

September 18, 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:

The 44 state and regional banking associations affiliated with the Independent Community Bankers of America (ICBA) and the thousands of community banks we represent applaud the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), and Federal Deposit Insurance Corporation (FDIC) for issuing a request for information on payments fraud.

Community banks continue to be challenged by a rise in fraud and scams across payment types, so we appreciate the agencies' efforts to address this important and impactful matter. We are pleased to respond to the request for information with the following joint comments:

External Collaboration

Community banks support collaborative stakeholder efforts to address payments fraud. Fraud and scams persist across state borders and involve stakeholders across economic sectors, so national stakeholder collaboration, including collaboration with other federal agencies, is necessary to effectively combat the problem. However, national efforts must recognize the resource constraints individual community banks face when deciding whether to participate.

Local and regional collaboration across community banks, federal and state regulators, law enforcement, community organizations, and other stakeholders can be an effective way to build connections and share information at the community level.

Consumer, Business, and Industry Education

Community banks thrive, in part, because of their close customer relationships, so face-to-face engagement is one of the most effective tools to reach community bank customers. In-branch material and messaging are especially valuable for community banks.

Community banks serve elderly customers, as well as consumers and small businesses in rural and agricultural areas, so educational materials tailored to these groups would be valuable. Some community banks are in areas that do not have widespread, reliable Internet access, so web-based resources are not always accessible to customers.

Regulation and Supervision

Broadly speaking, 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.

Check fraud, in particular, remains a significant issue. Community banks are concerned that accounts are being opened at some financial institutions that may be leveraged by fraudsters. Similarly, community banks have had significant difficulty resolving interbank disputes regarding fraudulent checks.

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 (e.g., “altered” and “alteration”). However, hold times should not be shortened; they are an essential tool for banks to detect and prevent check fraud. Financial institutions should have flexibility to extend hold times under appropriate circumstances.

Payments Fraud Data Collection and Information Sharing

While centralized data reporting would be valuable for the ecosystem, agencies should avoid imposing additional data collection requirements on community banks. Appropriate safe harbors would improve banks’ ability and willingness to share fraud data.

Community banks would benefit from automated data collection, analysis, and reporting tools that are integrated with services they already use and do not come with additional costs.

Reserve Banks’ Operator Tools and Services

Community banks would benefit from tools and services that integrate with third-party services they already use and pricing that is appropriate for their size and complexity.

There are a variety of specific products and services that could benefit community banks, including, for example, a fraud contact directory, a fraud information sharing repository, an interbank check fraud breach of warranty claim mechanism, a check

image analysis and verification tool, an atypical payment monitoring service, and confirmation of payee service.

Thank you for the opportunity to provide comments on this request for information. Community banks continue to lead the fight against payments fraud on the front lines, and we look forward to continuing to work with the OCC, Board, FDIC, and other stakeholders to protect our customers and communities.

Sincerely,

Alabama Bankers Association
Arizona Bankers Association
Arkansas Community Bankers
California Community Banking Network
Independent Community Bankers of Colorado
Connecticut Bankers Association
Community Bankers Association of Georgia
Florida Bankers Association
Idaho Bankers Association
Community Bankers Association of Illinois
Indiana Bankers Association
Community Bankers of Iowa
Bluegrass Community Bankers Association
Community Bankers Association of Kansas
Louisiana Bankers Association
Maine Bankers Association
Maryland Bankers Association
Massachusetts Bankers Association
Community Bankers of Michigan
BankIn Minnesota
Mississippi Bankers Association
Missouri Independent Bankers Association
Montana Independent Bankers

Nebraska Independent Community Bankers
New Hampshire Bankers Association
New Jersey Bankers Association
Independent Community Bankers Association of New Mexico
Independent Bankers Association of New York State
North Carolina Bankers Association
Independent Community Banks of North Dakota
Community Bankers Association of Ohio
Community Bankers Association of Oklahoma
Oregon Bankers Association
Pennsylvania Association of Community Bankers
Independent Banks of South Carolina
Independent Community Bankers of South Dakota
Tennessee Bankers Association
Independent Bankers Association of Texas
Vermont Bankers Association
Virginia Association of Community Banks
Community Bankers of Washington
Community Bankers of West Virginia
Wisconsin Bankers Association
Wyoming Bankers Association