

Response to the Request for Information on Potential Actions to Address Payments Fraud

September 11, 2025

Submitted to:

Federal Deposit Insurance Corporation (FDIC) RIN 3064-ZA49, via comments@fdic.gov

Office of the Comptroller of the Currency (OCC) Docket ID OCC-2025-0009 via [Federal eRulemaking Portal—Regulations.gov](https://www.ecfr.gov/current/title-12/chapter-I/subchapter-B/part-101/subpart-101.101/section-101.101-10)

Federal Reserve Bank (FRB) Docket No. OP-1866 RIN 3064-ZA49 via [publiccomments@frb.gov](https://www.frb.org/publiccomments)

Introduction

On behalf of First Service Credit Union, a Texas state-chartered credit union, located in Houston, Texas, we appreciate the opportunity to provide comments in response to the joint Request for Information (RFI) issued in June 2025 by the FDIC, OCC, and the Board of Governors of the Federal Reserve System regarding potential actions to address the growing threat of payments fraud.

As a credit union committed to the financial well-being of our members, we are acutely aware of the financial and emotional harm caused by scams, check fraud, and other forms of payments fraud. We commend the agencies for taking a collaborative and inclusive approach to tackling these threats and offer the following comments based on our operational experience, fraud mitigation efforts, and member engagement.

1. Collaboration

Credit unions, like other community-based financial institutions, benefit greatly from shared resources, timely fraud alerts, and coordinated efforts. We encourage:

- a. Stronger institutional coordination, especially in real-time payments, to facilitate fraud response and fund recovery. Today, delays in communication can result in irreversible losses.
- b. The development of standardized fraud alert protocols across networks to streamline communication and investigation between sending and receiving institutions.

2. Education

Education is one of the most effective tools in preventing fraud—particularly when tailored to the community level. We recommend:

- a. Partnering with credit unions to distribute localized educational materials on check fraud, scams, and digital payment risks.
- b. Creating templated educational campaigns that credit unions can adapt for social media, websites, and in-branch use.
- c. Providing targeted education for populations more vulnerable to scams, such as older adults. Credit unions are well-positioned to help reach these groups effectively.

3. Regulation and Supervision

From our vantage point, updates to regulation should support fraud mitigation without disproportionately increasing operational burden on credit unions. We support:

- a. Modernizing Regulation CC to address the growing volume of fraudulent remote deposits, especially via mobile channels. A reevaluation of hold timelines and return rights is overdue.
- b. Providing clearer guidance on liability allocation between sending and receiving institutions, especially in scenarios involving authorized push payment (APP) scams.
- c. Introducing tiered compliance frameworks, ensuring credit unions can comply without significant technology investment beyond their means.
- d. Revising Regulation E to reduce the regulatory and financial burden placed on credit unions, especially regarding dispute processing and reimbursement requirements for unauthorized electronic fund transfers (EFTs). The current framework often exposes credit unions to high levels of liability in cases where members have been manipulated through increasingly sophisticated scams. We recommend greater flexibility in applying liability standards and clearer differentiation between unauthorized transactions and consumer-authorized but fraud-induced payments (e.g., through social engineering).

4. Data Collection and Sharing

Credit unions often lack access to the scale of fraud intelligence available to larger banks and networks. A national, structured, and privacy-conscious approach would benefit credit unions greatly. We suggest:

- a. Creating a centralized fraud incident database accessible to financial institutions of all sizes, with standardized classification codes.
- b. Facilitating cross-institution data sharing through APIs or secure dashboards, allowing real-time checks against known fraud indicators (e.g., flagged accounts or devices).
- c. Ensuring that credit unions can contribute data efficiently, with tools suited to smaller teams and budgets.

5. Federal Reserve Operator Tools

We are encouraged by the agencies' interest in developing new tools through the Federal Reserve Bank. We recommend:

- a. Implementing fraud detection services integrated with FedNow and FedACH, offering real-time fraud scoring or anomaly detection.
- b. Developing a "payment delay" feature for flagged transactions, allowing manual review before final settlement—especially for large-dollar or suspicious transfers.
- c. Providing access to a Federal Reserve-led fraud prevention consortium, including representatives from credit unions, to guide tool development and testing.

Conclusion

Payments fraud is evolving rapidly, and it is critical that financial institutions, regulators, and technology providers work together to build a safer and more resilient payments system. As a credit union, our

mission is to protect our members and their financial health. We are committed to contributing to this shared goal and appreciate the agencies' attention to the unique needs of credit unions in this effort.

Thank you again for your leadership and the opportunity to provide our perspective. We would welcome future opportunities to collaborate on this issue.

Sincerely,



Gevon Calix
VP of Compliance & Corporate Development
First Service Credit Union

