

NCUA LETTER TO CREDIT UNIONS

**NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314**

DATE: June 2005 **LETTER NO.: 05-CU-09**
TO: Federally Insured Credit Unions
SUBJ: Bank Secrecy Act Compliance
ENCL: Frequently Asked Questions and Answers

Dear Board of Directors:

Compliance with the Bank Secrecy Act (BSA) is a key component in the detection and prevention of money laundering and terrorist financing. All financial institutions in the United States of America must comply with BSA.

NCUA recognizes credit union staff and officials have questions about how to comply with the BSA. To establish consistent understanding, NCUA has created the enclosed guidance, *Frequently Asked Questions and Answers (FAQs) on BSA*. This guidance does not supersede or replace the requirements established in Part 748 of the NCUA Rules and Regulations and Title 31 of the Code of Federal Regulations.

Credit unions are encouraged to carefully review their practices for compliance with BSA. If improvements are necessary, please make them a priority. Review of compliance with BSA is required during NCUA's risk-focused examination program, and examiners will inquire about BSA practices at your credit union.

Should you have questions, please contact your district examiner, regional office, or state supervisory authority.

Sincerely,

/s/

JoAnn Johnson
Chairman

Enclosure