

**SUPPORTING STATEMENT FOR  
PAPERWORK REDUCTION ACT SUBMISSION  
Monitoring Bank Secrecy Act Compliance  
OMB Control Number 3133-0108  
June 2013**

***1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.***

Section 748.2 of NCUA's regulations, 12 C.F.R. §748.2, directs credit unions to adopt a written program and to maintain procedures that ensure the credit union's continued compliance with the Bank Secrecy Act (31 U.S.C. §§ 5311 - 5330) and the Department of Treasury's currency reporting regulations (31 C.F.R. Part 1000).

***2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.***

NCUA examiners have reviewed the programs to determine whether the credit union's procedures comply with all Bank Secrecy Act requirements.

***3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.***

The collection of information does not involve the use of automated, electronic, mechanical or other technological collection techniques or other forms of information technology.

***4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.***

There is no duplication. No similar information is gathered through any other source.

***5. If the collection of information impacts small business or other small entities (Item 5 of OMB Ford 83-1), describe any methods used to minimize burden.***

The collection of information does not impact small business or other small entities.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

Statute requires BSA compliance by the credit unions. Due to the complexity and recent changes in the statute, monitoring less frequently would carry additional risk of non-compliance with the BSA, resulting in large fines for the credit unions. This would pose additional risk to the credit union members and to the National Credit Union Share Insurance Fund, which insures members' deposits in credit unions.

**7. Explain any special circumstances that would cause an information collection be conducted in a manner inconsistent with 5 CFR, Section 1320.5(d)(2):**

There are no special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR, Section 1320.5(d)(2).

**8. Describe efforts to consult with persons outside the agency and provide a copy of publication in the Federal Register of the agency's notice, required by 5 CFR,1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments.**

Notice of the proposed information collection and request for public comment published in the Federal Register with a 60-day comment period on Friday, July 19, 2013 (78 FR 43233). No comments were received on this collection.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

Payment or gifts to respondents will not be provided.

**10. Describe any assurance of confidentiality provide to respondents and the basis for the assurance in statute, regulation, or agency policy.**

No specific confidentiality requirement is present in this regulation.

**11. Provide additional justification for any questions of a sensitive nature.**

There are no questions of a sensitive nature.

**12. Provide estimates of the hour burden of the collection of information.**

The requirement that credit unions establish written BSA compliance procedures is a one-time event, but revisions to those procedures must occur as deemed necessary. The regulation requires that credit unions develop and provide for the continued

administration of the program. NCUA estimates that it takes 16 hours to review and/or revise the existing plan to conform with current operations.

6,753 respondents x 16 burden hours = 108, 048 burden hours

Total burden hours estimated = 108,048

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

The cost to the respondents is negligible. The review of the established procedures is considered to be a cost of doing business, and would not result in an additional financial burden to the credit unions.

**14. Provide estimates of annualized cost to the Federal government.**

Estimated cost to NCUA is negligible.

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.**

There are fewer federally insured credit unions than there were when the last approval for a collection of information was made. Therefore, the number of respondents has been adjusted to reflect this decline.

Credit unions continue to expand their membership base, the products and services they offer and the geographical locations they service, thus increasing the Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Risk to the credit unions. Advances in the technological aspects of mobile banking and electronic payments have also increased this risk. Due to the increased BSA/AML Risk to the credit unions, it is expected that the credit unions would revisit and revise their BSA/AML compliance programs accordingly to address these added risks. The amount of time it takes the credit unions to review and assess the existing program as well as any additional risk related to expanded products, services, membership, etc. has been revised to more accurately reflect the burden to the credit unions. It is noted that credit unions vary in size, complexity, and BSA risk, thus the 16 hours is an average estimate of the amount of the burden.

**16. For collections of information whose results will be published, outline plans for tabulation, and any publication.**

Information will not be published.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

The expiration date for OMB approval of the information collection will be displayed appropriately.

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**

There are no exceptions to the certification statement.