

<http://www.EGRPRA.gov>

Dear Sir or Madam:

I am writing on behalf of the Virginia Bankers Association (the “VBA”) to comment on the agencies’ notice pursuant to the Economic Growth and Regulatory Paperwork Reduction Act seeking suggestions on ways to reduce burden in rules relating to money laundering, safety and soundness, and securities. The VBA represents nearly all of the commercial banks and thrifts (collectively “banks”) doing business in the Commonwealth of Virginia. The VBA currently has 161 members. Its membership includes many small banks serving local communities, as well as a number of large banks with a multi-state or nationwide presence.

The VBA’s comments relate to money laundering rules. Our banks want to do their part to fight terrorism and prevent money laundering. However, they are very concerned about the costs and burdens associated with the current reporting system. Indeed, the Bank Secrecy Act represents perhaps the greatest and costliest compliance challenge currently facing our banks. The costs and burdens are especially significant for our smaller bank members which do not have the same resources to devote to compliance that the larger banks have.

We therefore recommend that the agencies seek to reduce costs and burdens associated with money laundering rules. One way to do so is to provide clearer guidance on what is required under the law. Our banks have complained that specific and uniform guidance from the agencies has been lacking. This has created confusion and uncertainty for our banks, which obviously has driven up costs.

Another way to reduce costs and burdens involves changing the rules to reduce the number of “defensive” filings of suspicious activity reports (“SARs”). Currently, banks are filing thousands of SARs that have no value to law enforcement, simply because they fear liability for failing to do so. Such filings impose a considerable cost on banks. The agencies need to work to eliminate these unnecessary filings so that more of our banks’ resources can be put to productive use.

Finally, we recommend raising the threshold for currency transaction reports (“CTRs”) from \$10,000 to \$20,000. This would eliminate a significant number of filings which are of little or no value to tracking money laundering activities.

In sum, the VBA encourages the agencies to act vigilantly to reduce burdens in this area of compliance. The success (and indeed the survival) of our banks depends on it.

Sincerely,

Walter C. Ayers  
President and CEO  
Virginia Bankers Association