

From: [Genie Del Secco](#)
To: [Comments](#)
Subject: [EXTERNAL MESSAGE] RIN 3064-ZA49 Comment Letter
Date: Wednesday, September 17, 2025 5:52:08 PM
Attachments: [image001.png](#)
[Comment Letter re Payments Fraud 091725 on letterhead.pdf](#)

Good afternoon,

As a financial institution on the front line of combatting financial crime, Summit State Bank (Summit) applauds the agencies for issuing the request for information on potential actions to address payments fraud. Attached please find our comment letter.

Thank you for the opportunity to provide comments and for initiating this important dialogue on combatting payments fraud.

We look forward to continuing to work with the agencies, and other stakeholders to protect our customers and communities from the growing threat of payments fraud.

Respectfully,
Genie

Genie Del Secco, EVP, Chief Operating Officer



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September 17, 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

Re: Comment on the Request for Information on Potential Actions to Address Payments Fraud

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

I am the Chief Operating Officer of Summit State Bank (Summit), a community bank located in Santa Rosa, CA, and I appreciate the opportunity to comment on the Request for Information (RFI) regarding potential actions to address payments fraud.

Founded in 1982 and headquartered in Sonoma County, Summit State Bank is an award-winning community bank serving California's North Bay. Summit serves small businesses, nonprofits and the community, with total assets of \$1.0 billion and total equity of \$98 million as of June 30, 2025. Summit has built its reputation over the past 40 years by specializing in providing exceptional customer service and customized financial solutions to aid in the success of its customers.

As a financial institution on the front line of combatting financial crime, Summit applauds 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 necessary.

Specifically, Summit has seen a sharp increase in:

- Check fraud including counterfeiting, alteration, and mail theft.
- Wire fraud including Business Email Compromise (BEC) and social engineering scams targeting both corporate and individual customers.
- New account fraud utilizing stolen checks of a legitimate business in another state.

The sharp increase in fraudulent payments has resulted in significant losses for both Summit and its customers in both 2023 & 2024. Payments fraud remains heightened in 2025, and Summit is dedicating noteworthy resources to mitigate the elevated risks.

Effective measures Summit has implemented include:

- **Multi-Factor Authentication (MFA):** Summit has strengthened our customer authentication processes, especially for online banking and large value transactions.
- **Positive Pay:** For commercial customers, Summit strongly encourages and implements positive pay services for checks and ACH transactions to prevent unauthorized transactions.
- **Internal Fraud Detection Platforms:** Summit's fraud detection systems use machine learning and behavioral analysis to flag unusual transaction patterns, providing real-time defense against out of pattern behavior.

External Collaboration

Collaboration between financial institutions is key in helping detect, prevent, and mitigate payments fraud, however expanding that collaboration with Federal and State agencies could be more advantageous in combatting this epidemic.

Summit supports and actively participates in industry forums that share fraud trends and threat intelligence. However, Summit believes the agencies can facilitate more effective data sharing by providing clear guidance and safe harbors for financial institutions that share specific fraud-related data beyond the scope of existing regulations.

Summit recommends the agencies explore the development of a standardized, anonymized fraud reporting framework that goes well beyond the current SAR process. Having real-time, bidirectional fraud information sharing with other financial institutions and law enforcement is essential to preventing payment fraud.

Collaboration may include putting together public awareness events, broadcasts or publications for consumers and business owners. Increased collaboration with, and amongst, Federal and State regulators and law enforcement ensures information is current and actively being shared with the financial institutions and their customers. In turn, community banks can build upon their relationships with these agencies and position themselves to better serve their communities. Additionally, consideration for a partnership with community nonprofits, who target and service specific demographics can assist in detecting and preventing fraud.

Consumer, Business, and Industry Education

As a community bank, we are deeply invested in the local economy and community well-being. We provide personalized customer service and foster customer relationships through in-person interactions as we find it to be the most effective method to reach our customers. Summit believes coordinated, nationwide consumer education campaigns led by the agencies would amplify the industry's efforts. The Federal Reserve's ScamClassifier and FraudClassifier models are valuable tools that could be further leveraged in this area.

Having standardized literature and educational materials to utilize during our interactions would be valuable for community banks. Our customer base includes elderly customers, young adults and small businesses. Having those educational materials tailored specifically for these groups, especially the elderly customers, would be highly valuable in ensuring they are informed of the various fraud schemes and know what to do if they fall victim to one. Having resources such as awareness events and broadcasts would also assist in educating our customers.

Regulation and Supervision

Summit recommends an interagency working group to explore adjustments to funds availability rules (Regulation CC) to address modern check fraud risks while minimizing undue impact to consumers.

Amendments to Regulation CC could help community banks with the mitigation of fraud, specifically check fraud. For example, the return deadline related to fraud could be extended. Community banks are often dealing with larger financial institutions regarding check fraud. In these situations, having a requirement within the regulation that

mandates a timely response would be beneficial. A requirement, similar to that of Regulation E error resolutions, can help community banks assist in the prevention and mitigation of check fraud on a larger level. Ongoing supervisory guidance related to fraud detection, prevention and mitigation could address the harms from payments fraud to financial institutions, consumers and businesses.

Payments Fraud Data Collection and Information Sharing

Community banks would benefit from a real-time centralized online resource where fraud-related information may be shared amongst other banks and follow-up may be conducted and tracked, similar to that of Section 314b. Having a secure resource, along with possible regulatory guidance and requirements of timely responses, would promote participation and collaboration.

Reserve Banks' Operator Tools and Services

Community banks would benefit from a centralized online resource that allows financial institutions to share not only contact information for fraud claims, but one where information may be shared amongst banks and conduct inter-bank follow-up related to submitted breach of warranty claims or indemnities. Mandatory membership, similar to that of a Nacha membership, and a mechanism where a check may be verified should be considered.

Thank you for the opportunity to provide comments on this RFI. Summit commends the agencies for initiating this important conversation on combatting payments fraud. We believe that by enhancing collaboration, improving data sharing, and synchronizing regulatory approaches, the industry can create a safer and more resilient payments environment for everyone. Summit 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.

Sincerely,

[REDACTED]

Genie Del Secco
EVP/Chief Operating Officer
Summit State Bank
[REDACTED]