



## Updated CBAI Member Guidance

### Appealing to the Federal Regulators for Assistance in Reimbursement for Fraudulently Altered Return Checks (Fraudulent Returns)\*

Community Bankers Association of Illinois (CBAI) members continue to experience the serious and growing problem of check fraud and not being promptly and/or reasonably reimbursed for Fraudulent Returns. CBAI member survey results consistently indicate that the root cause of check fraud in banking is that a number of the largest banks apparently do not know their customers and their customers' typical financial behavior well enough to prevent fraudulent accounts from being opened and fraudulent checks from being deposited. These fraudulent checks later clear back to many community banks, harming them and their customers, and undermining confidence in the nation's payments and banking system.

If CBAI members are experiencing a problem with not being promptly and reasonably reimbursed for Fraud Returns, they should consider elevating their concerns to that bank's primary regulator. Based on consistent CBAI member survey results, the overwhelming majority of complaints will be made against the largest national banks, which are supervised, regulated and enforced against by the Office of the Comptroller of the Currency (OCC). The federal regulator for other large banks will be either the Federal Reserve or the Federal Deposit Insurance Corporation (FDIC).

This Member Guidance provides suggestions about how to draft your letter of complaint and to which federal regulator you should direct your complaint.

**\*This information is being provided with the understanding that CBAI is not rendering any legal services or opinions. Before relying on this CBAI Member Guidance users should carefully evaluate its suitability and consult with your own legal counsel.**

**Your letter should be addressed to one of the following individuals:**

**For OCC-regulated banks –**

Greg Coleman  
Senior Deputy Comptroller for Bank Supervision and Examination  
Office of the Comptroller of the Currency  
400 7th Street, SW  
Washington, D.C. 20219

The OCC has established a dedicated email address to send complaints against national banks.

[ExternalOCCLargeBankFeedback@OCC.treas.gov](mailto:ExternalOCCLargeBankFeedback@OCC.treas.gov)

**Here is the link** to the 25 largest national banks supervised by the OCC. Scroll down to “Large Bank Locations.”

**For FDIC-regulated banks –**

Ryan Billingsly  
Acting Director  
Federal Deposit Insurance Corporation  
550 17th Street, NW  
Washington, D.C. 20429

The FDIC has established a dedicated email address to send complaints against FDIC regulated banks.

[check\\_fraud@fdic.gov](mailto:check_fraud@fdic.gov)

**Here is the link** to all FDIC insured institutions to determine the bank’s primary regulator. Complete the “Search for Institutions” section.

**For Federal Reserve-regulated banks**

Mary Aiken  
Acting Director  
Division of Supervision and Regulation  
20<sup>th</sup> Street and Constitution Ave., NW  
Washington, D.C. 20551

The Federal Reserve has established a dedicated email address to send complaints against Fed regulated banks. [interbank-payment-fraud-complaints@frb.gov](mailto:interbank-payment-fraud-complaints@frb.gov)

Please use the FDIC link above to determine if the Federal Reserve is the bank’s primary regulator.

## Please consider including the following information in your letter:

Your letter should be addressed to the individual named earlier at the appropriate federal regulator for the bank against which you are filing the complaint.

You may begin by stating that you are escalating your complaint against (bank name) to the (OCC, Fed or FDIC) because you have tried unsuccessfully to be promptly and reasonably reimbursed for the fraudulently altered check drawn on your customer's account in the amount of (state the dollar amount), and you are left with no reasonable alternative but to file this complaint with (bank name's) regulator.

You are not asking the regulators to pick winners and losers in this bank versus bank dispute, but you are asking them for their assistance in getting an appropriate response and resolution to your reimbursement request because you have diligently pursued other reasonable options.

You should provide a detailed timeline of events (bullet points) leading up to your complaint from the date the check cleared your bank through the most recent correspondence that you received (or lack of response). This timeline should be sufficiently detailed so the bank can accurately know the check that you are referring to. For example –

- On this date, we received ...
- On this date, we were notified by ...
- On this date, we returned ...
- On this date, we received a response saying ...
- On this date, we responded by saying ...
- Include a reference/incident/claim number and the names of those with whom you have communicated.
- And so forth.

In your description of the timeline, it would be appropriate to add all of the following, where appropriate, and other information that may apply to your complaint. For example –

- ✓ They have not responded to your requests for reimbursement.
- ✓ They have taken an unreasonably long time to respond to your request.
- ✓ You have had difficulty contacting the right person at the bank.
- ✓ You are being routed and rerouted to several different departments or individuals.
- ✓ The bank is asking for an unreasonable amount of information to support your claim.
- ✓ The check was obviously altered and should not have been accepted for deposit.
- ✓ No one is willing to share information with you about the altered check or the account.
- ✓ Despite making a reasonable case for reimbursement, your request has been denied and perhaps denied repeatedly.

In many cases, the bank of first deposit (BOFD) will deny your reimbursement request because the check was not returned within a certain timeframe. Regardless, the bank of first deposit makes presentment warranties under the Uniform Commercial Code (UCC), including that the item has not been altered. Under those circumstances, the BOFD will have breached its presentment warranty, and your bank should be entitled to

be reimbursed. While there is no guarantee short of litigation of being reimbursed, this is likely the strongest argument that you have to raise to their regulators in seeking reimbursement for the Fraudulent Return.

Please be aware that the bank the check was drawn on is responsible for counterfeit checks or forged signatures on checks, so please be careful to accurately state the reason for your claim.

You should also consider raising concerns about the bank of first deposit's compliance with know your customer (KYC) and other banking compliance regulations (i.e., CIP, CDD, BSA, AML, CTR and SAR). The account at the bank you are complaining against was apparently fraudulently opened and/or was used for fraudulent purposes because the fraudulently altered check was deposited into that account. You may want to ask the bank's regulator to please look into the BOFD's compliance with policies, procedures, implementation, training and periodic audits that have apparently allowed this fraudulent activity to occur.

To conclude, you should reiterate that (name of the bank), as the bank of first deposit, has breached their presentment warranty, your request for reimbursement is reasonable and it should be approved, and (insert amount) should be sent to your bank as reimbursement for the fraudulently altered return check.

Please also ask the regulator and the bank you are filing the complaint against to acknowledge their receipt of your complaint.

You may want to consider sending a copy of your complaint to your own bank's regulators, so that they are aware of the issues you are confronting with check fraud.

If you are having this problem with a credit union, you should follow the same format for your complaint letter as you would when complaining against a bank but direct your complaint to the following individual:

Scott Hunt  
Director, National Examination and Supervision  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314

Thank you for continuing to engage in this struggle with check fraud, which needs to be addressed by the largest banks and credit unions and the regulators that supervise them for safety and soundness and compliance.

August 2025

Community Bankers Association of Illinois (CBAI)

901 Community Drive | Springfield, Illinois 62703 ● [www.cbai.com](http://www.cbai.com) ● P: 217.529.2265 | F: 217.529.9484