

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 the NCUA's rules and regulations directs federally insured credit unions (FICUs) to establish a Bank Secrecy Act (BSA) compliance program and to maintain procedures reasonably designed to assure and monitor compliance with the requirements of the BSA in 31 U.S.C. Chapter 53, Subchapter II (sections 5311-5332), and with the implementing regulations issued by the Financial Crimes Enforcement Network, Department of the Treasury, at 31 CFR Chapter X (parts 1000-1099).

2. Method of collection and use of data.

Each FICU must develop and provide for the continued administration of a BSA compliance program reasonably designed to assure and monitor compliance with the recordkeeping and recording requirements prescribed by the BSA. At a minimum, a BSA compliance program shall provide for a system of internal controls to assure ongoing compliance, independent testing for compliance, designation of an individual responsible for coordinating and monitoring day-to-day compliance, and training for appropriate personnel.

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

3. Use of improved information technology.

The collection of information is a recordkeeping requirement and does not require 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.

This collection of information does not have a substantial impact on small entities.

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

Statute requires all financial institutions to comply with the BSA. Monitoring less frequently would carry additional risk of non-compliance with the BSA, potentially resulting in large fines for some FICUs. This would pose additional risk to credit union members and to the National Credit Union Share Insurance Fund, which insures members' deposits in FICUs.

7. Special circumstances that would cause an information collection be conducted in a manner inconsistent with 5 CFR 1320.5(d)(2).

No special circumstances exist that would cause a collection of information 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 July 5, 2023 at 88 FR 42967, soliciting comments from the public. No public comments were received in response to that notice. The 30-day notice was published in the Federal Register on September 12, 2023 at 88 FR 62606.

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 and does not involve questions of a sensitive nature.

12. Burden estimates.

The requirement that FICUs establish written BSA compliance procedures is a one-time event, but revisions to those procedures must occur as often as deemed necessary. The regulation requires that FICUs develop and provide for the continued administration of their BSA compliance programs. The NCUA estimates that it takes 16 hours to review and/or revise the existing program to encompass current operations.

# Respondents/ Recordkeepers	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
4,686	1	4,686	16	74,976

The review of established procedures is usual and customary, and it does not result in additional financial burden to FICUs.

13. Estimated capital start-up and maintenance costs.

There are no capital start-up or maintenance costs associated with this information collection.

14. Estimated annualized cost to the Federal government.

There are no additional costs to the Federal government.

15. Reason for change in burden.

Fewer FICUs exist now, when compared to the last approval of this information collection. The NCUA, therefore, adjusted the number of respondents to reflect this decline.

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

BSA compliance program 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.