

TROY BANK & TRUST, JOHN R. RAMAGE

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-C342

Subject

Docket No. OP-[1874]

Submitter Information

Organization Name: Troy Bank & Trust

Organization Type: Company

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Submitted Date: 03/09/2026

Thank you for the opportunity to comment with the attached.
I welcome further engagement on this important topic.

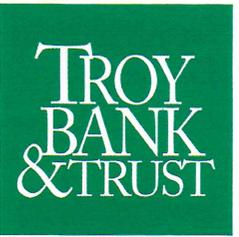
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TROY BANK & TRUST





March 9, 2026

Benjamin W. McDonough
Deputy Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Re: Request for Information and Comment on the Future of the Federal Reserve Banks' Check Services (Docket No. OP-1874)

Dear Deputy Secretary McDonough,

As Chief Administrative Officer of Troy Bank & Trust, a \$1.6 billion-dollar community bank proudly serving Southeastern Alabama since 1906, I appreciate the opportunity to comment on the Board of Governors of the Federal Reserve System (Board)'s Request for Information on the future of the Reserve Banks' check services.

Troy Bank & Trust relies on the Reserve Banks' check services as a core part of our daily payment operations. In fact, The Federal Reserve Bank is our bank's primary and sole check processor. Troy Bank and Trust averages 4,500 checks deposited daily and receives 3,500 checks via inclearing daily from The Federal Reserve.

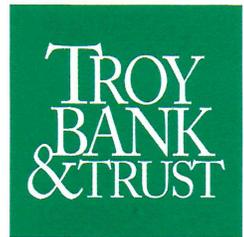
Checks remain important to our customers and community

While we recognize that check usage has declined nationally, checks continue to play an important role in the communities we serve. Much of southeast Alabama remains predominantly rural, and despite our significant investments in technology and alternative payment solutions, a substantial portion of our customers continue to rely on traditional paper-based transactions. This includes many of our older retail clients, family farmers, rural churches, and small business customers who still depend on checks as part of their daily operations. Many of these customers use checks to settle accounts with local stores, suppliers, servicers, and workers that operate outside of the traditional banking sector.

The pace of any transition away from checks should be determined by market forces and consumer readiness, not by the withdrawal of the infrastructure that supports them.

The Reserve Banks' check services should be maintained

The Federal Reserve's operational presence in check processing ensures competitive balance and equitable access for institutions of all sizes. For our bank, private-sector alternatives do not offer the same breadth of services at comparable pricing as The Federal Reserve.



Of the strategies outlined in the RFI, we believe the Board should, at a minimum, maintain the Reserve Banks' check services at their current level of reliability and scope. Strategies that allow the infrastructure to degrade or that substantially reduce or eliminate services would leave community banks like ours with fewer choices, higher costs, and diminished service quality.

Check fraud and the case for investment

Check fraud is a growing concern for our bank and our customers. Since 2021, our bank has seen \$13.4 million dollars in check fraud exposure and while most of it was caught so that the bank did not incur a loss, these efforts came at great expense to the bank. In addition to adding a full-time department comprised of three team members, we have deployed multiple solutions to try and limit this fraud.

We believe the Reserve Banks' check infrastructure is the most effective platform through which fraud-mitigation tools can be delivered to community banks. If the Board invests in upgrading check infrastructure, that investment should include capabilities such as enhanced image analysis, fraud detection services, and improved interbank dispute resolution, all accessible and appropriately priced for community banks. Processing deadlines, return handling, and adjustments are crucial in the world of check fraud. Unless favorable changes to deadlines are made, these services should not change and are vital to combat fraud losses.

The Federal Reserve made a significant investment in the FedNow Service on the principle that the central bank's operational presence promotes access, competition, and innovation across the payments system. The same principle applies to check services during this transitional period.

We urge the Board to approach the future of check services with the same commitment to inclusion and equitable access.

Thank you for the opportunity to comment. I welcome further engagement on this important topic.

Respectfully,

A handwritten signature in blue ink, appearing to read "John R. Ramage".

John R. Ramage
Chief Administrative Officer