



Credit Union National Association

cuna.org

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November 15, 2011

Regulatory Policy and Programs Division
Financial Crimes Enforcement Network
Department of the Treasury
P.O. Box 39
Vienna, Virginia 22183

Re: BSA Required Electronic Filing

Dear Regulatory Policy and Programs Division:

This comment letter represents the views of the Credit Union National Association (CUNA) regarding the Financial Crimes Enforcement Network's (FinCEN's) proposal to require electronic filing of Bank Secrecy Act (BSA) reports. By way of background, CUNA is the largest credit union advocacy organization in this country, representing approximately 90% of our nation's 7,400 state and federal credit unions, which serve about 93 million members.

Under the proposal, credit unions and others must electronically file all their BSA reports by June 30, 2012 using the BSA E-Filing system, which offers features such as error checking, saved forms, and submission confirmation. FinCEN may provide up to a one year exemption to a "small business" as defined by the Small Business Administration (SBA) that faces hardship. The agency believes all depository institutions are currently electronically filing Call Reports and the proposal would be of minimal burden.

CUNA supports FinCEN's objectives to provide law enforcement with more useful and timely BSA data and we encourage credit unions to use electronic filing features. However, we have concerns regarding compliance and implementation costs because we fear a number of credit unions would incur significant costs to meet the requirements of the proposal, including upgrades to their core processing systems and training. We urge FinCEN to work with the National Credit Union Administration (NCUA), state regulators, and third-party vendors to minimize compliance costs related to the proposal.

FinCEN should permit institutions to apply for a waiver from the BSA electronic filing requirement if they are able to demonstrate that they will incur substantial core processing or system costs relative to their budgets.



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In addition, FinCEN should provide an exemption for smaller credit unions with less than \$50 million in assets from the electronic filing requirement to minimize compliance burdens for these institutions that have limited staff and limited BSA filings. Currently, NCUA permits about 200 of these smaller credit unions to file on paper their NCUA 5300 Call Reports.

We continue to applaud FinCEN for its ongoing efforts to seek industry comment on the impact of BSA requirements, as well as to provide information and updates regarding BSA through webinars and other presentations. CUNA also appreciates our participation on FinCEN's Bank Secrecy Act Advisory Group (BSAAG) and its subcommittees.

Nonetheless, we urge FinCEN to continue to take all necessary steps to minimize the costs burdens associated with BSA compliance for all credit unions.

Thank you for the opportunity to comment on this proposal. If you have any questions concerning our letter, please feel free to contact Senior Vice President and Deputy General Counsel Mary Dunn or me at (202) 508-6733.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Tsang". The signature is fluid and cursive, with the first name "Dennis" and last name "Tsang" clearly legible.

Dennis Tsang
Regulatory Counsel