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August 21, 2006

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Threshold for the Requirement to Collect, Retain, and Transmit Information on
Funds Transfers and Transmittals of Funds

Dear Ms. Johnson,

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on the Advance Notice of Proposed Rulemaking seeking information on the benefits and burdens of lowering or eliminating the threshold in the recordkeeping rule for funds transfers. GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 188 credit unions that have over 1.7 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

Background:

In 1995, a recordkeeping rule was issued that requires financial institutions to collect and retain information on funds transfers and transmittals of funds in amounts of \$3,000 or more. FinCEN also issued the "travel rule", which requires financial institutions to transmit the information on funds transfers to other financial institutions, and have the information "travel" with the transfer request. When deciding the current \$3,000.00 threshold in 1995, the agencies balanced the value of data on funds transfers with the burden to the financial system. The threshold was established in response to concerns by financial institutions that imposing these requirements could result in significant implementation and ongoing costs.

The recordkeeping requirement currently applies to funds transfers and transmittals of funds of \$3,000.00 or more. FinCEN and the Federal Reserve Board (FRB) issued the Advance Notice of Proposed Rulemaking requesting comment on the potential effect of lowering or eliminating this threshold as a means to combat terrorism, money laundering, and other illicit activity and protecting the U.S. financial system from these threats.

The notice requests comment on the burden to the financial system that would result from lowering or eliminating the threshold for the requirement to collect retain, and transmit information on funds transfers and transmittals of funds. This ANPR is also seeking comment from law enforcement on the benefits of lowering this threshold.

Summary of GCUL's Position:

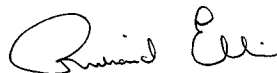
While we applaud the agencies' efforts to combat money laundering and solicit comments on the issue via an advanced notice of proposed rulemaking (ANPR), we believe the proposal to lower the current threshold would be of little or no benefit to law enforcement; while at the same time, increase the already high compliance burdens faced by credit unions.

Credit unions have significant responsibilities and requirements under their current Bank Secrecy Act (BSA) programs. We would like for the agencies to be certain that those requirements are being utilized by law enforcement to their fullest potential before additional burdens are placed upon credit unions. For example, Currency Transaction Reporting, Suspicious Activity Reporting, staff training and customer due diligence are current requirements that require significant attention and resource allocation by credit unions. These facets of BSA compliance already place quite a strain on credit unions.

Additionally, lowering the information gathering threshold component would likely lead to higher operating expenses for many smaller institutions that would result from the need to modify or change data processing systems, add information recordkeeping and storage capabilities or incur higher employee expenses to ensure compliance. Our concern is that by eliminating or lowering the threshold, this becomes another BSA compliance burden for credit unions that already have enormous compliance responsibilities under their overall BSA/AML compliance program. Absent a clear benefit of the change, we cannot support lowering or eliminating the threshold for information gathering regarding funds transfers.

Thank you for the opportunity to comment on the ANPR proposal on lowering or eliminating the threshold for the requirement to collect retain, and transmit information on funds transfers and transmittals of funds. If you have questions about our comments, please contact Cynthia Connelly or me at (770) 476-9625.

Respectfully submitted,



Richard Ellis
Vice President/Credit Union Development
Georgia Credit Union League