



September 18, 2025

The Honorable Mr. Jonathan Gould
Comptroller of the Currency, Office of the Comptroller of the Currency
Docket ID OCC-2025-0009

Mr. Benjamin W. McDonough
Deputy Secretary, Board of Governors of the Federal Reserve System
Docket No. OP-1866

Ms. Jennifer M. Jones
Deputy Executive Secretary, Federal Deposit Insurance Corporation
RIN 3064-ZA49

Dear The Honorable Mr. Gould, Deputy Secretary Mr. McDonough, and Deputy Executive Secretary Jones:

On behalf of our more than 120 commercial, savings and cooperative banks and federal savings institution members with more than 72,000 employees located throughout the Commonwealth and New England, the Massachusetts Bankers Association (MBA) appreciates the opportunity to provide our comments in response 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.

MBA and our membership are proud to be vocal advocates and front-line defenders against financial exploitation of all our customers. The banking industry is, unfortunately, all too familiar with the impact unscrupulous actors can have on its customers, and especially those who may be more vulnerable due to a host of reasons. Our member institutions take their responsibility to protect customers extremely seriously, working alongside the Massachusetts Division of Banks and federal banking regulators, local, state and federal law enforcement, and other agencies to develop and train their customer-facing employees on the potential warning signs of financial exploitation and to help identify potential bad actors and vulnerable customers before an issue arises; however, our members have expressed that more needs to be done to better equip law enforcement and prosecute these criminals.

This legislative session, MBA filed legislation to address the growing problem of check washing in Massachusetts. As you are aware, check washing is on a meteoric rise causing angst and financial distress for residents throughout the Commonwealth and the United States. Our members are also directly

affected by these fraudulent schemes through added customer service resolution work, customer reassurance efforts, as well as additional compliance and due diligence that is required once fraud is identified. The legislation would create a new criminal penalty for those accused of participating in a check washing scheme.

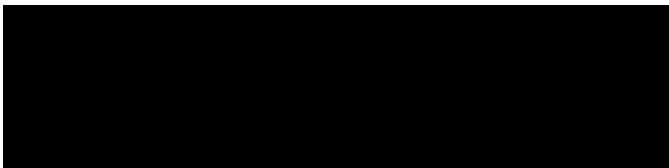
Our legislation would also facilitate the consolidation of check fraud that occurs in multiple court jurisdictions to a single jurisdiction to show the full scope of these scams. It is our hope that with enhanced criminal penalties on the books, bad actors would be more hesitant to engage in such unscrupulous acts. Similar actions on the federal legislative and regulatory fronts may also prove beneficial.

We also believe that direct contact between banks, law enforcement and regulatory agencies throughout the duration of fraud investigations would lead to greater success in combating fraud. Members have expressed that Section 314(b) of the USA PATRIOT Act as a collaboration tool is not as effective as it could be. According to feedback, some stakeholders may ignore certain requests for sharing information, which ultimately leads to theoretical 'dead ends' in moving investigations forward. Mutual collaboration among stakeholders at each level will build solid connections and open lines of communication for information sharing that ultimately leads to enhanced consumer protection.

With regard to information sharing and educational programming, MBA runs countless programs on a variety of pertinent issues facing the banking industry, including webinars and programs on how to identify, address and combat payments fraud. While we have and will continue to provide such programming to our members, more can be done in this space. Members have expressed support for providing CRA credit to financial institutions that implement fraud education workshops in their communities.

We appreciate the opportunity to provide comments on this Request for Information and look forward to continued partnership with the OCC, FRS, FDIC, and other stakeholders to protect our customers from payments fraud. Please do not hesitate to contact us with any questions.

Sincerely,

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Brad S. Papalardo, Esq.
Executive Vice President
Chief of Government Affairs & General Counsel