



September 12, 2025

Submitted via Federal eRulemaking Portal: <https://www.regulations.gov>

Submitted via Email to: comments@fdic.gov

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400 7th Street, SW, Suite 3E-218
Washington, DC 20219

Federal Reserve Board of Governors
2001 C Street NW
Washington DC, 20551

Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: Request for Information on Potential Actions to Address Payments Fraud
(Docket No. OCC-2025-0009; Docket No. OP-1866; RIN 3064-ZA49)

To whom it may concern:

This letter is submitted to the Office of the Comptroller of the Currency; the Board of Governors of the Federal Reserve System; and the Federal Deposit Insurance Corporation (collectively, the “**Agencies**”) on behalf of the Innovative Payments Association (“**IPA**”),¹ in response to the request for information concerning potential actions to address payments fraud published in the Federal Register on June 20, 2025.² In particular, the RFI seeks information on potential actions to address check fraud, which the RFI notes has seen a rise in recent years despite declines in overall check usage.³

In particular, the RFI seeks feedback in a number of different areas for ways to improve the payments system and reduce instances of check fraud, including feedback with respect to (i) external collaboration between industry and regulators; (ii) consumer, business, and industry

¹ The IPA is a trade organization that serves as the leading voice of the electronic payments sector, including prepaid products, mobile wallets, and person-to-person (P2P) technology for consumers, businesses and governments at all levels. The IPA's goal is to encourage efficient use of electronic payments, cultivate financial inclusion through educating and empowering consumers, represent the industry before legislative and regulatory bodies, and provide thought leadership. The comments made in this letter do not necessarily represent the position of all members of the IPA.

² 90 Fed. Reg. 26293 (June 20, 2025).

³ 90 Fed. Reg. at 26294 – 26295.



education concerning check fraud; (iii) additional regulation to combat instances of check fraud; (iv) the sharing of payment fraud data; and (v) reserve banks' operator tools and services.

In general, our members do not believe that additional regulation or oversight would be an effective means to combat increased instances of check fraud. We note that financial institutions are already subject to numerous oversight and legal requirements at both the federal and state level – including, but not limited to Check 21 and Regulation CC (12 CFR Part 229) and the Uniform Commercial Code – that are intended to address the processing of check payments through the payment system and that already impose a number of requirements and prescribed processes for addressing check fraud. Instead, we believe greater collaboration and information sharing by and among industry stakeholders and regulators as well as educational outreach to consumers would be a more effective means to combat increases in check fraud.

The IPA also recommends that the prudential banking regulators host joint meetings with industry stakeholders in an effort to facilitate a discussion on how the industry can work together to minimize paper check fraud and encourage the use of electronic payments amongst all Americans by educating them on the benefits of electronic payments to better manage their day-to-day financial lives. While there are several examples of such public-private collaborations in existence, one such example is the Security Summit at the Internal Revenue Service. In full disclosure, the IPA has been a member of the IRS Security Summit since 2016.

One possible benefit our members would like to see emerge from a public-private collaboration focused on check fraud would be the forming task forces by law enforcement agencies to specifically prosecute check fraud. Such prosecution could benefit the payment system and Americans generally by reducing incentives for t fraudsters.

Further, we note that the best way to reduce instances of check fraud in the payment system is to continue the transition away from paper checks altogether toward more secure, fully regulated forms of electronic payment alternatives that utilize direct deposit such as, but not limited to, demand deposit accounts (DDAs), mobile wallets and prepaid cards. It is important to highlight that all of these products are regulated by Regulation E.⁴

In particular, we note the use of electronic accounts listed above are important and popular alternatives to paper checks that are currently reducing instances of check fraud in the payment system. According to the Federal Reserve Bank of Atlanta's (the "**Atlanta Fed**") May 2025 Research Data Report: 2024 Survey and Diary of Consumer Payment Choice: Summary Results⁵, American consumers have been reducing their use of paper checks.

⁴ <https://www.consumerfinance.gov/rules-policy/regulations/1005/>

⁵ <https://www.atlantafed.org/banking-and-payments/consumer-payments/survey-and-diary-of-consumer-payment-choice/2024-survey-and-diary>



For instance, in 2024, the Report details that fewer consumers reported using cash and paper checks in the prior 30 days compared to 2023. The portion of respondents who said they made a payment with cash in the prior 30 days declined from 87 percent of consumers in 2023 to 83 percent in 2024. The number who said they made a check payment in the prior 30 days declined from 40 percent of consumers to 35 percent.

The findings of the Atlanta Federal Reserve’s Survey backed up by the Federal Reserve’s Board of Governor’s (the “**Federal Reserve**”) July 2025 Fed Notes Report: Pay-by-Bank and the Merchant Payments Use Case: Benefits, risks and potential impacts on consumer payment behaviors in the U.S.⁶ According to the Federal Reserve “the use of cash and checks for consumer payments is continuously declining.” The Federal Reserve’s report goes on to say that while check use is declining, at the same time “ACH-, cards- and alternative nonbank payments are on the rise. Studies point to a substantial increase in ACH transfers and debit and credit card payments—both by number and value.”⁷ In addition, ownership and usage of alternative payment methods such as digital wallets and peer-to-peer payment apps are growing.”⁸

The Federal Reserve goes on to state that the COVID-19 pandemic helped to expedite the shift to non-cash forms of payment; “studies such as the 2024 DCPC suggest that the pandemic had lasting effects on advancing the move towards digital consumer payments. As new technologies and payment innovations continue to emerge, this trend is expected to prevail.”

We would also like to point out that these products already serve a crucial function in disbursing financial payments by federal, state, and local governments. To name a few programs, Americans are now receiving benefits from Social Security, Temporary Assistance for Needy Families (TANF), Child Support Payments, Unemployment Insurance (UI) and even Economic Impact Payments (EIP) through prepaid accounts (ex: mobile wallets, peer-to-peer, and prepaid cards).⁹

An eligible recipient of government benefits where the agency or entity loads funds electronically onto a card account can access their funds as soon as they are posted to the account at the point-of-sale or by using an ATM.

⁶ [The Fed - Pay-by-Bank and the Merchant Payments Use Case: Benefits, risks and potential impacts on consumer payment behaviors in the U.S.](#)

⁷ *Id.*

⁸ *Id.*

⁹ <https://www.consumerfinance.gov/rules-policy/final-rules/prepaid-accounts-under-electronic-fund-transfer-act-regulation-e-and-truth-lending-act-regulation-z/>



When using an electronic payment, the government benefit recipient has a safer, more secure way of accessing and carrying their funds as opposed to using cash and has immediate access to their money. Moreover, the recipient now has an account with which he or she can begin to build savings and access other banking services. Thus, the central value proposition of governments utilizing electronic payments is that it allows government agencies to achieve 100% electronic payment of benefits and potentially decrease the unbanked and underbanked population.

We therefore support and encourage efforts to reduce check fraud by encouraging the continued move to alternative payment methods.

The IPA appreciates the opportunity to submit feedback on the RFI. If you have any questions, please do not hesitate to contact me at the number listed below or at: [REDACTED].

Sincerely,
[REDACTED]

Brian Tate
President and CEO
IPA
[REDACTED]

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