



CBAI’s Efforts to Combat Deposit Check Fraud are Featured in Testimony at United States Senate Banking Committee Hearing

On February 1, 2024, CBAI’s year-long efforts to help combat deposit check fraud and shield community banks from significant fraud losses were highlighted in a written statement and testimony during a Senate Banking Committee hearing. The [ICBA’s written statement](#) featured CBAI’s member polling results on fraud returns and [Maryland Senator Chris Van Hollen](#) read from a CBAI letter to the federal banking regulators urging their involvement to assist community banks in getting prompt and reasonable reimbursement for fraudulent checks that were deposited into accounts at the largest banks and credit unions.

CBAI was alerted to this problem in the Fall of 2022. In early 2023, CBAI surveyed its members to determine the scope and severity of this issue. With that valuable data, we recommended specific actions that needed to be taken by the federal banking regulators to address the problem. In mid-year, CBAI provided guidance for our members to escalate their complaints to the regulators who are responsible for addressing the largest financial institutions’ apparent safety and soundness and compliance shortfalls concerning check fraud.

CBAI is currently surveying our Illinois community bank members to gather updated and comparative data on deposit check fraud. Armed with this valuable information, CBAI will again be engaging with the regulators revealing the survey results and providing them with additional observations and recommendations to help further address this problem.

The recognition that CBAI’s efforts have received with policymakers at the national level would not have been possible without the grassroots involvement and support of our community-bank leadership bankers and members and is proof that your voices are being heard.