

# REGULATORY ALERT

**NATIONAL CREDIT UNION ADMINISTRATION  
1775 DUKE STREET, ALEXANDRIA, VA 22314**

**DATE: June 2002 NO: 02-RA-04**

**TO: All Federally-Insured Credit Unions**

**SUBJECT: Anti-Money Laundering Programs  
Interim Final Rule Published by FinCEN**

**ENCL: Federal Register Notice of Interim Final Rule**

NCUA provides this Regulatory Alert to notify you of a recent interim final rule published by the Financial Crimes Enforcement Network (FinCEN), an agency of the Department of the Treasury. The interim final rule, recently published in the Federal Register (67 FR 21110, April 29, 2002), requires credit unions, banks, savings associations, registered brokers and dealers in securities, futures commission merchants, and casinos to establish and maintain anti-money laundering programs. The interim final rule became effective April 24, 2002.

The USA PATRIOT Act amended the Bank Secrecy Act (BSA). As amended, the BSA requires every financial institution to establish an anti-money laundering program that includes, at a minimum (i) the development of internal policies, procedures, and controls; (ii) the designation of a compliance officer; (iii) an ongoing employee training program; and (iv) an independent audit function to test programs.

Currently, NCUA requires credit unions to comply with the BSA (12 C.F.R. 748). Section 748.2(c) of the NCUA Rules and Regulations stipulates that a credit union's compliance program will, at a minimum (1) provide for a system of internal controls to assure ongoing compliance; (2) provide for independent testing for compliance; (3) designate an individual responsible for coordinating and monitoring day-to-day compliance; and (4) provide training for appropriate personnel.

As noted in section 103.120(b) of the interim final rule, credit unions that are in compliance with these requirements will be deemed to be in compliance with the interim final rule. Examiners will continue to review and test for conformity with the BSA and NCUA Rules and Regulations.

Enclosed is a copy of the Federal Register notice of this interim final rule. If you have any questions, please contact your NCUA regional office or state supervisory authority.

Sincerely,

/S/

Dennis Dollar  
Chairman

Enclosure