



## A Note from Home Loan State Bank

Hello and welcome to our first quarterly newsletter, "The Local". This newsletter is to inform our customers of the current banking trends and topics. With all the information we have access to, it can be hard to navigate through this sea of information to determine what is relevant, accurate, and what applies to you and your financial institution.

Here at Home Loan, we value our customers and operate our bank with integrity, honesty, and fiscal responsibility. If you ever have financial or banking questions, please don't hesitate to contact us. We are here to help!

Thank you for banking with us, we appreciate your business.

-Home Loan State  
Bank



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## Check Fraud and What You Need to Know

The American Banker Association issued a 2024 ABA Issue Summary addressing check fraud. See two topics below:

**Despite a significant decline in consumers' use of checks, check fraud is on the rise and criminals are increasingly targeting the U.S. mail to commit check fraud.**

- Criminals steal paper checks sent through the mail, for example, by fishing them from USPS mailboxes or by taking them out of your personal mailbox. They may even rob postal workers in search of checks. Once they have a check you wrote and mailed, for example, to a charity, they use chemicals to "wash" the check in order to change the amount or make themselves the payee. They then deposit your check and steal money from your account.
- In 2022, financial institutions filed more than 500,000 suspicious activity reports to FinCEN related to check fraud, a 130% increase over check fraud related SARs filed in 2020.
- In May 2023, the U.S. Postal Service issued a press release warning consumers about the prevalence of check fraud and announcing expanded actions to protect the nation's mail.

**Just because a check has "cleared" doesn't mean you're in the clear.**

- Under federal law, banks must make money from deposited checks available quickly – usually within two days. But just because you can withdraw the money doesn't mean the check is good, even if it's a cashier's check or money order. Forgeries and fakes can take weeks to be discovered. Because of this you should never cash a check from someone and give them back "excess" funds – just because the money is available now, it doesn't mean the bank won't ask for the money back if the check turns out to be fake.
- Consumers and businesses are responsible for the checks they deposit because they know best the origin of the check. It can take weeks for a check to be returned as fraudulent. If you withdraw money and the check is returned, you are responsible for paying back the bank.

Check fraud is prevalent and the best tactic you can take is to use a different mode of payment, such as Online Bill Pay, ACH Payments and other electronic methods.

## Tips to protect consumers from check washing:

Checks continue to be one of the top ways consumers are defrauded. Check washing, also known as check altering, is a popular way to create a fraudulent check by stealing a valid written check and replacing parts of the information on that check with false information (such as a payee name).

If you must write a check, remember to always:

- Use pens with indelible (inerasable) black ink so it is more difficult to wash your checks.
- Follow up with charities and other businesses to make sure they received your check.
- Use online banking to review copies of your checks to ensure they were not altered.
- If your bank provides images of your cashed checks, verify that the indorsement on the back matches your intended payee.
- If you still receive paid checks back from the bank, shred – don't just trash them.
- Regularly review your bank activity and statements for errors.
- Don't leave blank spaces in the payee or amount lines of checks you write.



There are many other safe ways to make payments. Modern electronic payments are faster and more secure than using a paper check. You can make payments using e-check, ACH automatic payments and other electronic and/or mobile payments.



The American Bankers Association (ABA) put together useful information on how to protect yourself from email scams.

Email scams seem to be everywhere these days. So how do we protect ourselves? Here is some helpful information to be aware of:

### Avoid Clicking on Suspicious Links

If an email pressures you to click a link — whether it's to verify your login credentials or make a payment, you can be sure it's a scam. Banks never ask you to do that. It's best to avoid clicking links in an email. Before you click, hover over the link to reveal where it really leads. When in doubt, call your bank directly, or visit their website by typing the URL directly into your browser.

Visit the ABA Website for more information:  
[BANKSNEVERASKTHAT.COM](https://www.aba.com)

### Raise the Red Flag on Scare Tactics

Banks will never use scare tactics, threats, or high-pressure language to get you to act quickly, but scammers will. Demands for urgent action should put you on high alert. No matter how authentic an email may appear, never reply with personal information like your password, PIN, or social security number.

### Be Skeptical of Every Email

In the same way defensive driving prevents car accidents, always treating incoming email as a potential risk will protect you from scams. Fraudulent emails can appear very convincing, using official language and logos, and even similar URLs. Always be alert.

### Watch for Attachments and Typos

Your bank will never send attachments like a PDF in an unexpected email. Misspellings and poor grammar are also warning signs of a phishing scam.

### What To Do If You Fall for An Email Scam?

1. Change your password if you clicked on a link and entered any personal information like your username and password into a fake site.
2. Contact your bank by calling the number on the back of your card.
3. If you lost money, file a police report.
4. File a complaint with the Federal Trade Commission or call 1-877-FTC-HELP (382-4357).

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HAPPENINGS



**Grand Junction Branch:**  
205 N. 4th Street • Grand Junction, CO 81501  
TEL (970) 243-6600 • FAX (970) 254-0873

**Montrose Branch:**  
1440 Encanto Place • Montrose, CO 81401  
TEL (970) 497-4280 • FAX (970) 240-7998

Web: [www.hlsb.com](http://www.hlsb.com)

