

RIVERMARK COMMUNITY CREDIT UNION, NICOLE WHITE

Proposal and Comment Information

Title: Check Services - Request for Information and Comment on the Future of the Federal Reserve Banks' Check Services, OP-1874

Comment ID: FR-2025-0077-01-C339

Submitter Information

Organization Name: Rivermark Community Credit Union

Organization Type: Organization

Name: Nicole White

Submitted Date: 03/10/2026

Dear Deputy Secretary McDonough:

Rivermark Community Credit Union appreciates the opportunity to comment on the Board's Request for Information on the future of the Federal Reserve Banks' check services (Docket No. OP-1874). Rivermark is a Community Development Financial Institution (CDFI) credit union serving financially underserved households across twenty-seven Oregon counties and Washington State. Many are employed yet struggle to consistently cover a modern budget (housing, utilities, food, transportation, healthcare, childcare, smartphone plan, and taxes). This population is commonly described as ALICE—Asset Limited, Income Constrained, Employed. United For ALICE research highlights the scale of this challenge: in 2023, 42% of Oregon households and 38% of Washington households were below the ALICE Threshold.

Against that backdrop, Rivermark urges the Board to treat decisions about Reserve Bank check services not merely as an operational matter, but as a financial inclusion issue for working families with limited savings buffers.

Rivermark's core view: Maintain Federal Reserve check services at least at current reliability and scope in the near- to medium-term, and pursue a phased modernization strategy that sustains reliability and resilience while enabling a measured transition as check use continues to decline. Approaches that allow reliability to degrade over time, or that significantly simplify or wind down services, would disproportionately harm community institutions, ALICE households/small businesses, that are least able to absorb delays, uncertainty, or fee increases.

Responses to the RFI:

1. Importance/role over 3 and 10 years: Over the next 3 years, Reserve Bank check services remain essential to ensure reliable, standardized nationwide processing and returns. Over 10 years, the Board should plan for continued volume declines but avoid abrupt disruption, undue concentration risk, or inequitable outcomes for communities that continue to rely on checks.
2. Critical service elements: Predictable processing timelines and deposit deadlines; timely, consistent returns processing; and strong adjustments/discrepancy resolution support—capabilities that are especially important for community institutions and the members we serve.
3. Impacts of strategies:
 - Degraded reliability would increase uncertainty and exception handling and can trigger late fees, overdrafts/NSFs, and other costs for financially vulnerable households.
 - Significant simplification that reduces key features would shift operational burden and costs onto institutions and ultimately consumers.
 - A substantial wind-down risks limiting access to affordable check services as private-sector consolidation reduces options, increasing concentration risk and reducing resilience.
 - Upgrading infrastructure to maintain reliability is the preferred path, provided it is phased, transparent, implemented with adequate lead time, and avoids sudden fee increases passed on to consumers. Ideally, there would be a defined path and commitment to a minimum nationwide baseline service level (reliability, returns, adjustments) for community institutions during any transition, supported by a multi-year roadmap with measurable outcomes.
4. Costs/investment: Rivermark recognizes priced services must recover costs over the long run. We could support reasonable, well-justified fee changes associated with modernization if paired with transparent objectives and measurable improvements (reliability, resiliency, security), a multi-year pricing path with clear cost drivers, and generous implementation timelines that allow operational planning and member communication. We also support collaborative, industry-wide actions to improve safety and

security in check payments; discontinuation of Reserve Bank check services is not, by itself, an efficient solution to check fraud.

5. Alternatives/unique benefits: While alternatives exist, they are not uniformly accessible or affordable, and consolidation may reduce options over time. Reserve Bank services provide a public-sector, nationwide, standardized option that supports resilience and reduces single-point-of-failure risks. For these reasons, Rivermark urges the Board to maintain Federal Reserve check services at least at current reliability and scope, and to pursue phased modernization that preserves core functions, supports resilience and safety, and provides transparent multi-year pricing and implementation timelines. Thank you for your consideration.

Sincerely,
Rivermark Community Credit Union

3/6/2026

Dear Deputy Secretary McDonough:

Rivermark Community Credit Union appreciates the opportunity to comment on the Board's Request for Information on the future of the Federal Reserve Banks' check services (Docket No. OP-1874).

Rivermark is a Community Development Financial Institution (CDFI) credit union focused on serving financially underserved households across our service area of twenty-seven Oregon counties and Washington State. Many of these households are employed yet still find it challenging to consistently cover a modern-day budget that includes housing, utilities, food, transportation, healthcare, childcare, smartphone plan, and taxes. This population is commonly described as ALICE—Asset Limited, Income Constrained, Employed.

United For ALICE research underscores the scale of this challenge. In Oregon, 42% of households were below the ALICE Threshold in 2023 (combining ALICE households and those in poverty), and the analysis highlights that the "cost of basics" includes housing, childcare, food, transportation, health care, technology, taxes, and a modest contingency amount. In Washington, United for ALICE similarly estimates 38% of households were below the ALICE Threshold in 2023.

Against that backdrop, Rivermark urges the Board to treat decisions about Reserve Bank check services not merely as an operational matter, but as a financial inclusion issue for working families with limited savings buffers.

Rivermark supports maintaining Federal Reserve check services at least at current reliability and scope in the near- to medium-term and supports a phased modernization strategy that sustains reliability and resilience while enabling a measured transition as check use continues to decline.

We are concerned that approaches described in the RFI that would allow reliability to degrade over time, or that would significantly simplify or wind down services, would disproportionately harm community-based institutions and the households we serve—particularly ALICE households that are least able to absorb delays, uncertainty, or fee increases.

(Q1) Importance of Reserve Bank check services; role over 3 and 10 years

Checks remain an important payment mechanism for consumers and businesses, even as volumes decline. The Federal Reserve's own materials note that checks still represent a meaningful share of noncash payment value. We are concerned that strategies that allow reliability to degrade over time—while potentially controlling operating costs—would shift operational burden, increase exception handling, and raise settlement/availability uncertainty for depository institutions and end users.

Over the next 3 years, Reserve Bank check services remain essential to ensure reliable, standardized nationwide processing and returns. Over 10 years, the Board should plan for continued volume declines but should do so in a way that avoids abrupt disruption, undue concentration risk, or inequitable outcomes for communities that continue to rely on checks.

(Q2) Most critical aspects of current check services

For Rivermark and the members we serve, the most critical aspects of Reserve Bank check services include:

- Predictable processing timelines and deposit deadlines that support funds availability expectations and reduce member hardship risks from uncertainty and lack of liquidity;
- Timely, consistent returns processing to reduce financial harm from unresolved items and reduce downstream fees and confusion;
- Adjustments / discrepancy resolution support, which is especially important for community institutions that cannot replicate large-bank scale in exception handling.

(Q3) Impacts of the strategies described in the RFI

Rivermark's perspective on the strategies presented:

1. **Continue services with degraded reliability:** This option is likely to produce the greatest real-world harm for ALICE households because it increases uncertainty and exception handling, and can trigger late fees, overdrafts/NSFs, and additional costs for consumers least able to absorb them.
2. **Significant simplification:** Reducing key features (e.g., fewer deadlines, reduced adjustments capability, less effective returns processes) would shift costs and operational burden onto depository institutions and ultimately consumers, and would disproportionately affect community-based institutions and the communities they serve.
3. **Substantial wind-down:** This approach risks limiting access to affordable check processing options as private-sector consolidation continues. It could reduce competition and resilience, increase concentration risk, and raise costs — particularly for community institutions that rely on the Reserve Banks' nationwide reach and standardized processes.
4. **Upgrade infrastructure to support existing service levels and reliability:** Rivermark supports this approach in principle, provided modernization is phased, transparent, implemented with adequate lead time, and designed to avoid sudden fee increases that would be passed on to consumers.

Additional recommendation: The Board could define and commit to a minimum nationwide baseline service level (reliability, returns, adjustments) for community institutions during the transition period, and publish a multi-year roadmap with measurable reliability outcomes.

(Q4) Willingness to incur cost increases / invest in enhancements

Rivermark recognizes that priced services must recover costs over the long run, and that check volumes are declining. We could support reasonable, well-justified fee changes associated with modernization if paired with:

- Transparent objectives and measurable improvements (reliability, resiliency, security);
- A multi-year pricing path and clear cost drivers; and
- Generous implementation timelines that allow for operational planning and member communication.

We also support collaborative, industry-wide actions to improve safety and security in check payments; discontinuation of Reserve Bank check services is not, by itself, an efficient solution to check fraud.

(Q5) Availability of alternatives; unique benefits of Reserve Bank check services

While alternatives exist, they are not uniformly accessible or affordable to all institutions, and as market consolidation will likely reduce options over time. The Reserve Banks provide a public-sector, nationwide, standardized service that supports resilience and reduces single-point-of-failure risks—benefits that become more important, not less, as volumes decline. The Board should carefully assess concentration and resiliency risks, and whether alternatives will remain accessible and affordable to smaller institutions over the next 3 and 10 years.

(Q6–Q9) Who relies on checks; barriers to transition; inclusion impacts

Rivermark’s target communities are tech-savvy, and we actively support adoption of safe, modern digital payment solutions that help members build financial capability and wellbeing. But tech-savvy does not equal financially secure. United For ALICE research shows a large share of households in Oregon and Washington are working yet still below the ALICE threshold, reflecting the high cost of essentials—including technology and taxes—relative to income.

For many ALICE households, checks remain necessary for important payments (including rent/housing-related payments, childcare, utilities, and payments to individuals or small providers who do not accept electronic

payments). These households often have limited savings buffers; therefore, reduced reliability, slower processing, or higher costs can quickly translate into missed payments, late fees, and broader financial instability.

(Q10) Additional benefits and risks for the Board to consider

Rivermark urges the Board to weigh:

- Financial inclusion and consumer/small business harm risks from reduced reliability or rapid wind-down;
 - Resilience and concentration risk as private-sector options consolidate;
 - The total system cost (including exception handling and downstream consumer fees), not only Reserve Bank operating costs; and
 - The importance of an orderly, transparent transition plan that avoids destabilizing impacts on working households with limited savings.
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For these reasons, Rivermark urges the Board to maintain Federal Reserve check services at least at current reliability and scope, and to pursue a phased modernization strategy that preserves core functions, supports resilience and safety, and provides transparent multi-year pricing and implementation timelines.

Thank you for your consideration.

Sincerely,

Rivermark Community Credit Union