

Mr. Jamal El-Hindi
Deputy Director
Financial Crimes Enforcement Network
P. O. Box 39
Vienna, VA 22183

Re: Regulatory Impact Assessment & Initial Regulatory Flexibility Analysis, RIN 1506-AB25

Dear Deputy Director El-Hindi:

The undersigned trade associations appreciate the opportunity to comment on the recently published Regulatory Impact Assessment (RIA) and Initial Regulatory Flexibility Analysis (IRFA) related to the pending Customer Due Diligence Requirements for Financial Institutions, announced in the *Federal Register* on December 24, 2015. As you know, fighting financial crime is an imperative shared by industry as well as FinCEN. We jointly seek to have the most effective and successful program possible. For that reason, we are requesting that adequate time be allowed for the development and provision of the thorough and accurate information that FinCEN needs and good policymaking requires.

The *Federal Register* notice specified that written comments must be received on or before January 25, 2016. Thirty days is not enough time to respond, particularly during the holiday season and year-end period of the calendar. The undersigned trade associations strongly urge FinCEN to provide a sufficient period for the industry to provide meaningful feedback. We recommend that FinCEN extend the comment period to no earlier than March 25, 2016.

First, this is an extremely complex rule that has been in development for nearly four years. The Advance Notice of Proposed Rulemaking (ANPR) was issued in March 2012. It is critical to recognize that the initial outreach and request for feedback was deemed so important by both Treasury and FinCEN that in addition to a 90-day comment period, five outreach meetings were held around the country to discuss the proposed rule and solicit additional comments.

The Notice of Proposed Rulemaking, which was developed after careful consideration of the comments and outreach meetings that followed the Advance Notice, was issued in August 2014 and the comment period closed on October 3, 2014. FinCEN has had more than 15 months since the comment period closed for the Notice of Proposed Rulemaking to assess comments and consider the elements that should be addressed in a cost-benefit analysis. Given the complexity of the task and the importance to the economy of a carefully calibrated rule, stakeholders should be given significantly more than 30 days to comment. Indeed, if FinCEN seeks thoughtful and thorough feedback, sufficient time is needed to permit those affected to consider each of the different elements identified as benefits and costs and to develop data and provide feedback. This is especially critical since our initial review suggests that some of the analyses may be based on limited information and questionable assumptions. With adequate time we believe that the quality of information available to FinCEN can be significantly enhanced, resulting in more optimal policymaking.

Second, the RIA and IRFA were published on December 24 – just before the holidays and the year end – a time when significant numbers of people with the expertise needed to provide quality information are out of the office and/or involved with a variety of year-end activities of their firms. As a result, many interested parties were not available to consider the RIA and IRFA and develop the information needed both by FinCEN and by industry.

There is another significant challenge involved with a proposal published at the end of the year. Many of the elements that are necessary for a thoughtful comment on a cost-benefit analysis require access to IT resources at financial institutions. For example, calculating the number of accounts held or opened during the course of the year mandate access to IT specialists to pull that data. However, year-end is a time of year when most technology specialists are fully occupied with year-end accounting procedures and previously scheduled IT projects, and they are unavailable for other tasks.

Therefore, the undersigned associations strongly urges FinCEN to extend the time period for comment to no less than 90 days for interested parties to provide feedback. ABA believes that imposing a 30-day comment deadline will preclude the development of a sufficiently broad and complete factual record necessary to support the most effective policy action. We also strongly urge you to publish a more reasonable deadline as soon as possible.

Sincerely,

American Bankers Association¹

Credit Union National Association²

Independent Community Bankers of America³

National Association of Federal Credit Unions⁴

¹ The American Bankers Association is the voice of the United States' \$15 trillion banking industry, which is comprised of small, regional and large banks that together employ more than 2 million people, safeguard \$11 trillion in deposits and extend more than \$8 trillion in loans

² The Credit Union National Association (CUNA) is the largest credit union advocacy organization in the United States, representing nearly 90% of America's 6,300 state and federally chartered credit unions and their more than 100 million members.

³ The Independent Community Bankers of America®, the nation's voice for more than 6,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership. With 52,000 locations nationwide, community banks employ 700,000 Americans, hold \$3.5 trillion in assets, \$2.9 trillion in deposits, and \$2.4 trillion in loans to consumers, small businesses, and the agricultural community. For more information, visit ICBA's website at www.icba.org.

⁴ The National Association of Federal Credit Unions is the only national trade association focusing exclusively on federal issues affecting the nation's federally insured credit unions. NAFCU membership is direct and provides credit unions with the best in federal advocacy, education and compliance assistance.