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**National Association of Federally-Insured Credit Unions**

October 3, 2018

The Honorable Michael Crapo  
Chairman  
Committee on Banking, Housing,  
& Urban Affairs  
United States Senate  
Washington, DC 20510

The Honorable Sherrod Brown  
Ranking Member  
Committee on Banking, Housing,  
& Urban Affairs  
United States Senate  
Washington, DC 20510

**RE: Hearing on Combating Money Laundering and Other Forms of Illicit Finance:  
Regulator and Law Enforcement Perspectives on Reform**

Dear Chairman Crapo and Ranking Member Brown:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only trade association exclusively representing the federal interests of our nation's federally-insured credit unions, I write to share our thoughts ahead of tomorrow's hearing on combating money laundering and other forms of illicit finance. NAFCU would like to thank the Committee for its leadership, and commitment to keeping our financial system safe from nefarious actors. Combating money laundering is a pressing issue for all financial institutions, and no institution, regardless of size and complexity is immune from becoming a target. NAFCU and its members are committed to ensuring credit unions have the tools and resources necessary to combat money laundering.

As you examine these issues, we urge the Committee to consider legislative efforts that combat money laundering but also provide credit unions some regulatory relief, such as the *Financial Reporting Threshold Modernization Act*, that was introduced in the House in September, and the *Counter Terrorism and Illicit Finance Act* that was introduced in the House in June. We would also like to share our thoughts on a couple of key issues stemming from the enactment of the *Economic Growth, Regulatory Relief and Consumer Protection Act* (S. 2155)

Section 213 of S. 2155, titled "Making Online Banking Initiation Legal and Easy," requires credit unions to permanently delete copies or images of a driver's license or personal identification card after using the consumer's information to open an account or permit access to a financial product or service through an online service. Credit unions are required to maintain internal Customer Identification Program policies pursuant to the *Bank Secrecy Act* (BSA) and this deletion requirement may directly conflict with such a policy, potentially exposing the credit union to being designated as in violation of its own policies during its NCUA examination. Considering the intent of this provision was to not create new burdens, but to provide regulatory relief, we hope Congress will be ready to fix any conflicts that arise, should they not be resolved by regulators.

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In addition, Section 303 of S. 2155, titled "Immunity from Suit for Disclosure of Financial Exploitation of Senior Citizens," protects credit unions and certain employees that report suspected exploitation of senior citizens by providing whistleblower protections. Specifically, those employees who receive appropriate training and disclose the suspected abuse in good faith and with reasonable care are protected from civil liability. Protecting senior citizens is important and the need for protection has increased as the Baby Boomer generation ages, which according to the U.S. Census Bureau accounts for the largest living generation. NAFCU has received numerous questions regarding the appropriate level of training necessary to fall within the protections from civil liability. Credit unions are required to report suspected elder exploitation as part of their Suspicious Activity Reporting (SAR) requirements. Training is provided to credit union staff during mandatory BSA training on the identification and SAR reporting requirements. Credit unions are not looking for FinCEN to design a prescriptive training program that must be followed, but rather support flexibility in carrying out this important function to ensure that necessary and vital reporting continues and credit union staff may be protected from civil liability.

Once again, we thank you for your leadership and the opportunity to share our input. We look forward to continuing to work with the Committee to combat money laundering. Should you have any questions or require any additional information please contact me or Allyson Browning, NAFCU's Associate Director of Legislative Affairs, at 703-842-2836 or [abrowning@nafcuh.org](mailto:abrowning@nafcuh.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Thaler", with a long horizontal flourish extending to the right.

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the Committee on Banking, Housing, and Urban Affairs