstances.

We do monthly training for our staff to recognize and ask questions to try to identify and prevent fraud. Many thousands of customers’ funds have been saved by our employees’ efforts. In addition, we spend an enormous amount of time tracking down and working to recover losses when they do happen. But it is impossible for our efforts alone to stem the growing tsunami of fraud.

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

A handwritten signature in black ink, appearing to read "Marlene K. Barkheimer". The signature is fluid and cursive, with a large initial "M" and a stylized "K".

Marlene Barkheimer  
President and CEO  
Farmers State Bank