



May 29, 2002

FinCEN  
P. O. Box 39  
Vienna, VA 22183  
Attn: Section 352 AMLP Regulations

Re: Anti-Money Laundering Programs for Financial Institutions

Dear Sir or Madam:

The Independent Community Bankers of America (ICBA)<sup>1</sup> appreciates the opportunity to comment on the proposed guidelines for anti-money laundering programs for financial institutions under the USA-PATRIOT Act.

Recognizing that depository institutions have had anti-money laundering programs in place since 1987, the proposal would specify that compliance with existing Bank Secrecy Act (BSA) requirements issued by the federal banking agencies would constitute compliance with USA-PATRIOT Act requirements. The ICBA believes this is an appropriate decision, and we commend FinCEN for working closely with the federal banking agencies on this proposal. The ICBA also welcomes the recognition of banks' long-standing policies and procedures against money laundering.

The ICBA is concerned, though, about the cumulative impact of the many regulations under the USA-PATRIOT Act, especially on smaller institutions with limited resources which because of their small customer bases and location in small communities may pose minimal risk for money laundering or terrorist activities. These depository institutions are often located in rural areas and small towns where the likelihood of money laundering or terrorist activities greatly diminishes. However, they must still comply with the regulations issued under the USA-PATRIOT Act, including

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<sup>1</sup> ICBA is the primary voice for the nation's community banks, representing 5,000 institutions at more than 17,000 locations nationwide. Community banks are independently owned and operated and are characterized by attention to customer service, lower fees and small business, agricultural and consumer lending. ICBA's members hold more than \$511 billion in insured deposits, \$624 billion in assets and more than \$391 billion in loans for consumers, small businesses and farms. They employ nearly 231,000 citizens in the communities they serve.

evaluation and analysis whether a particular requirement is applicable.<sup>2</sup> The ICBA encourages FinCEN to be aware of the cumulative impact of these regulations as it undertakes the Regulatory Flexibility Analysis. We also urge FinCEN and Treasury to always take into account the size, location and operations of individual institutions when drafting any requirements under the USA-PATRIOT Act.

Finally, because the scope of the definition of financial institution under the USA-PATRIOT Act is so broad, many new businesses will be designated financial institutions that had never considered themselves as such. However, these businesses will now have to comply with these requirements and establish anti-money laundering programs. The ICBA urges Treasury and FinCEN to educate the public to help ensure these businesses are aware of the new requirements, such as by working with trade associations that represent these entities. However, it is important that communication and education be part of the mission against money laundering and terrorist financing.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script that reads "A. Pierce Stone". The signature is fluid and elegant, with the first letters of each word being capitalized and prominent.

A. Pierce Stone  
Chairman

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<sup>2</sup> It has been suggested that even if a particular requirement is inapplicable to a small bank, the bank should still incorporate procedures referencing the requirement to ensure continuing compliance and awareness.