



## *Department of Banking and Finance*

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*Atlanta, Georgia 30341-5565*

Financial institutions continue to experience rapidly escalating impacts from check fraud, but quantifying the industry impact is difficult as quarterly reporting does not capture direct or indirect check fraud costs and losses. However, understanding the elevated and increasing financial impact is important to support efforts to evaluate and pursue possible multi-faceted solutions. To begin to address the financial impact information gap, the Georgia Department of Banking and Finance (Department), Georgia Bankers Association (GBA), Community Bankers Association of Georgia (CBA), and League of Southeastern Credit Unions (LSCU) partnered to encourage Georgia banks and credit unions to participate in a short survey designed to initially assess the impact to the industry. Institutions were asked to respond with year-to-date September 30, 2023 data.

79 financial institutions responded to the survey and any items left blank were deemed not applicable. The results of the survey were further segmented into four asset categories as follows: total assets greater than \$1 billion, \$500 million - \$999 million, \$250 million - \$499 million, and total assets below \$250 million. All decimal points are rounded to the hundredths place.

**CHECK FRAUD-SPECIFIC TRANSACTION AND FINANCIAL DATA:  
ALL INSTITUTIONS**

Average # of Attempts	144
Median # of Attempts	37
Average # of Charge-Offs	49
Median # of Charge-Offs	4

Average Dollar Amount of Attempts as a Percentage of Assets	0.10%
Median Dollar Amount of Attempts as a Percentage of Assets	0.07%
Average Dollar Amount of Attempts as a Percentage of Net Income	11.04%
Median Dollar Amount of Attempts as a Percentage of Net Income	8.19%

Average Charge-offs as a Percentage of Total Assets	0.01%
Median Charge-offs as a Percentage of Total Assets	0.00%
Average Charge-offs as a Percentage of Net Income	1.46%
Median Charge-offs as a Percentage of Net Income	0.59%
Average Recoveries as a Percentage of Total Assets	0.02%
Median Recoveries as a Percentage of Total Assets	0.00%
Average Recoveries as a Percentage of Net Income	3.34%
Median Recoveries as a Percentage of Net Income	0.30%

## INSTITUTIONS WITH ASSETS GREATER THAN \$1 BILLION

Average # of Attempts	636
Median # of Attempts	358
Average # of Charge-Offs	220
Median # of Charge-Offs	95

Average Dollar Amount of Attempts as a Percentage of Assets	0.08%
Median Dollar Amount of Attempts as a Percentage of Assets	0.08%
Average Dollar Amount of Attempts as a Percentage of Net Income	12.57%
Median Dollar Amount of Attempts as a Percentage of Net Income	8.28%

Average Charge-offs as a Percentage of Total Assets	0.01%
Median Charge-offs as a Percentage of Total Assets	0.01%
Average Charge-offs as a Percentage of Net Income	1.78%
Median Charge-offs as a Percentage of Net Income	1.30%
Average Recoveries as a Percentage of Total Assets	0.03%
Median Recoveries as a Percentage of Total Assets	0.01%
Average Recoveries as a Percentage of Net Income	6.01%
Median Recoveries as a Percentage of Net Income	1.17%

**INSTITUTIONS WITH ASSETS BETWEEN \$500 MILLION - \$999 MILLION**

Average # of Attempts	49
Median # of Attempts	51
Average # of Charge-Offs	4
Median # of Charge-Offs	4

Average Dollar Amount of Attempts as a Percentage of Assets	0.09%
Median Dollar Amount of Attempts as a Percentage of Assets	0.06%
Average Dollar Amount of Attempts as a Percentage of Net Income	10.10%
Median Dollar Amount of Attempts as a Percentage of Net Income	5.50%

Average Charge-offs as a Percentage of Total Assets	0.00%
Median Charge-offs as a Percentage of Total Assets	0.00%
Average Charge-offs as a Percentage of Net Income	0.41%
Median Charge-offs as a Percentage of Net Income	0.26%
Average Recoveries as a Percentage of Total Assets	0.03%
Median Recoveries as a Percentage of Total Assets	0.00%
Average Recoveries as a Percentage of Net Income	3.01%
Median Recoveries as a Percentage of Net Income	0.23%

**INSTITUTIONS WITH ASSETS BETWEEN \$250 MILLION - \$499 MILLION**

Average # of Attempts	66
Median # of Attempts	30
Average # of Charge-Offs	25
Median # of Charge-Offs	4

Average Dollar Amount of Attempts as a Percentage of Assets	0.08%
Median Dollar Amount of Attempts as a Percentage of Assets	0.07%
Average Dollar Amount of Attempts as a Percentage of Net Income	10.93%
Median Dollar Amount of Attempts as a Percentage of Net Income	8.43%

Average Charge-offs as a Percentage of Total Assets	0.01%
Median Charge-offs as a Percentage of Total Assets	0.00%
Average Charge-offs as a Percentage of Net Income	1.34%
Median Charge-offs as a Percentage of Net Income	0.67%
Average Recoveries as a Percentage of Total Assets	0.01%
Median Recoveries as a Percentage of Total Assets	0.00%
Average Recoveries as a Percentage of Net Income	3.22%
Median Recoveries as a Percentage of Net Income	0.17%

**INSTITUTIONS WITH ASSETS BELOW \$250 MILLION**

Average # of Attempts	30
Median # of Attempts	23
Average # of Charge-Offs	5
Median # of Charge-Offs	3

Average Dollar Amount of Attempts as a Percentage of Assets	0.12%
Median Dollar Amount of Attempts as a Percentage of Assets	0.09%
Average Dollar Amount of Attempts as a Percentage of Net Income	10.77%
Median Dollar Amount of Attempts as a Percentage of Net Income	11.29%

Average Charge-offs as a Percentage of Total Assets	0.01%
Median Charge-offs as a Percentage of Total Assets	0.01%
Average Charge-offs as a Percentage of Net Income	1.85%
Median Charge-offs as a Percentage of Net Income	0.50%
Average Recoveries as a Percentage of Total Assets	0.02%
Median Recoveries as a Percentage of Total Assets	0.00%
Average Recoveries as a Percentage of Net Income	2.25%
Median Recoveries as a Percentage of Net Income	0.03%

**TECHNOLOGY:**

Approximately 32% of respondents offer online account opening and 71% use a fraud prevention tool. While several institutions use multiple fraud prevention tools, Verafin Inc. was used most often and had an average effectiveness rating of 2.44 followed by Jack Henry's Yellow Hammer with an average effectiveness rating of 2.75. The effectiveness scale was a rating of 1 through 5, with 1 being most effective and 5 being least effective.

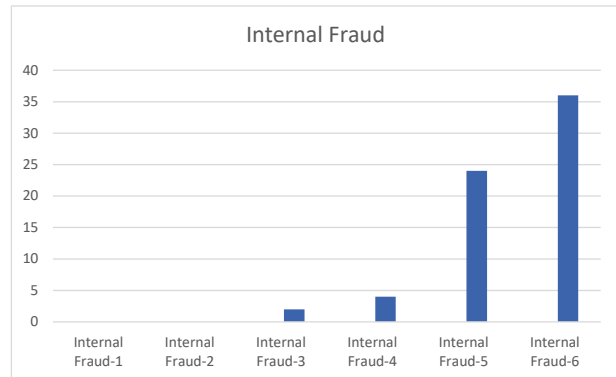
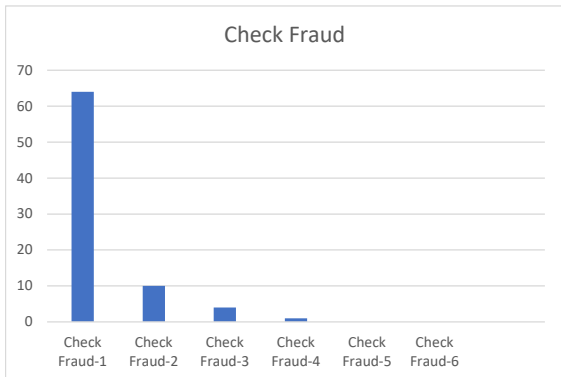
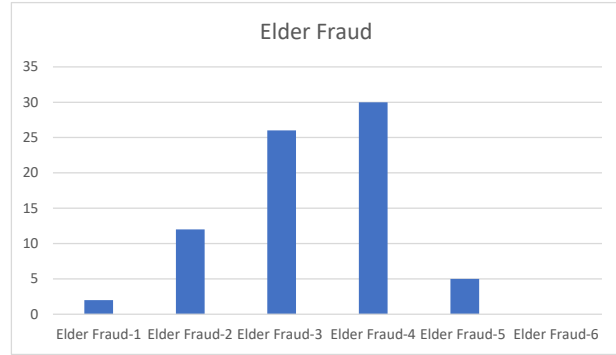
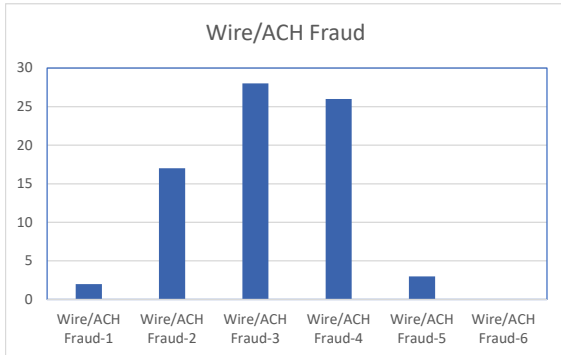
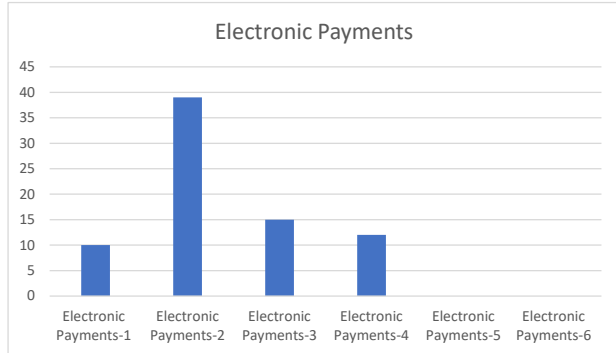
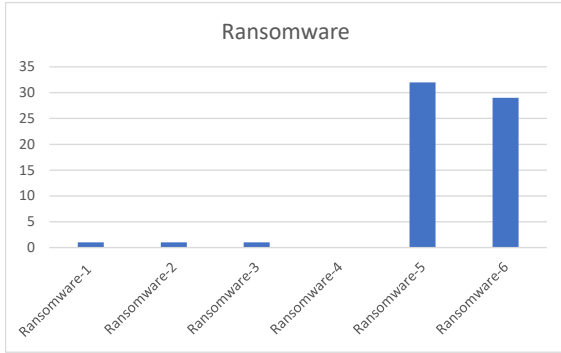
**FINANCIAL INSTITUTION FRAUD EXPERIENCE FEEDBACK:**



**Rank in order the most common types of fraud, based on dollar amount, your institution experiences (1-6):**

**Note: Not all respondents ranked all categories.**

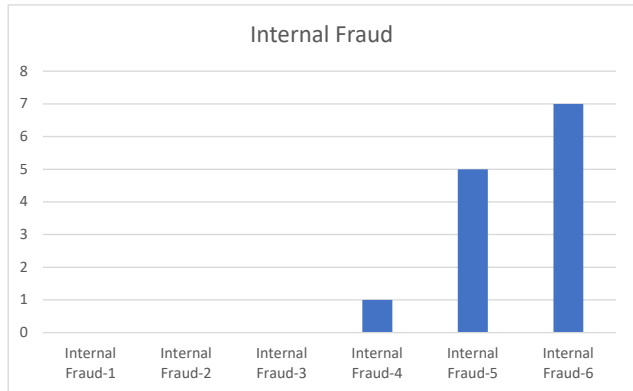
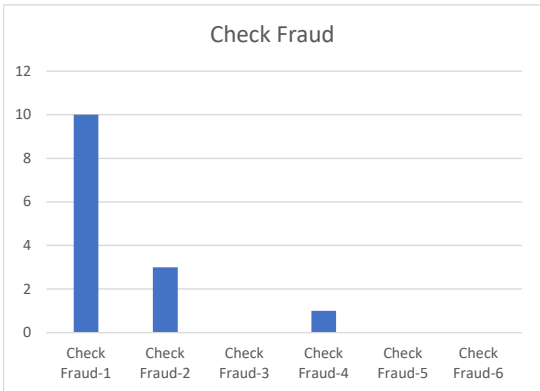
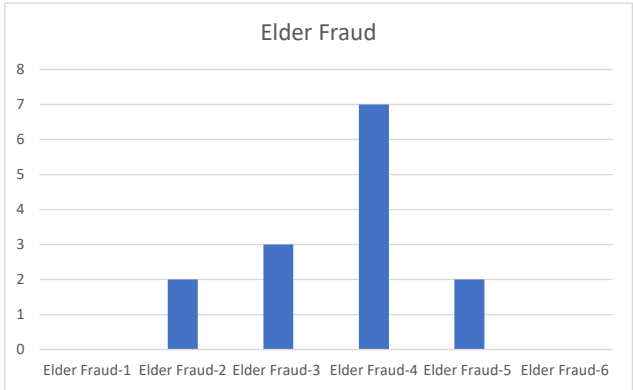
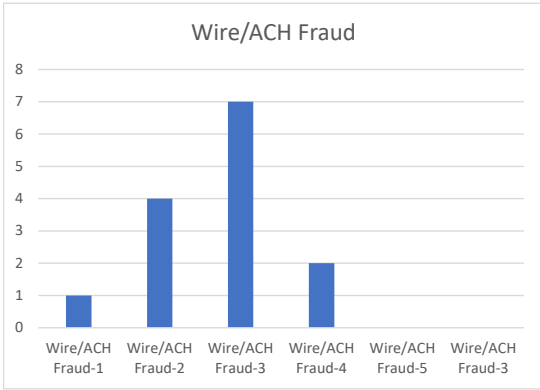
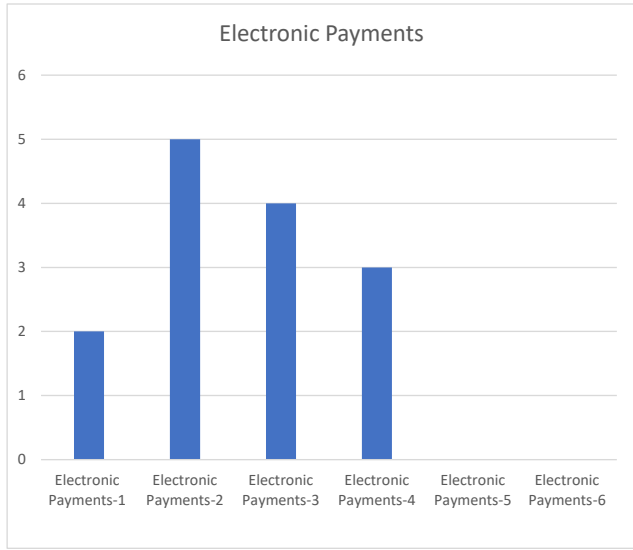
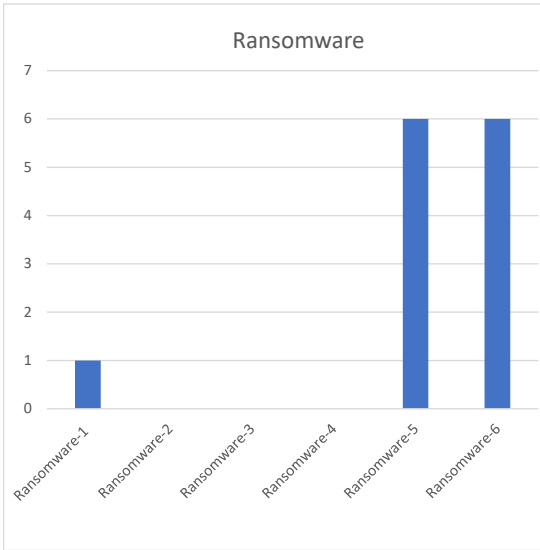
**All Institutions**



**Rank in order the most common types of fraud, based on dollar amount, your institution experiences (1-6):**

**Note: Not all respondents ranked all categories.**

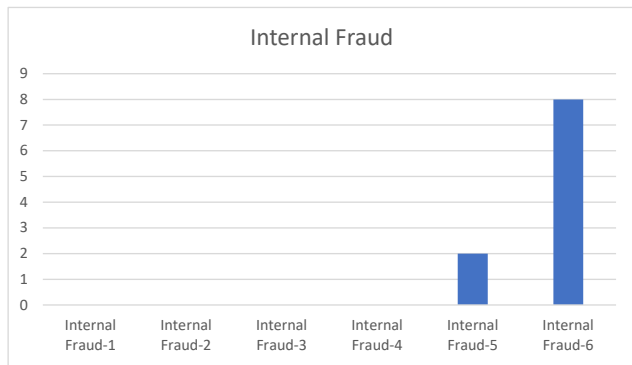
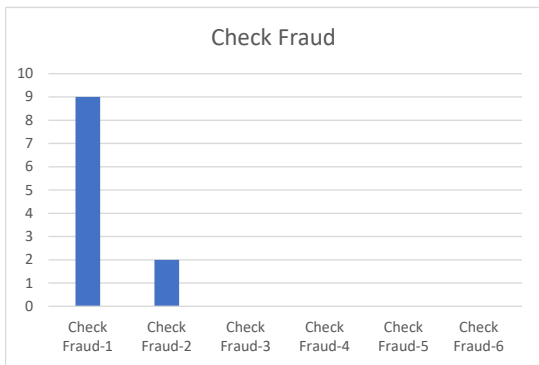
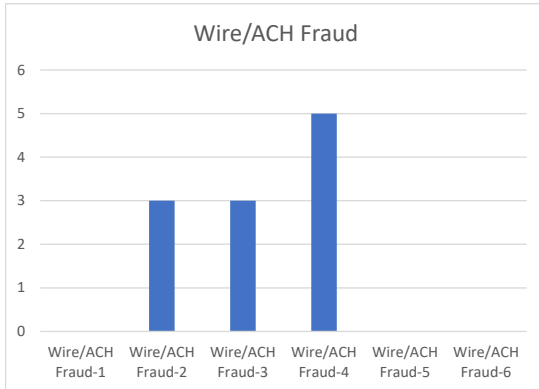
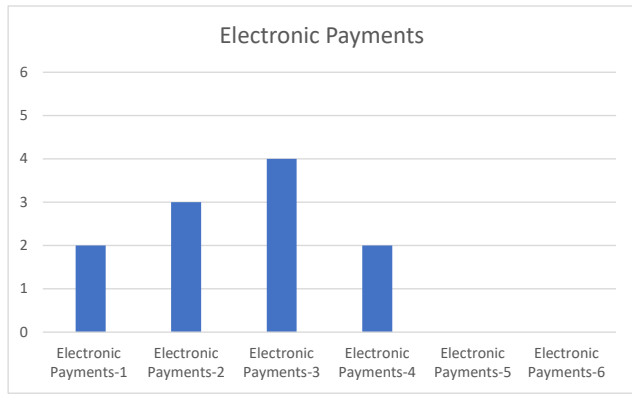
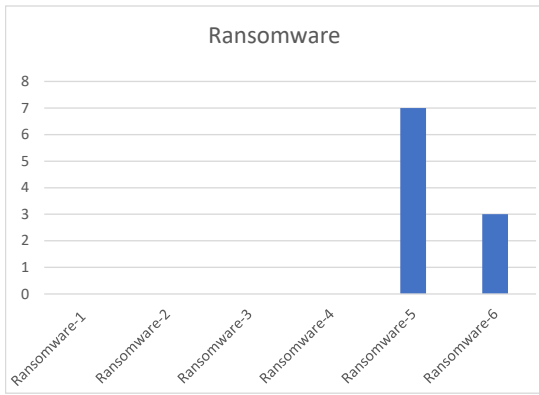
**Institutions Greater Than \$1 Billion**



**Rank in order the most common types of fraud, based on dollar amount, your institution experiences (1-6):**

**Note: Not all respondents ranked all categories.**

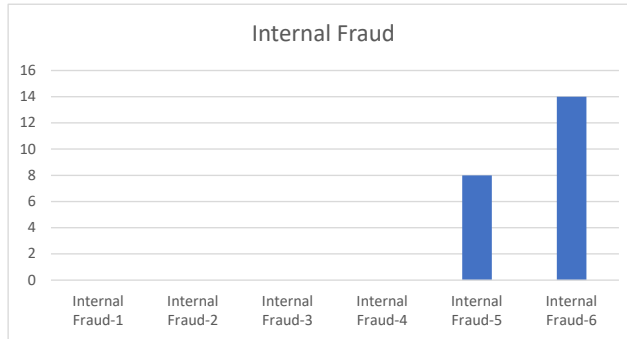
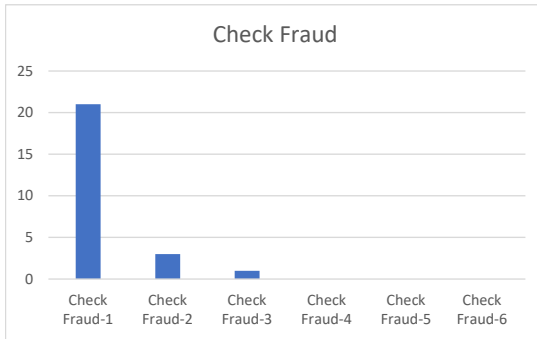
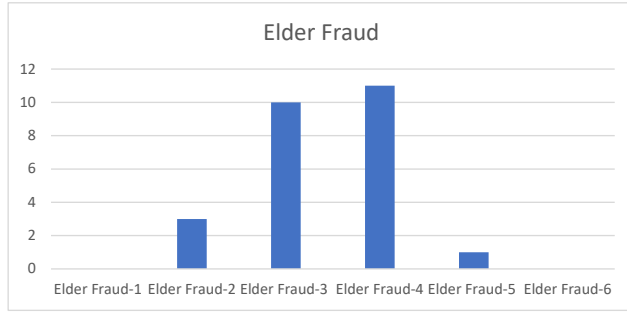
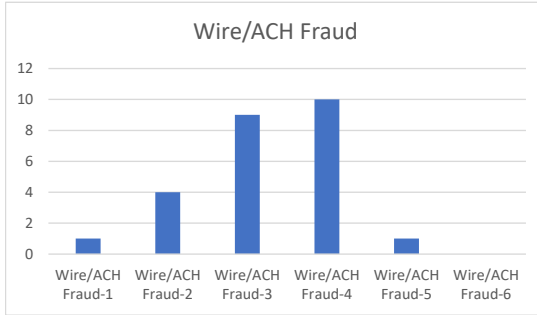
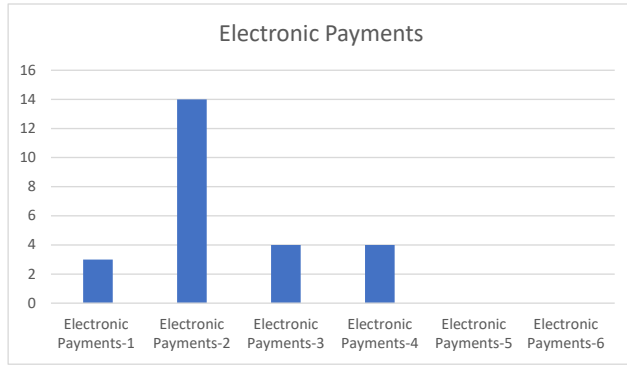
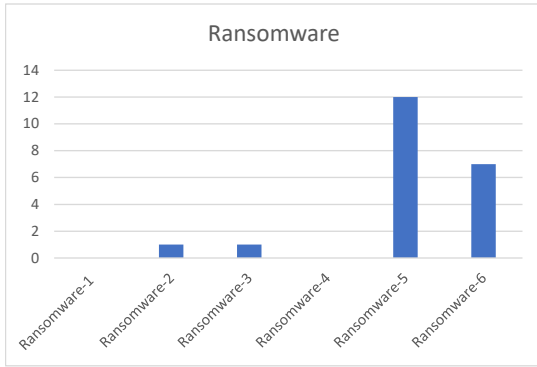
**Institutions \$500 Million - \$999 Million**



**Rank in order the most common types of fraud, based on dollar amount, your institution experiences (1-6):**

**Note: Not all respondents ranked all categories.**

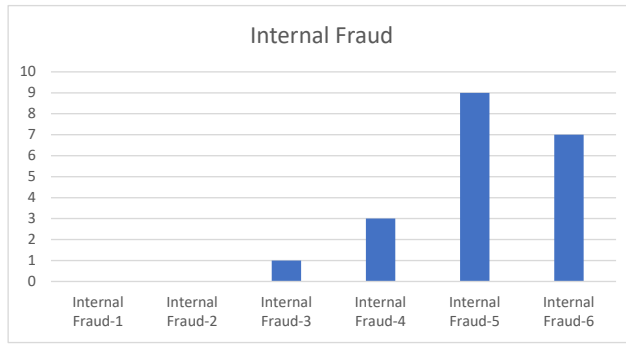
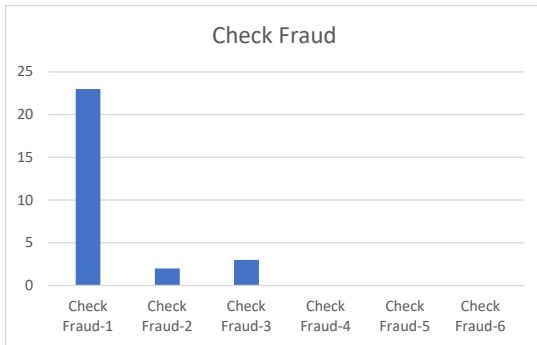
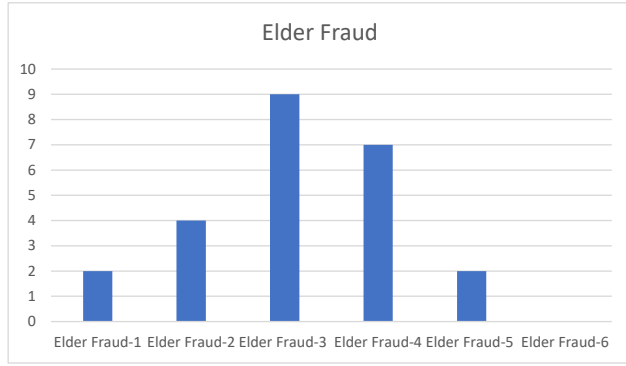
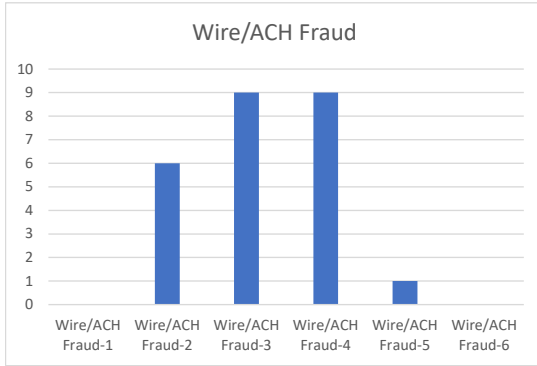
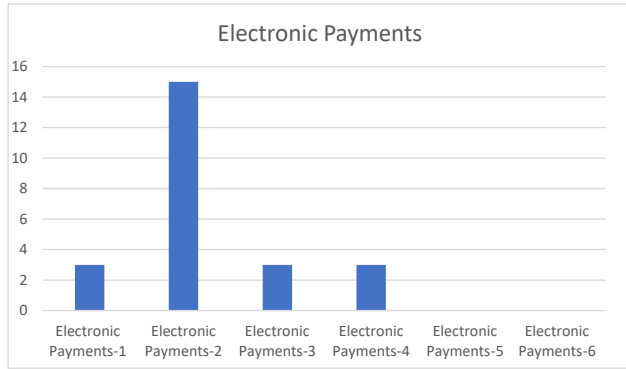
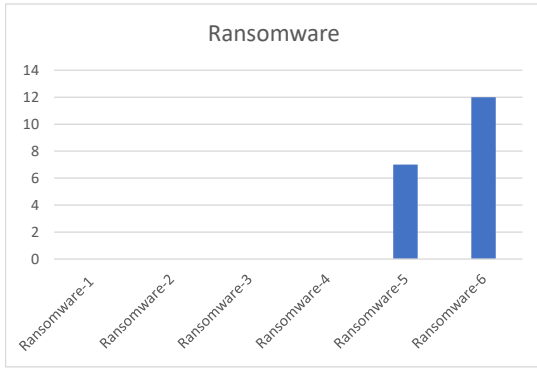
**Institutions \$250 Million - \$499 Million**



**Rank in order the most common types of fraud, based on dollar amount, your institution experiences (1-6):**

**Note: Not all respondents ranked all categories.**

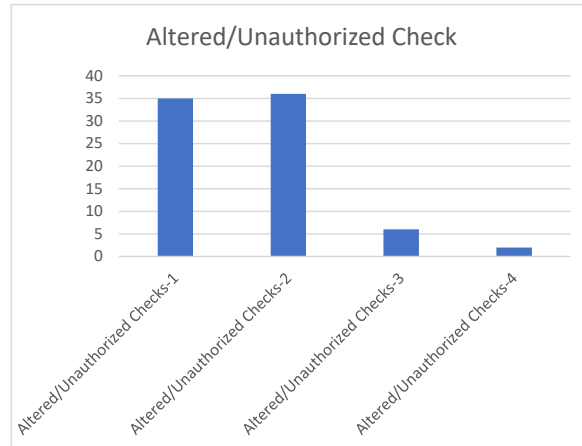
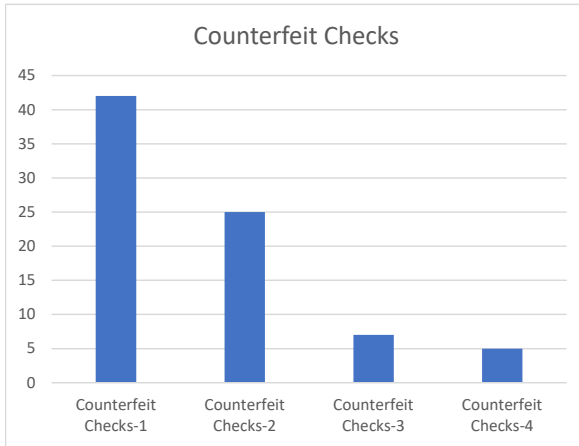
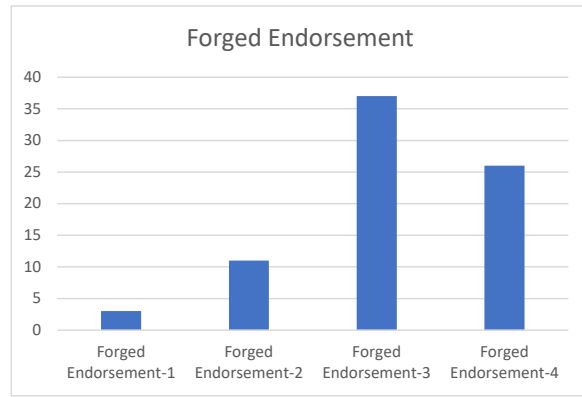
**Institutions Less Than \$250 Million**



Rank in order the most common type of check fraud at your institution (1-4):

Note: Not all respondents ranked all categories.

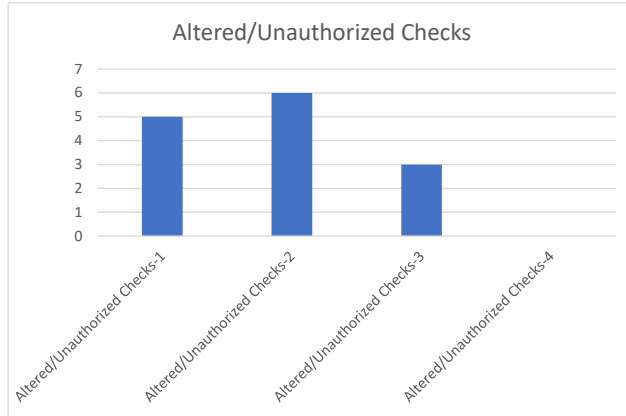
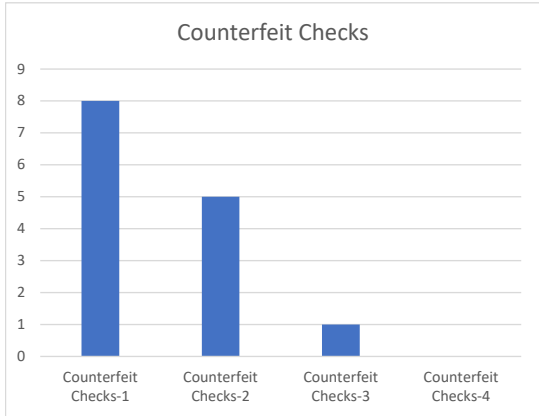
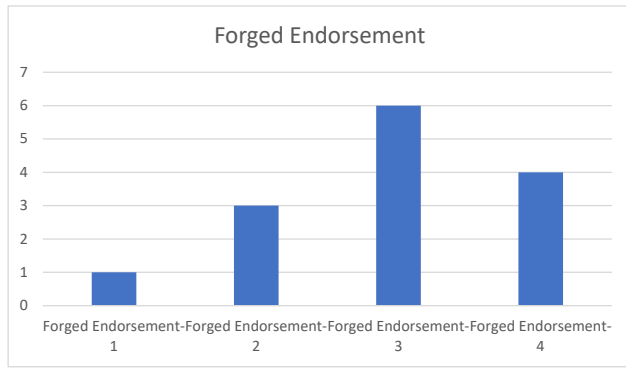
All Institutions



**Rank in order the most common type of check fraud at your institution (1-4):**

**Note: Not all respondents ranked all categories.**

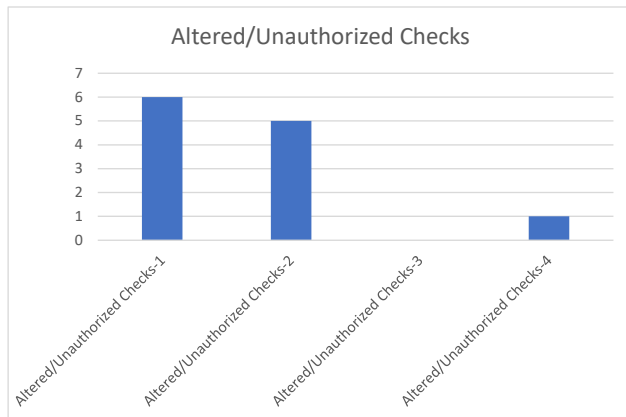
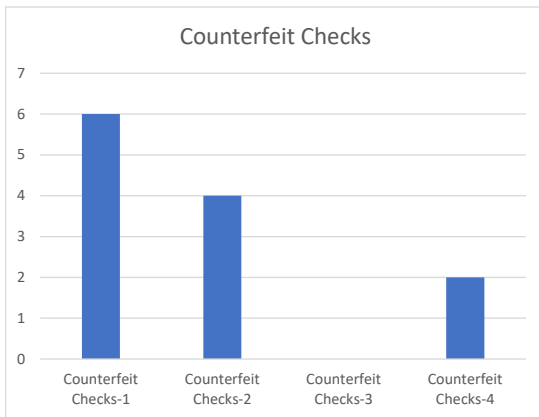
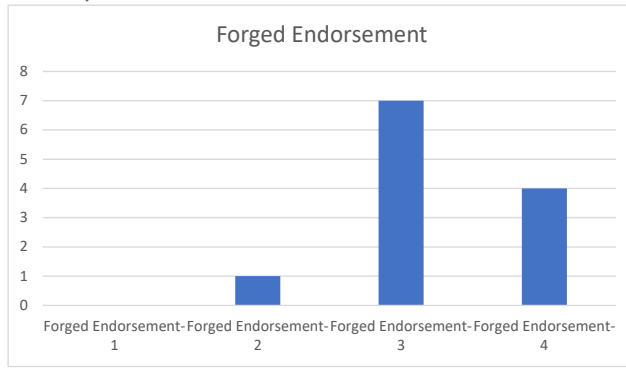
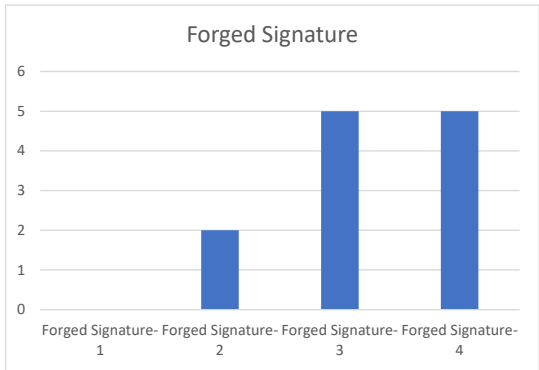
**Institutions Greater Than \$1 Billion**



**Rank in order the most common type of check fraud at your institution (1-4):**

**Note: Not all respondents ranked all categories.**

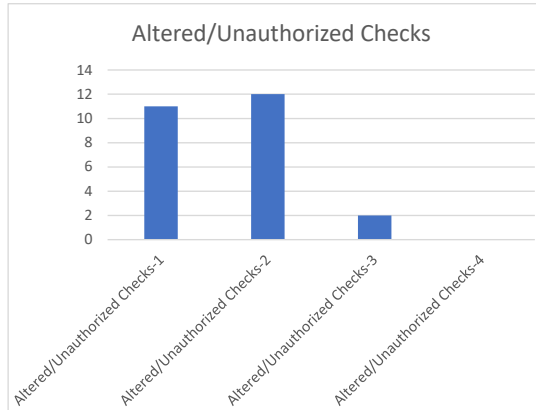
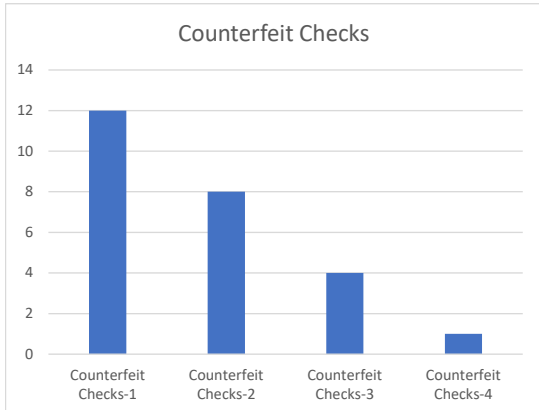
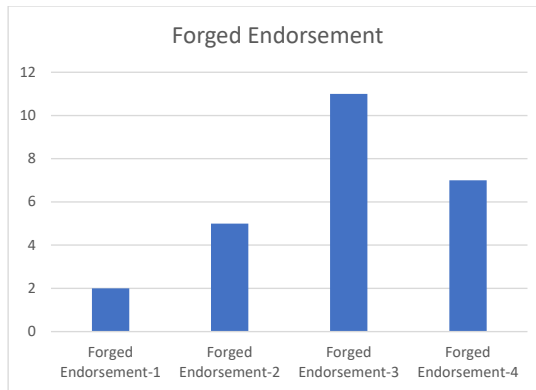
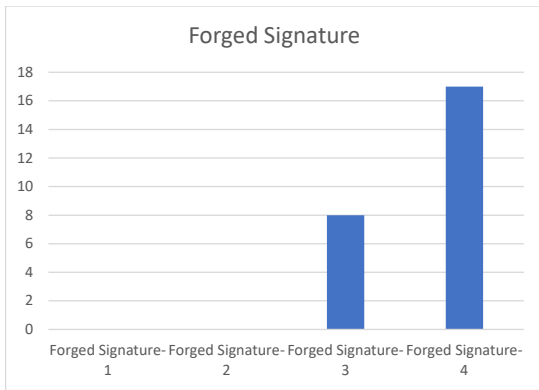
**Institutions \$500 Million - \$999 Million**



**Rank in order the most common type of check fraud at your institution (1-4):**

**Note: Not all respondents ranked all categories.**

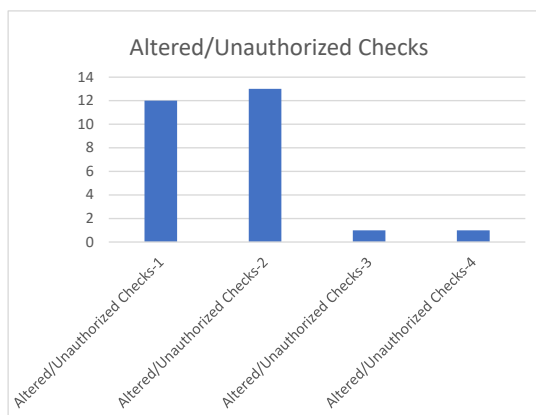
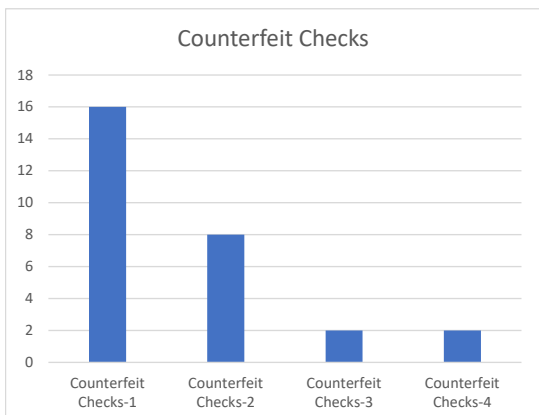
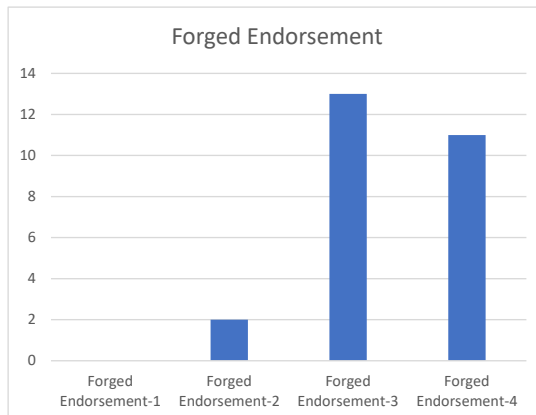
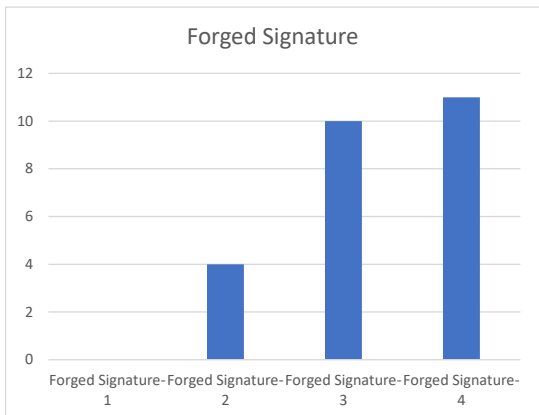
**Institutions \$250 Million - \$499 Million**



**Rank in order the most common type of check fraud at your institution (1-4):**

**Note: Not all respondents ranked all categories.**

**Institutions Less Than \$250 Million**

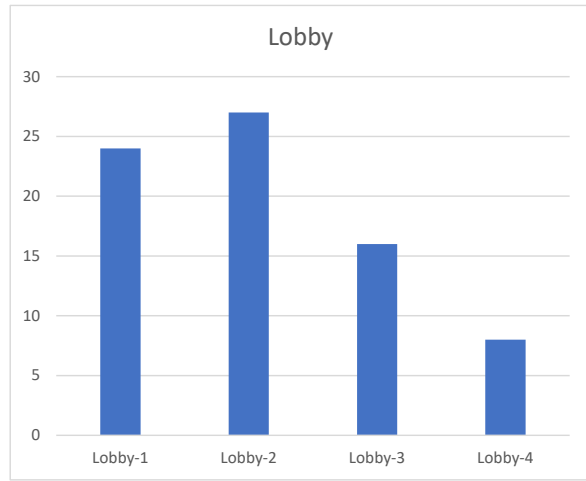
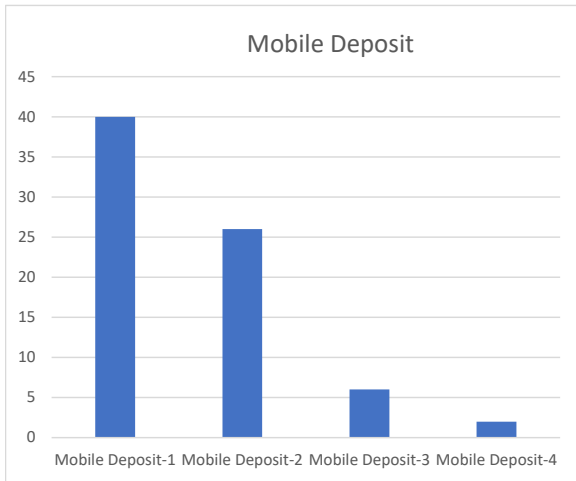
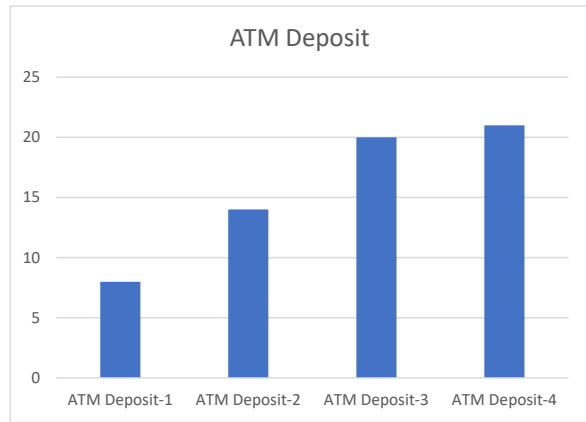
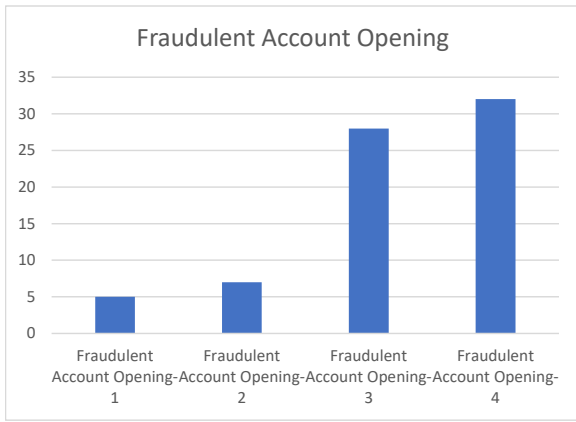




Rank in order the most common channel or method for depositing fraudulent checks at your institution (1-4):

Note: Not all respondents ranked all categories.

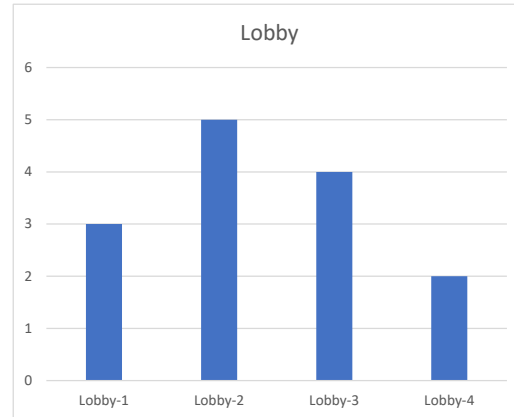
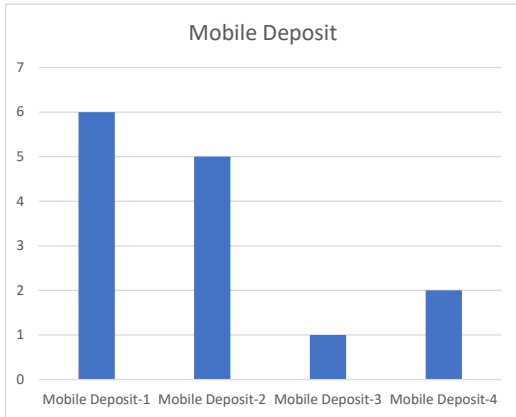
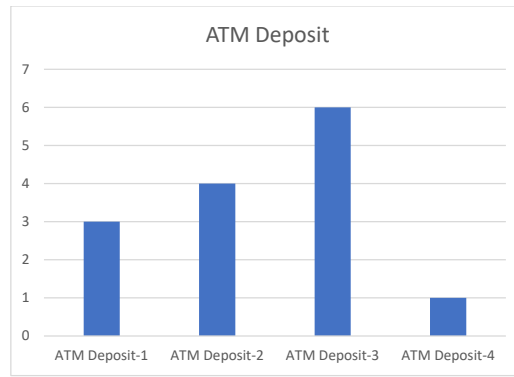
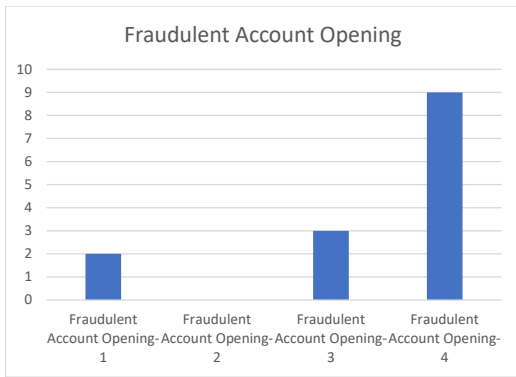
All Institutions



**Rank in order the most common channel or method for depositing fraudulent checks at your institution (1-4):**

**Note: Not all respondents ranked all categories.**

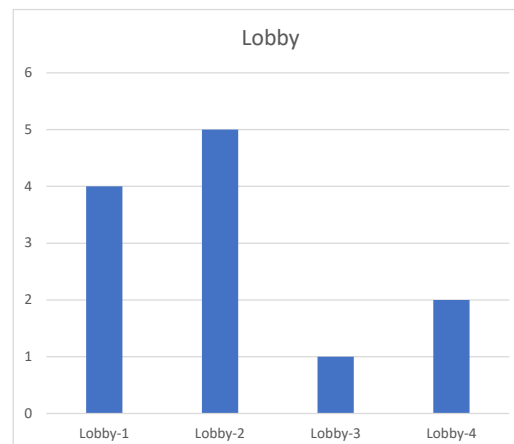
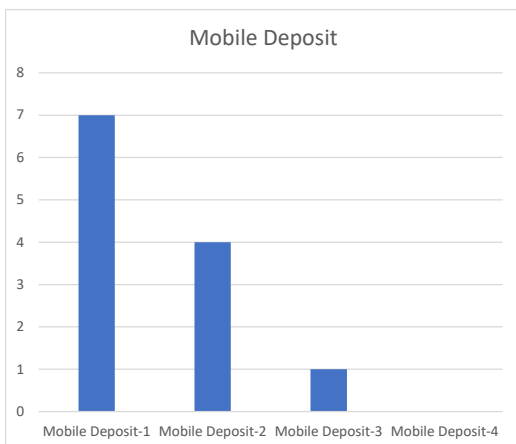
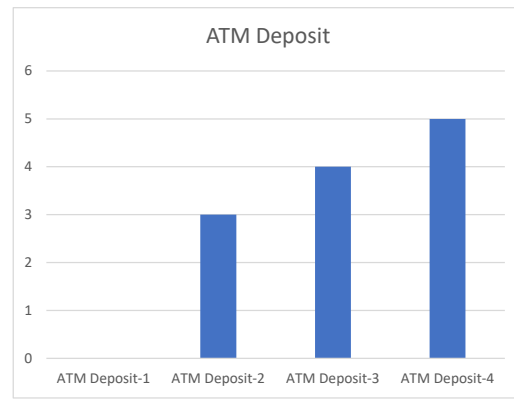
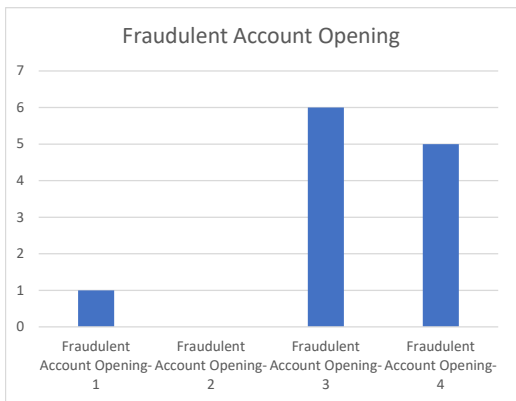
**Institutions Greater Than \$1 Billion**



**Rank in order the most common channel or method for depositing fraudulent checks at your institution (1-4):**

**Note: Not all respondents ranked all categories.**

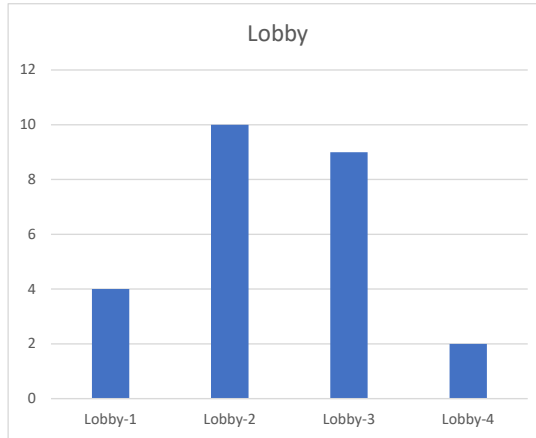
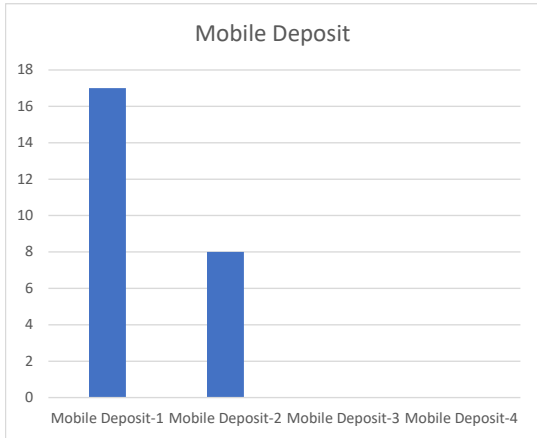
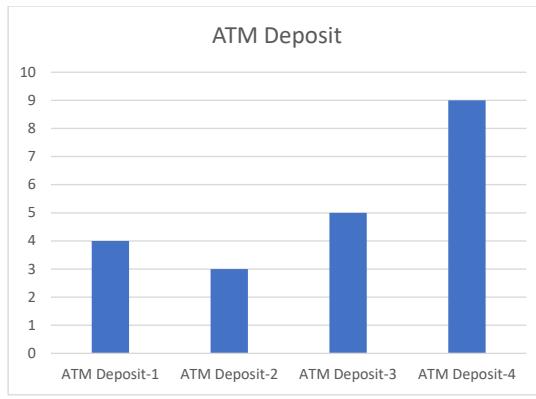
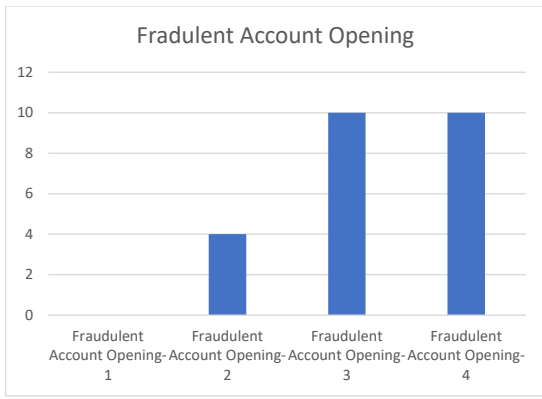
**Institutions \$500 Million - \$999 Million**



**Rank in order the most common channel or method for depositing fraudulent checks at your institution (1-4):**

**Note: Not all respondents ranked all categories.**

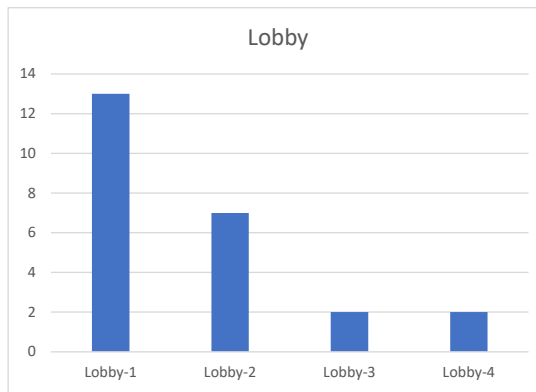
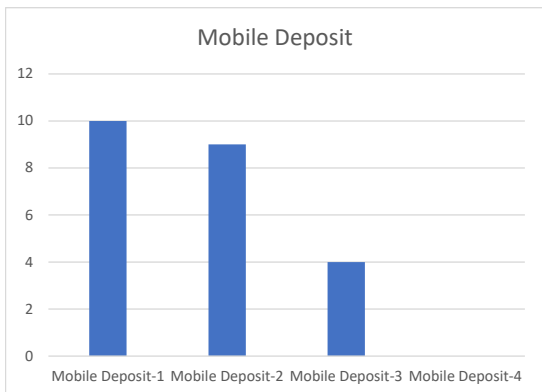
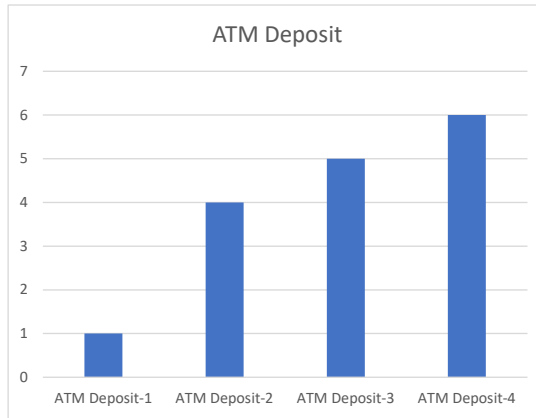
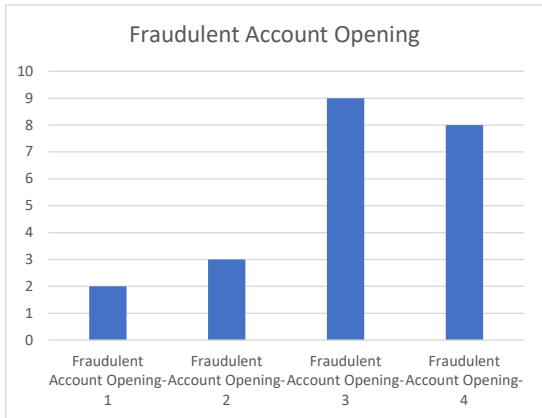
**Institutions \$250 Million - \$499 Million**



**Rank in order the most common channel or method for depositing fraudulent checks at your institution (1-4):**

**Note: Not all respondents ranked all categories.**

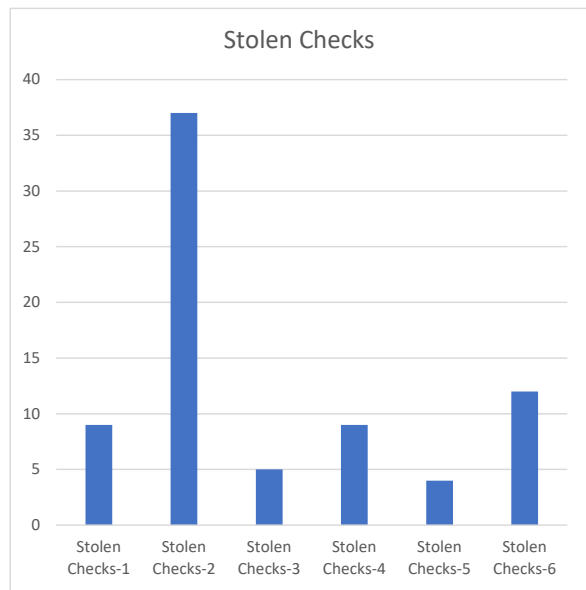
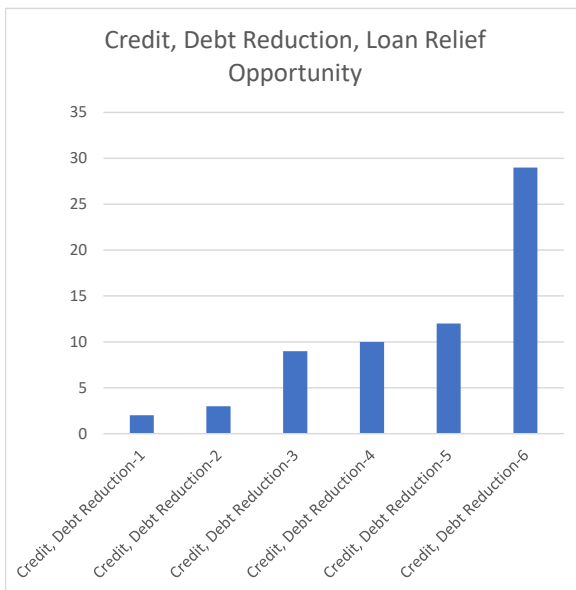
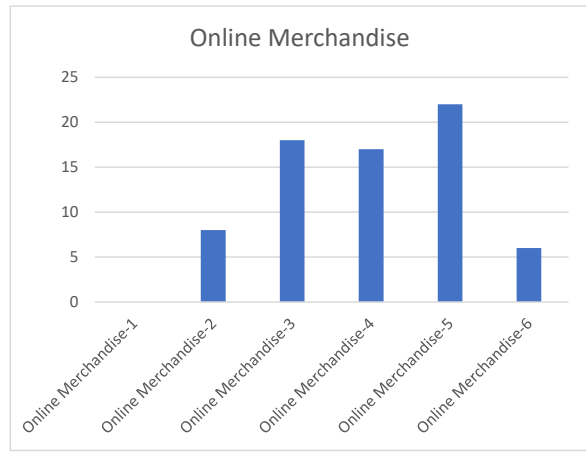
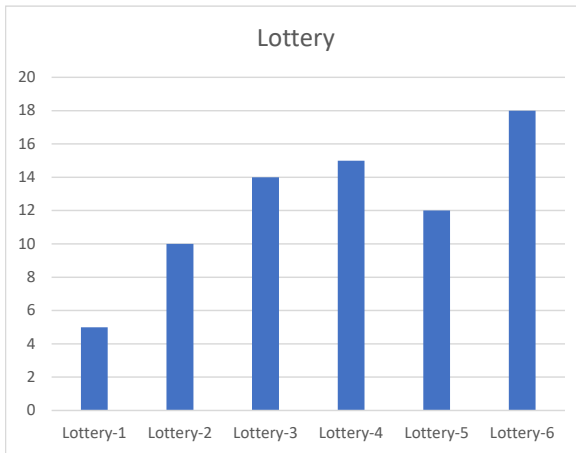
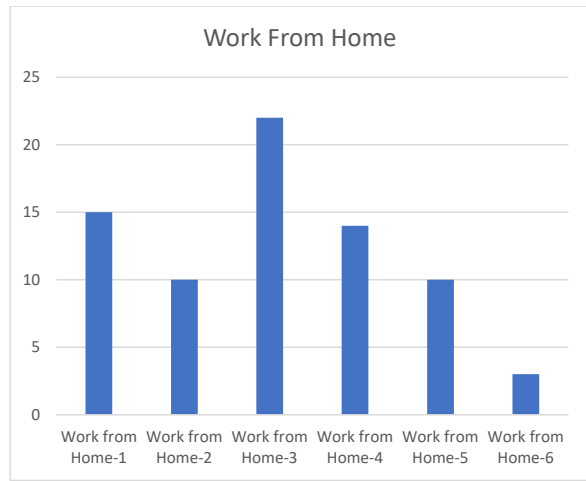
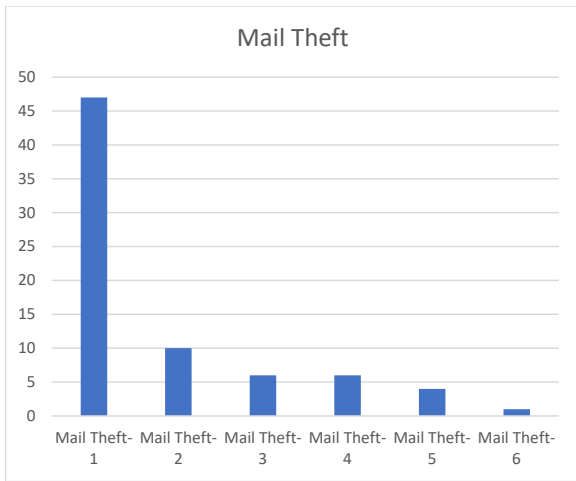
**Institutions Less Than \$250 Million**



Rank in order the most common source of fraudulent checks negotiated (or attempted to negotiate) at your institution (1-6):

Note: Not all respondents ranked all categories.

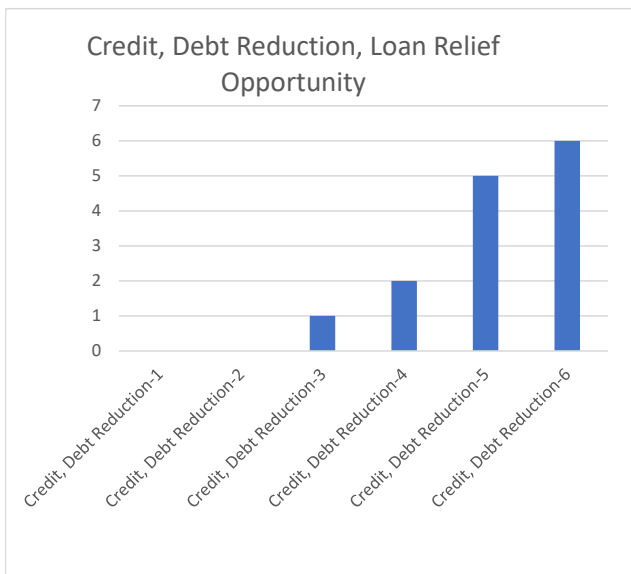
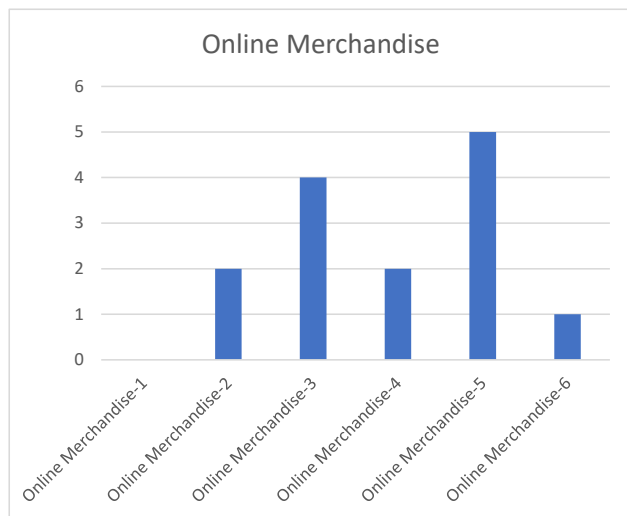
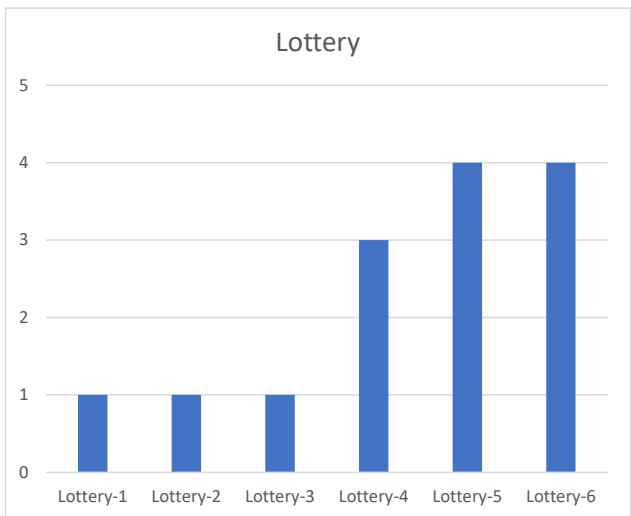
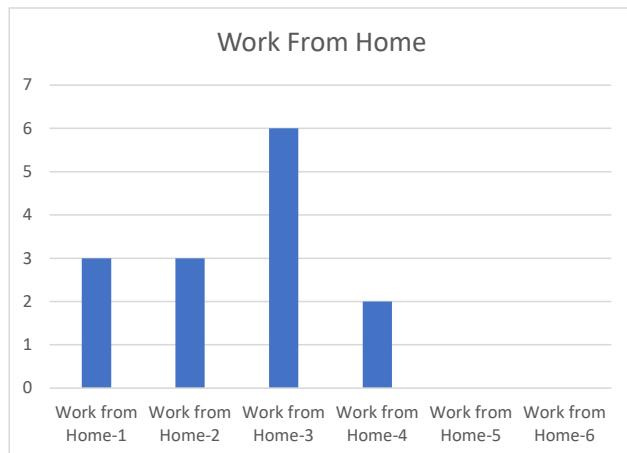
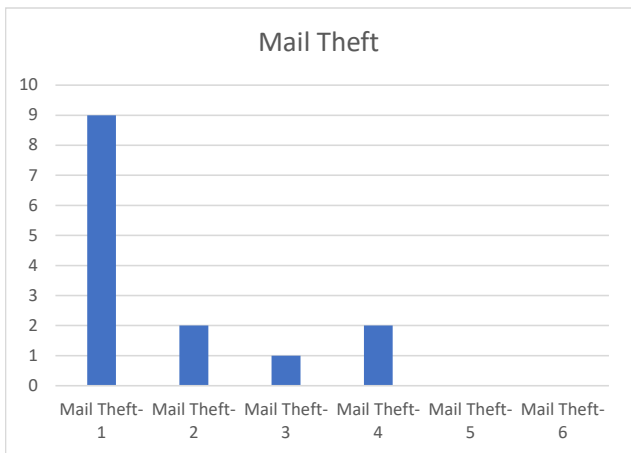
All Institutions



Rank in order the most common source of fraudulent checks negotiated (or attempted to negotiate) at your institution (1-6):

Note: Not all respondents ranked all categories.

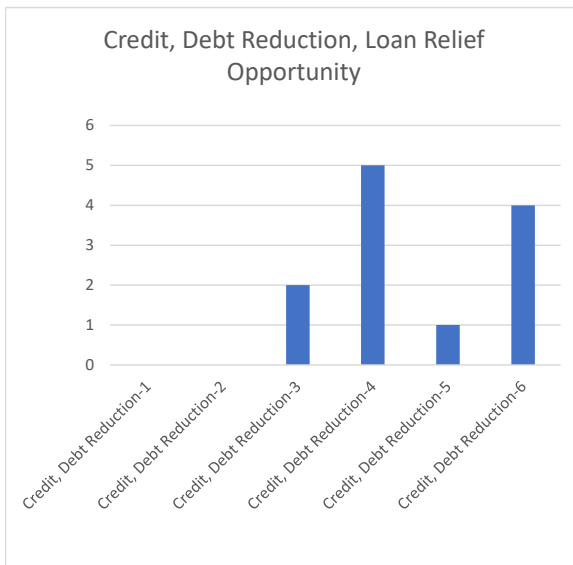
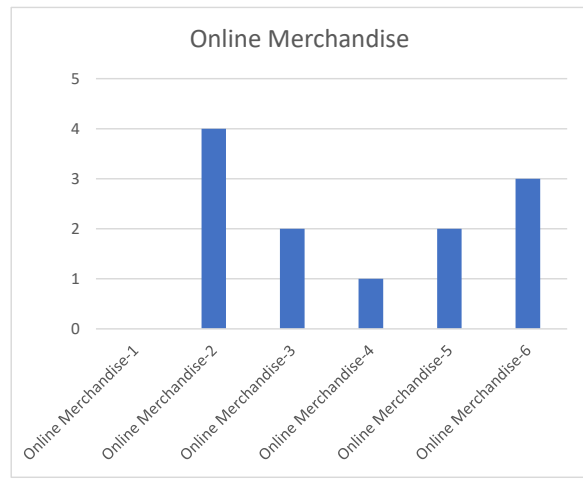
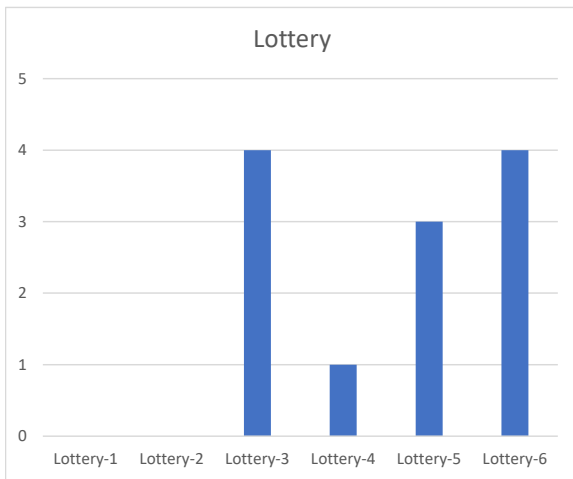
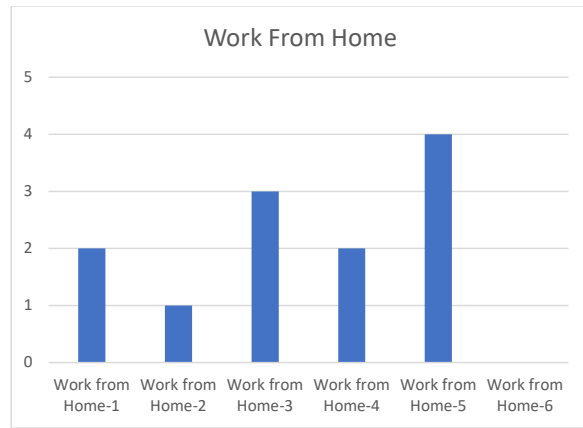
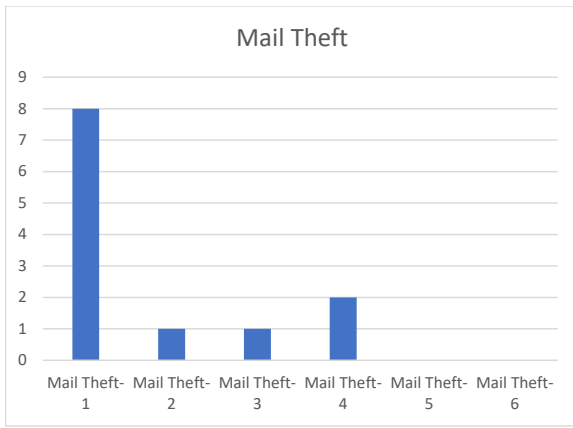
Institutions Greater Than \$1 Billion



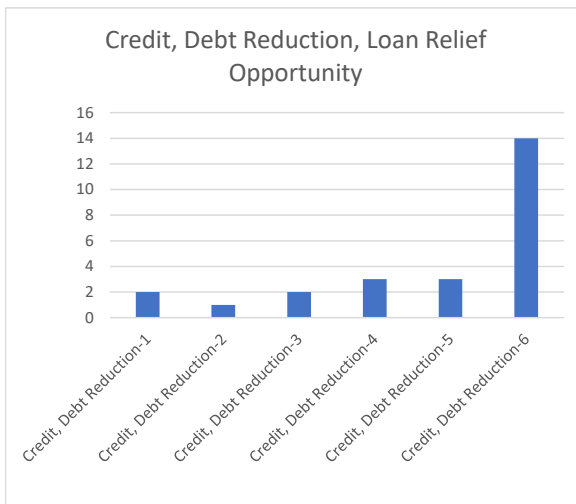
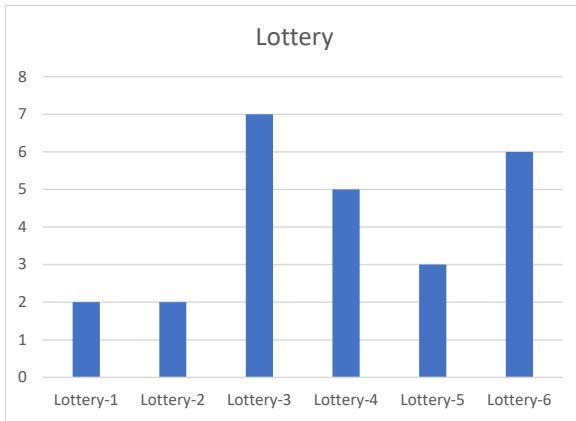
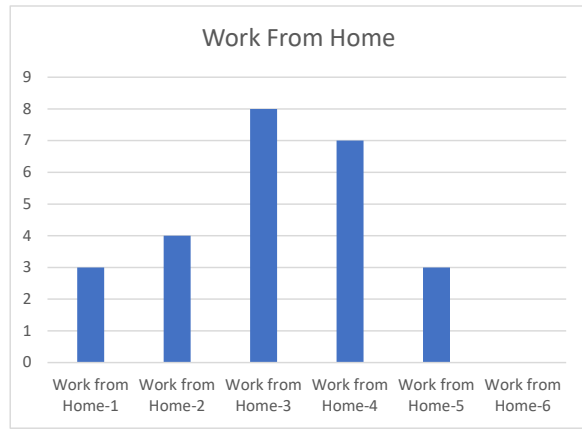
Rank in order the most common source of fraudulent checks negotiated (or attempted to negotiate) at your institution (1-6):

Note: Not all respondents ranked all categories.

Institutions \$500 Million - \$999 Million



**Rank in order the most common source of fraudulent checks negotiated (or attempted to negotiate) at your institution (1-6): Note: Not all respondents ranked all categories.  
Institutions \$250 Million - \$499 Million**



Rank in order the most common source of fraudulent checks negotiated (or attempted to negotiate) at your institution (1-6):

Note: Not all respondents ranked all categories.

Institutions Less Than \$250 Million

