

REGULATORY ALERT

NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: May 2007 **NO:** 07-RA-03
TO: All Federally Insured Credit Unions
SUBJECT: Suspicious Activity Report Depository Institution Form

Dear Board of Directors:

The Financial Crimes Enforcement Network (FinCEN) announced the delayed implementation of the revised Suspicious Activity Report Depository Institution (SAR-DI) form scheduled to become effective June 30, 2007. FinCEN will establish new effective and mandatory compliance dates for this form. This delay does not affect the Bank Secrecy Act (BSA) filing requirements for suspicious activity reporting, and credit unions should continue using the current SAR form.

Reportable Activity

Credit unions must report any known or suspected crimes, as well as any suspicious transactions related to money laundering or other illegal activity, or a violation of the BSA in the following circumstances:

- Insider Abuse involving any amount;
- Transactions aggregating \$5,000 or more where a suspect can be identified;
- Transactions aggregating \$25,000 or more regardless of potential suspects; and/or
- Transactions aggregating \$5,000 or more that involve potential money laundering or violations of the BSA.

Timing

Credit unions must file a SAR with FinCEN within 30 calendar days from the date the suspicious activity is initially detected. If a suspect is not identified on the date of detection, an additional 30 calendar days is permitted to identify a suspect before filing a SAR. A credit union may not take more than 60 days from the initial detection date to file a SAR.

Content

Credit unions must fully and accurately complete SAR form TDF 90-22.47, Suspicious Activity Report (also known as NCUA Form 2362) in accordance with the form's instructions.

Compliance

Failure to file a SAR as required by the form's instructions and 31 C.F.R. Part 103.18 may subject the credit union, its officials, employees and agents to civil money penalties or other administrative actions.

The complete press release from FinCEN and the Federal Register notice announcing this delay may be found at http://www.fincen.gov/sar_revised_form_implementation.pdf.

Should you have any questions, please do not hesitate to contact your district examiner, regional office or state supervisory authority.

Sincerely,

/s/

JoAnn Johnson
Chairman