

**From:** [Tammy Hoffman](#)  
**To:** [Comments](#)  
**Subject:** [EXTERNAL MESSAGE] June 20, 2025-Request for Information On Potential Actions To Address Payments Fraud; Comment Request (RIN 3064-ZA49)  
**Date:** Friday, September 12, 2025 5:00:19 PM

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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 Chief Administrative Officer of First Community Bank and Trust, (Bank) a \$200,000,000 community bank located in Beecher and Peotone, IL. This correspondence is to respond to the Office of the Comptroller of the Currency (OCC)'s, Board of Governors of the Federal Reserve System (Board)'s, and the Federal Deposit Insurance Corporation (FDIC)'s request for information (RFI) on payments fraud.

First Community Bank and Trust is a locally owned and independent community bank with two locations and 30 employees. The bank is a full service bank offering deposit and loan services in Beecher, Peotone and surrounding communities for over 108 years.

First Community Bank and Trust believes 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.

I applaud the agencies for seeking input on action that could 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, therefore, agency action is much needed.

First Community Bank and Trust has been affected by payments fraud for several years. The resources spent for a smaller community bank to resolve these issues is very burdensome. Larger financial institutions are negligent in responding and cooperation is difficult. Customers are forced to re-establish accounts and update all automatic transactions, leading to frustration and loss of confidence in the banking system. Many disputes remain unresolved for months, and in some cases

years.

Community banks are concerned that some large financial institutions are not exercising sufficient CIP/KYC processed and open accounts that are being leveraged by fraudsters. In addition, community banks have had significant difficulty resolving interbank disputes regarding fraudulent checks. Many of First Community Bank and Trust's fraudulent items presented against customer's accounts are checks that have clearly been altered and deposited remotely. Fraudsters are able to open these accounts with large financial institutions and use the accounts for illicit purposes. These financial institutions need to better comply with CIP/KYC rules and examine remotely deposited checks for signs of alteration.

Changes to Regulation CC could help community 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. Hold times should not be shortened, they are an essential tool for banks to detect and prevent check fraud. Flexibility to extend hold times under appropriate circumstances should be afforded to financial institutions.

First Community Bank and Trust urges the agencies to consider extending the 24 hour timeframe for the bank to return a fraudulently altered check. Sufficient time should be allowed for our customer to discover fraud and for the bank to return the check to the bank of first deposit. The bank further urges the regulators ensure that the largest banks are not ignoring the presumption of alteration warranty under the UCC which is a valid reason for community banks to be reimbursed by these large banks for check fraud returns.

Thank you for the opportunity to provide comments on the 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.

Tammy Hoffman  
Chief Administrative Officer  
NMLS ID #1594302  
First Community Bank and Trust

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