

SUPPORTING STATEMENT
National Credit Union Administration

Monitoring Bank Secrecy Act Compliance, 12 CFR §748.2
OMB No. 3133-0108

A. JUSTIFICATION

1. *Circumstances necessitating the collection of information.*

Section 748.2 of NCUA's regulations, directs credit unions to establish a Bank Secrecy Act (BSA) compliance program that maintains procedures designed to assure and monitor compliance with the requirement of 31 U.S.C., Chap. 53, Subchapter II (sec. 5301-5329), the Bank Secrecy Act (31 U.S.C. 5318(g)), and 31 CFR Chapter X (parts 1000-1099), Financial Crimes Enforcement Network, Department of the Treasury.

2. *Method of collection and use of data.*

Each federally insured credit union (FICU) must develop and provide for the continued administration of a BSA compliance program to assure and monitor compliance with the recordkeeping and recording requirements prescribed by the BSA. At a minimum, a compliance program shall provide for a system of internal controls, independent testing for compliance, designation of an individual responsible for coordinating and monitoring day-to-day compliance; and training.

A written program must be approved by the credit union's board of directors and reflected in the credit union's minutes. NCUA examiners review the program to determine whether the credit union's procedures comply with all BSA requirements.

3. *Use of improved information technology.*

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

4. *Efforts to identify duplication.*

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

5. *Methods to minimize burden on small business or other small entities.*

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

6. Consequence if the collection is not conducted or is conducted less frequently.

Statute requires BSA compliance by all financial institutions. 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. Special circumstances that would cause an information collection be conducted in a manner inconsistent with 5 CFR 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. Consultation with persons outside the agency.

A 60-day notice was published in the *Federal Register* on August 1, 2016, at 81 FR 50564, soliciting comments from the public; with a subsequent notice published August 5, 2016, at 81 FR 51944, correcting the "end of comment" date. No comments were received on this collection.

9. Payment or gift to respondents.

Payment or gifts to respondents will not be provided.

10. Assurance of confidentiality.

No specific confidentiality requirement is present in this regulation.

11. Questions of a sensitive nature.

This is a recordkeeping requirement. There are no questions of a sensitive nature.

12. Burden estimates...

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.

# Respondents/ Recordkeepers	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
5,954	1	5,954	16	95,264

The review of the established procedures is usual and customary, and would not result in additional financial burden to the credit unions.

13. *Estimated capital start-up and maintenance costs.*

There are no capital start-up or operation and maintenance costs incurred.

14. *Estimated annualized cost to the Federal government.*

There are no costs to the federal government.

15. *Reason for change in burden.*

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.

16. *Plans for tabulation, statistical analysis, and publication.*

Information will not be published.

17. *Justification not to display the expiration date for OMB approval.*

The OMB control number and expiration date associated with this PRA submission will be displayed on the Federal government's electronic PRA docket at www.reginfo.gov.

18. *Exceptions to the certification statement.*

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not employ statistical methods.