The National Association of State Credit Union Supervisors

September 10, 2025

The Honorable Zachary Nunn
Iowa, District 3
1410 Longworth House Office Building
Washington, DC 20515

The Honorable James A. Himes
Connecticut, District 4
2137 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Nunn and Himes,

On behalf of the National Association of State Credit Union Supervisors (NASCUS)[1] and the Conference of State Bank Supervisors (CSBS),[2] we write regarding the TRAPS Act (H.R. 4936) and the proposed establishment of a fraud task force to recognize and avert payment scams.

We commend your leadership in advancing this critical legislation to combat financial fraud and protect consumers. As the bill progresses, we respectfully request that the proposed task force include representatives from state regulatory agencies: specifically, representatives appointed by NASCUS and CSBS, the representative bodies of state credit union and state bank and financial services regulators, respectively.

State regulators are uniquely positioned to contribute to this effort. In 2024 alone, state and local consumer protection agencies handled over 350,000 formal consumer complaints, delivering more than $890 million in relief through mediation, enforcement actions, and court judgments.[3] These agencies also conducted extensive outreach and education campaigns, reaching hundreds of thousands more consumers with fraud prevention resources.

Beyond complaint investigation and resolution, many state regulators maintain dedicated anti-fraud teams that work closely with law enforcement and federal partners. These teams are often the first to

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[1] NASCUS is the professional association of the nation's forty-six state and territorial credit union regulatory agencies that charter and supervise over 1800 state credit unions. NASCUS membership includes state regulatory agencies, state chartered and federally chartered credit unions, and other important stakeholders in the state system. State-chartered credit unions hold half of the $2.4 trillion assets in the credit union system and are proud to represent nearly half of the 145 million members. The remaining 5 states lack state-chartered credit unions.

[2] CSBS is the nationwide organization of state banking and financial regulators from all 50 states, the District of Columbia, and the U.S. territories.

[3] Consumer Complaint Survey Report 2024, Consumer Federation of America, June 2025: https://consumerfed.org/wp-content/uploads/2025/06/2024-Consumer-Complaint-Survey-Report-Final-June-2025.pdf

detect emerging fraud schemes and respond swiftly to protect consumers. Their proximity to local communities and institutions allows them to act as an early warning system—identifying patterns, investigating deceptive practices, and taking enforcement actions without delay.

The urgency of this issue is underscored by recent data from the Federal Trade Commission, which reported that U.S. consumers lost over $12.5 billion to fraud in 2024, a 25% increase from the previous year. Investment scams alone accounted for $5.7 billion in losses, while imposter scams cost consumers nearly $3 billion.[4]

Financial institutions are also under increasing pressure from fraud schemes directed toward account holders. According to industry reports, more than two-thirds of financial institutions reported an increase in consumer account fraud attempts over the previous 12 months, with 35% experiencing 1,000 or more fraud attempts.[5]

These trends highlight the significant need for a comprehensive, multi-jurisdictional partnership toward fraud prevention—one that includes the voices of state regulators.

In addition to their proximity to the financial institutions, members of the public, and law enforcement affected by consumer fraud, state regulators play the primary role in examining for financial crime interdiction at a majority of the nation's financial institutions.

We would welcome the opportunity to discuss this proposal further and provide any additional information that may be helpful. Thank you for your consideration and for your continued commitment to financial integrity and consumer protection.

Sincerely,

Brian Knight, President & CEO
NASCUS

Brandon Milhorn, President & CEO
CSBS

[4] Federal Trade Commission, https://www.ftc.gov/news-events/news/press-releases/2025/03/new-ftc-data-show-big-jump-reported-losses-fraud-125-billion-2024

[5] Alloy's 2024 State of Fraud Benchmark Report, https://www.alloy.com/state-of-fraud-benchmark-report-2024