Ms. Jennifer M. Jones
Deputy Executive Secretary
Attention: Comments—RIN 3064-ZA49
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

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

Dear Ms. Jones, Mr. McDonough, and Mr. Gould:

I am the CEO of Peoples Bank, a $470 million community bank located in Mendenhall, Mississippi. Peoples Bank is also a certified Community Development Financial Institution (CDFI). I am writing to respond 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.

Peoples Bank has been serving customers in central Mississippi for over 100 years. Throughout that time, we have served as a bank that serves underserved communities and small businesses. We serve those customers that the larger and regional banks ignore. These customers are not sophisticated, and often subject to the tactics employed by fraudsters in today's online financial ecosystem. I applaud the agencies for issuing this RFI and seeking input on ways that the OCC, the Federal Reserve System (FRS), and the FDIC could take actions to 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, so agency action is much needed.

Specifically, the Bank has been affected by payments fraud in the following ways:

- We, and our customers are constantly bombarded with fraudulent checks being send through our customers' accounts. The prevalence of mobile deposit makes identifying fraudulent and altered checks more difficult. We at least see 3-5 fraudulent checks PER

WEEK. We employ significant resources, both automated and manual, to try and prevent this fraud. This adds to the overall cost of banking for everyone.

- We are constantly dealing with fraudulent ACH/debit card transactions. We deal with more than 20 fraudulent transactions per week on average. The time it takes to research and process the fraudulent disputes is overwhelming.
- We deal with many fraudulent checks being deposited by a new customer, who then turn around at withdraw the cash. We have many steps to try and prevent this, but in today's instant payment world, customer expect instant access to funds being deposited. Criminals know this and take advantage of this accommodation we make for customers.

All of these things increase costs for law-abiding customers

Peoples Bank supports actions in the following areas by regulatory agencies.

External Collaboration
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.

Regulation and Supervision
Check fraud, in particular, remains a significant issue. Community banks are concerned that some large financial institutions are not exercising sufficient CIP/KYC processes and opening accounts that are being leveraged by fraudsters. Similarly, community banks have had significant difficulty resolving interbank disputes regarding fraudulent checks. THIS IS THE PRIMARY CAUSE OF FRAUD IN OUR EXPERIENCE. The larger banks do not have sufficient fraud protections on opening accounts, nor do they quickly respond to smaller banks request for assistance with fraud from their customers. They take extended periods of time to respond, which typically means the funds are gone by the time they respond.

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.

Reserve Banks' Operator Tools and Services
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 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.

Dennis Ammann, CEO

Peoples Bank

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