

Supporting Statement
OMB Control Number 1506-0057

Purchases of Bank Checks and Drafts, Cashier's Checks, Money Orders, and Traveler's Checks (31 CFR 1010.415).

1. Circumstances necessitating collection of information.

The legislative framework generally referred to as the Bank Secrecy Act (BSA) consists of the Currency and Foreign Transactions Reporting Act of 1970, as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act)¹ and other legislation, including the Anti-Money Laundering Act of 2020 (AML Act).² The BSA is codified at 12 U.S.C. 1829b, 1951–1960 and 31 U.S.C. 5311–5314, 5316–5336, including notes thereto, with implementing regulations at 31 CFR chapter X.

The BSA authorizes the Secretary of the Treasury (Secretary) to, *inter alia*, require financial institutions to keep records and file reports that are determined to have a high degree of usefulness in criminal, tax, or regulatory matters, risk assessments or proceedings, or in the conduct of intelligence or counter-intelligence activities to protect against terrorism, and to implement anti-money laundering/countering the financing of terrorism (AML/CFT) programs and compliance procedures.³ The authority of the Secretary to administer the BSA has been delegated to the Director of FinCEN.⁴

The BSA prohibits financial institutions from issuing any “bank check, cashier’s check, traveler’s check, or money order to any individual in connection with a transaction or group of such contemporaneous transactions which involves United States coins or currency (or such other monetary instruments as the Secretary may prescribe) in amounts or denominations of \$3,000 or more” unless (1) the financial institution verifies, through a signature card or other account documentation or information, that the individual has a transaction account with the financial institution, and records the method of verification in accordance with regulations issued by the Secretary; or (2) the individual furnishes the financial institution with such forms of identification as the Secretary may require by regulation, and the financial institution verifies and records such information in accordance with regulations issued by the Secretary.⁵ To implement these requirements, FinCEN issued a regulation requiring financial institutions to maintain records related to the issuance or sale of bank checks and drafts, cashier’s checks, money orders, and traveler’s checks.⁶ The regulation applies to all financial institutions as defined in 31

¹ USA PATRIOT Act, Pub. L. 107-56, 115 Stat. 272 (Oct. 26, 2001).

² The AML Act was enacted as Division F, sections 6001-6511 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. 116-283, 134 Stat. 3388 (Jan. 1, 2021).

³ See 31 U.S.C. 5311.

⁴ Treasury Order 180–01 (Jan. 14, 2020); *see also* 31 U.S.C. 310(b)(2)(I) (providing that the FinCEN Director shall “[a]dminister the requirements of subchapter II of chapter 53 of this title, chapter 2 of title I of Public Law 91–508, and section 21 of the Federal Deposit Insurance Act, to the extent delegated such authority by the Secretary.”).

⁵ 31 U.S.C. 5325.

⁶ 31 CFR 1010.415.

CFR 1010.100(t).⁷ However, it is FinCEN's experience that banks and money services businesses (MSBs) are more likely than other categories of financial institution to issue or sell bank checks and drafts, cashier's checks, money orders, and traveler's checks.

Under 31 CFR 1010.415, financial institutions are required to maintain records of certain information related to the issuance or sale of bank checks and drafts, cashier's checks, money orders, and traveler's checks when the issuance or sale involves currency between \$3,000 and \$10,000, inclusive, to any individual purchaser of one or more of these instruments. Under 31 CFR 1010.415(a)(1)(i), if the purchaser has a deposit account with the financial institution, the financial institution is required to maintain records of: (A) the name of the purchaser; (B) the date of purchase; (C) the type(s) of instrument(s) purchased; (D) the serial number(s) of each of the instrument(s) purchased; and (E) the amount in dollars of each of the instrument(s) purchased. 31 CFR 1010.415(a)(1)(ii) requires the financial institution to verify that the individual is a deposit account holder or to verify the individual's identity, and imposes requirements related to how such verification must be conducted, which include review of a signature card or other file or record, or examination of a document that satisfies specified standards.

Under 31 CFR 1010.415(a)(2)(i), if the purchaser does not have a deposit account with the financial institution, the financial institution must maintain a record of: (A) the name and address of the purchaser; (B) the social security number of the purchaser, or if the purchaser is an alien, or a noncitizen, and does not have a social security number, the alien identification number, also known as the alien registration number, alien number, or the U.S. Citizenship and Immigration Services (USCIS) number; (C) the date of birth of the purchaser; (D) the date of the purchase; (E) the type(s) of instrument(s) purchased; (F) the serial number(s) of the instrument(s) purchased; and (G) the amount in dollars of each of the instrument(s) purchased. 31 CFR 1010.415(a)(2)(ii) requires the financial institution to verify the name and address of the purchaser, through examination of a document that satisfies specified standards.

Under 31 CFR 1010.415(b), financial institutions must treat contemporaneous purchases of the same or different types of instruments totaling \$3,000 or more as one purchase. Multiple purchases during one business day totaling \$3,000 or more must be treated as one purchase if an individual employee, director, officer, or partner of the financial institution has knowledge that these purchases have occurred.

Under 31 CFR 1010.415(c), financial institutions must retain all required records for a period of five years and make those records available to the Secretary upon request at any time.

2. Method of collection and use of data.

⁷ A financial institution is defined in 31 CFR 1010.100(t) to include banks, brokers or dealers in securities, MSBs, telegraph companies, casinos and card clubs, futures commission merchants, introducing brokers in commodities, mutual funds, and persons subject to supervision by any state or Federal bank supervisory authority. An MSB is defined in 31 CFR 1010.100(ff)(3) to include, among other businesses, a person that issues or sells traveler's checks or money orders in an amount greater than \$1,000 to any person on any day in one or more transactions.

The collection of information is not reported to the Federal government. Instead, financial institutions are required to document and maintain records of information involving issuance and sales of bank checks, cashier's checks, money orders, and traveler's checks to any individual purchasers of these instruments with currency in the amount of \$3,000-\$10,000, and to make the records available to the Secretary upon request. These requirements assist law enforcement in financial investigations, protect against terrorism and strengthen national security, improve financial institutions' ability to assess and mitigate risk, help prevent evasion of financial sanctions, facilitate tax compliance, enhance financial transparency of legal entities, and advance U.S. compliance with international standards and commitments. Compliance with these requirements is reviewed by Federal agencies during BSA examinations.

3. Use of improved information technology to reduce burden.

Financial institutions are permitted to automate their AML programs to meet their requirements, including the requirement to collect information related to the issuance and sales of bank checks, cashier's checks, money orders, and traveler's checks. There is no specific government mandate to do so. The required information may be maintained in any format, including copies of the monetary instruments.

4. Efforts to identify duplication.

There is no similar information available, thus there is no duplication.

5. Methods to minimize burden on small businesses or other small entities.

When complying with these recordkeeping requirements, financial institutions are permitted to use the method most suitable based upon their assessment of risk, size, and type of business.

6. Consequences to the Federal government of not collecting the information.

These recordkeeping requirements are intended to help law enforcement and regulatory authorities detect, investigate, and prosecute money laundering and other financial crimes by preserving an information trail about certain transactions involving the issuance and sales of bank checks, cashier's checks, money orders, and traveler's checks to any individual purchasers of these instruments with currency in the amount of \$3,000-\$10,000.

7. Special circumstances requiring data collection inconsistent with guidelines.

Pursuant to 31 CFR 1010.415(c), financial institutions must retain all required records for a period of five years and make those records available to the Secretary upon request. This retention period is necessary because such records may relate to substantive violations of law that are subject to statutes of limitation longer than three years.

8. Consultation with individuals outside of the agency on availability of data, frequency of collection, clarity of instructions and forms, and data elements.

On September 17, 2024, FinCEN published in the Federal Register a notice and request for comments of its intention to renew, without change, information collection requirements for purchases of bank checks and drafts, cashier's checks, money orders, and traveler's checks.⁸ The comment period closed on November 18, 2024. FinCEN received four comments in response to the notice. One commenter suggested that maintaining logs of the purchase of monetary instruments of cash transactions in amounts between \$3,000 and \$10,000 is antiquated for the following reasons: (1) many people wire funds or use Zelle instead of monetary instruments; (2) younger generations prefer electronic transactions; and (3) under \$10,000 is pocket change for many people and is not an indicator of a transaction the BSA was designed to detect. Another commenter noted that this requirement seems meaningless, and the process is challenging if the required information is not captured at the time of sale, and the commenter also does not agree with collecting the social security number of an individual unaffiliated with a financial institution for monetary instrument purchases. A different commenter noted that FinCEN did not articulate how this regulatory requirement is highly useful to law enforcement and suggested that if it is not useful the regulation should not be renewed. A fourth comment did not make recommendations regarding the regulation or the estimated burden.

FinCEN appreciates feedback provided by commenters and will take recommendations into consideration. In addition, as noted in the 60-day notice to renew this information collection, in connection with a variety of initiatives FinCEN is undertaking to implement the AML Act, FinCEN intends to conduct, in the future, additional assessments of the Paperwork Reduction Act (PRA) burden associated with BSA requirements and responsive modifications to current estimates.

9. Explanation of decision to provide any payment or gift to respondents.

No payments or gifts were made to respondents.

10. Assurance of confidentiality of responses.

Information retained under the regulations implementing the BSA may be made available to appropriate law enforcement agencies and supervisory agencies upon a lawful request.

11. Justification of sensitive questions.

There are no questions of a sensitive nature in the collection of information. Any personally identifiable information collected under the BSA is strictly controlled as outlined in FinCEN's Systems of Records Notice.⁹

12. Estimated burden of information collection.

⁸ See FinCEN, *Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of Purchases of Bank Checks and Drafts, Cashier's Checks, Money Orders, and Traveler's Checks*, [89 FR 76187](#) (Sept. 17, 2024).

⁹ See FinCEN, *Privacy Act of 1974, Systems of Records Notice*, [79 FR 20969](#) (Apr. 14, 2014).

Frequency: As required.

Estimated Number of Respondents: 23,207 financial institutions, as set out in table 1.¹⁰

Table 1. Distribution of financial institutions covered by this notice, by type of financial institution

Type of financial institution	Number of financial institutions
Banks	10,062
Banks with a Federal functional regulator (FFR)	9,462 ^a
Banks lacking an FFR	600 ^b
Principal MSBS – Issuers/Sellers of Money Orders/Traveler’s Checks ^c	13,145
Principal MSBs – Issuers/Sellers of Money Orders Only	11,764
Principal MSBs – Issuers/Sellers of Money Orders and Traveler’s Checks	1,318
Principal MSBs – Issuers/Sellers of Traveler’s Checks Only	63
Total	23,207

^a This estimate of the total number of banks with an FFR, including credit unions, is based on end of year 2023 data as provided by each of the FFRs, respectively. The FFRs are the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the National Credit Union Administration.

^b This estimate of active entries as of year-end 2023 was derived in consultation with staff from the Internal Revenue Service’s Small Business/Self-Employed Division and incorporates data from both public and non-public sources, including: Call Reports; various State banking/financial institution regulators’ websites and directories; the Federal Reserve Board of Governors’ Master Account and Services database (<https://federalreserve.gov/paymentsystems/master-account-and-services-database-exisiting-access.htm>); and data from the Commonwealth of Puerto Rico Oficina del Comisionado de Instituciones Financieras (OCIF).

^c This number is derived from data as self-reported by MSBs identified as active at year-end 2023 in FinCEN’s publicly available MSB registration database. FinCEN, MSB Registrant Search, *available at* <https://www.fincen.gov/msb-state-selector> (downloaded Feb. 28, 2024).

Estimated Total Recordkeeping Burden Hours: 174,053 hours.

The scope of the annual PRA burden and cost estimates in this renewal encompasses the incremental recordkeeping requirements for FinCEN purposes that are associated with the issuance or sale of bank checks and drafts, cashier’s checks, money orders, and traveler’s checks between \$3,000 and \$10,000, inclusive. FinCEN continues

¹⁰ FinCEN can estimate the number of principal MSBs that report that they are issuers and/or sellers of money orders or traveler’s checks on FinCEN Form 107 – Registration of Money Services Businesses (RMSB). However, FinCEN cannot estimate the number of agent MSBs that may be issuers and/or sellers of money orders or traveler’s checks. FinCEN assesses that given that an MSB is only defined as an issuer and/or seller of traveler’s check if it issues or sells money orders and/or traveler’s checks that accumulate to greater than \$1,000 to any one person on any day in one or more transactions that most agent MSBs are less likely to reach the \$1,000 threshold that would warrant compliance with 31 CFR 1010.415. For that reason, the burden estimates to comply with this information collection as described in table 1 above and table 2 below only account for principal MSBs that have reported on the RMSB that they are issuers and/or sellers of money orders or traveler’s checks. The threshold of between \$3,000 and \$10,000 to comply with 31 CFR 1010.415 makes it even more unlikely that agent MSBs are engaged in such transactions.

to assign an estimate of the incremental annual average hourly burden of creating and maintaining records for the issuance or sale of bank checks and drafts, cashier's checks, money orders, or traveler's checks to individual purchasers when the sale involves currency between \$3,000 and \$10,000, inclusive, that is approximately seven and a half hours per covered financial institution, irrespective of the volume of such transactions.¹¹ This estimate covers the expected average incremental recordkeeping burden for FinCEN purposes of (1) verifying the identity of depository accountholders and other individuals purchasing bank checks and drafts, cashier's checks, money orders, or traveler's checks when the issuance or sale involves currency between \$3,000 and \$10,000, inclusive, or verifying the status of these individuals as deposit accountholders; and (2) creating and maintaining records of certain information for a minimum of five years to be made available to the Secretary upon request.¹²

FinCEN's estimate of the total annual PRA burden (174,053 hours) includes the recordkeeping requirements being renewed in this notice, detailed in table 2 below:

Table 2 – Distribution of estimated total annual burden hours of maintaining recordkeeping requirements for issuance/sale of bank checks and drafts, cashier's checks, money orders, or traveler's checks

Affected financial institution type	Number of financial institutions	Average Annual burden estimate per financial institution in hours	Total annual burden hours
Banks	10,062	7.5 hour	75,465

¹¹ FinCEN does not have access to enough of the requisite data to estimate the volume of bank checks and drafts, cashier's checks, money orders, and/or traveler's checks or the typical currency value of the relevant products that are issued or sold by any one covered financial institution in a given year. FinCEN's PRA estimates of the number of affected financial institutions include all identified, active entities in the respective categories of financial institutions that issue or sell the financial instruments covered by this control renewal. However, to the extent that suspicious activity report (SAR) filings related to money orders or traveler's checks might proxy for the number of entities that regularly issue or sell such financial instruments in dollar values that would incur an incremental recordkeeping burden for FinCEN purposes, the number of affected financial institutions is likely two to three orders of magnitude smaller than then number of financial institutions to whom the rule applies. For example, between 2014 and 2023, the number of unique MSBs that filed SARs related to money orders ranged between a minimum of 1.7 (in 2024) and a maximum of 2.7 (2015) percent of the current estimate of affected MSBs. Over the same time period the number of unique MSBs that filed SARs related to traveler's checks ranged from a minimum of 0.02 (in 2020) to a maximum of 0.09 (in 2016) percent of the population of affected MSBs estimated in table 2. Thus, while certain financial institutions, or types of affected financial institutions, may expect to incur a substantially higher incremental annual burden, FinCEN expects many other financial institutions may not incur any incremental recordkeeping burden at all due to the nature of their business practices. FinCEN therefore continues to assign an estimated average incremental annual hourly burden per financial institutions to comply with this information collection of seven and half hours that reflects this expectation about the distribution of affected financial institutions.

¹² This estimated burden, particularly with respect to depository customers of a bank, is intended to be distinct from the burden estimated in connection with a bank's compliance with its ordinary customer identification program (CIP) obligations under 31 CFR 1020.220. FinCEN recently published its burden estimates related to CIP requirements and solicited public comment on those estimates separately. See FinCEN, *Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of the Customer Identification Program Regulatory Requirements*, [89 FR 51940](#) (June 20, 2024).

Affected financial institution type	Number of financial institutions	Average Annual burden estimate per financial institution in hours	Total annual burden hours
Issuers/sellers of money orders	11,764	7.5 hour	88,230
Issuers/sellers of money orders and traveler's checks	1,318	7.5 hours	9,885
Issuers/sellers of travel checks	63	7.5 hour	473
Total annual burden hours			174,053

13. Estimated total annual cost burden of the information collection.

Estimated Total Annual Recordkeeping Cost: \$18,501,833.90

FinCEN is utilizing the same fully loaded composite hourly wage rate of \$106.30 utilized in the 2024 notices of proposed rulemaking (NPRMs) entitled Customer Identification Programs for Registered Investment Advisers and Exempt Reporting Companies and Anti-Money Laundering and Countering the Financing of Terrorism Programs, as well as in recent 60-Day Notices to renew OMB control numbers corresponding to specific BSA regulations.¹³

The total estimated cost of the annual PRA burden is \$18,501,833.90, as reflected in table 3 below:

Table 3. Estimated total cost of annual PRA burden

Regulatory requirement	Burden hours	Wage rate	Total cost
Verifying and maintaining records	174,053	\$106.30	\$18,501,833.90
Total annual cost			\$18,501,833.90

There are no non-labor costs associated with this collection of information.

14. Estimated annual cost to the Federal government.

¹³ See, e.g., FinCEN and SEC, *NPRM Customer Identification Programs for Registered Investment Advisers and Exempt Reporting Advisers*, [89 FR 44571](#) (May 21, 2024); FinCEN, *NPRM Anti-Money Laundering and Countering the Financing of Terrorism Programs NPRM*, [89 FR 55428](#) (July 3, 2024); FinCEN, *Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of the Customer Identification Program Regulatory Requirements for Certain Financial Institutions*, [89 FR 51940](#) (June 20, 2024); FinCEN, *Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of Due Diligence Programs for Correspondent Accounts for Foreign Financial Institutions and for Private Banking Accounts*, [89 FR 49273](#), (June 11, 2024).

There is no cost to the Federal government; this is a recordkeeping requirement only.

15. Reason for change in burden.

The estimated total annual burden hours increased by 56,474 hours from 117,579 hours in 2020 to 174,053 hours in 2024, although the annual hourly burden estimates (7.5 hours) per regulatory requirement remained the same as in 2020. The increase in burden is a result of an increase in the number of respondents from 15,677 in 2020 to 23,207 in 2024.

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

This collection of information will not be tabulated or compiled for publication.

17. Request not to display the expiration date of the OMB control number.

FinCEN requests that it not be required to display the expiration date so that the regulations will not have to be amended for the new expiration date every three years. This request will not affect the normal three-year PRA renewal process.

18. Exceptions to the certification statement.

There are no exceptions to the certification statement.