



September 9, 2025

The Honorable Jonathan Gould
Comptroller
Office of the Comptroller of the Currency
400 7th Street, SW
Washington, D.C. 20219

The Honorable Jerome Powell
Chairman
Board of Governors of the Federal Reserve
System
20th Street and Constitution Ave., NW
Washington, D.C. 20551

The Honorable Travis Hill
Acting Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

Regarding: Request for Information and Comment on Potential Actions to Address Payments Fraud –
Docket ID OCC-2025-0009, RIN 3064-ZA49 and Docket No OP-1866

Dear Federal Banking Regulators:

I commend the federal banking regulators for publishing this Request for Information on payments and check fraud. As the current Secretary of the Board of Directors of the Independent Community Bankers of America (ICBA) and as a current Director and Past Chairman of the Community Bankers Association of Illinois (CBAI), I can verify that both in Illinois and nationally payments and check fraud are significant and growing problems that are harming community banks and undermining the confidence of our customers in the payments and the banking system.

Regulatory changes that would help prevent and mitigate check fraud would be to extend the Reg CC's return deadline to allow for the detection of fraud and for these checks to be successfully returned, provide flexibility to the "reasonable cause to doubt collectability" exception and other reasonable reasons to extend hold times, provide a safe harbor under privacy regulations for banks to communicate with each other (and a requirement to do so) to help detect and deter fraud, and please do not shorten the hold times to release funds more quickly which will surely result in increased fraud losses.

Kewanee Banking Center



State Bank of Toulon



Galva Banking Center






Also, many community banks have expressed frustration and have suffered losses by not being reimbursed for fraudulent returned checks by a number of the largest banks and credit unions. The federal regulators should closely examine these largest financial institutions for their KYC/CIP/CDD compliance so that they do not open fraudulent accounts and so that fraudulent checks are not able to be deposited (many of which are deposited remotely) into these accounts.

Thank you for considering my thoughts and recommendations.

Sincerely,


Douglas E. Parrott
President/CEO

Kewanee Banking Center



State Bank of Toulon



Galva Banking Center

