



3138 10th Street North
Arlington, VA 22201-2149
703.522.4770 | 800.336.4644
f: 703.524.1082
nafcu@nafcu.org | nafcu.org

National Association of Federally-Insured Credit Unions

June 19, 2019

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: Tomorrow's Hearing: Outside Perspectives on the Collection of Beneficial Ownership Information

Dear Chairman Crapo and Ranking Member Brown:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) in regard to tomorrow's hearing entitled "Outside Perspectives on the Collection of Beneficial Ownership Information." NAFCU advocates for all federally-insured not-for-profit credit unions that serve over 117 million consumers with personal and small business financial service products.

Credit unions support efforts to combat criminal activity in the financial system. NAFCU has consistently recognized the importance of the Financial Crimes Enforcement Network (FinCEN), *Bank Secrecy Act* (BSA), and Anti-Money Laundering (AML) requirements in assisting in the prevention of tax evasion, money laundering, and terror financing. Our members maintain a good relationship with FinCEN and consistently inform us that the publication of AML/BSA guidance is very helpful. However, BSA requirements remain a burden to implement. We urge the Committee to continue to look for ways to provide credit unions with regulatory relief by reforming and strengthening BSA laws.

We are pleased that the discussion draft of a reform bill recently released by Senators Mark Warner, Tom Cotton, Doug Jones, and Mike Rounds addresses beneficial ownership. Among other provisions, NAFCU supports language that would assist credit unions and other financial institutions in complying with the new Customer Due Diligence (CDD) Rule by requiring companies to disclose to FinCEN their true beneficial ownership information. FinCEN would use this information to create a database that would be available to law enforcement agencies and financial institutions. However, we would strongly urge the Committee to consider language allowing customer consent for financial institutions to access such a database, similar to the text found in H.R. 2513, the *Corporate Transparency Act of 2019*, from Representative Carolyn Maloney.

NAFCU appreciates the Committee's focus on ways to improve BSA/AML regulatory compliance, and we look forward to collaborating with the Committee on this important issue. Should you have any questions or require additional information, please do not hesitate to contact me or Max Virkus, NAFCU's Associate Director of Legislative Affairs, at 703-842-2261.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Senate Banking Committee