

REGULATORY ALERT

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

DATE: June 2007 NO: 07-RA-05

TO: All Federally-Insured Credit Unions

SUBJECT: Suspicious Activity Report Documentation and
Requests by Law Enforcement to Maintain Accounts

Dear Board of Directors:

This Regulatory Alert is to notify you of the June 2007 publication of interpretive guidance by the Financial Crimes Enforcement Network (FinCEN). FinCEN issued interpretive guidance on two separate subjects:

- Suspicious Activity Report Supporting Documentation; and
- Requests by Law Enforcement for Financial Institutions to Maintain Accounts.

A brief synopsis of each interpretive guidance is included below.

Suspicious Activity Report Supporting Documentation (FIN-2007-G003)

When a credit union files a Suspicious Activity Report (SAR), it is required to maintain a copy of the SAR and the original or business record equivalent of any supporting documentation for a period of five years from the filing date. Credit unions must provide all documentation supporting the filing of a SAR upon request by FinCEN or an appropriate law enforcement or supervisory agency.

Supporting documentation refers to all documents or records considered in making the decision to file a SAR, and depends on the facts and circumstances of each case. Disclosure of SARs to appropriate law enforcement and supervisory agencies is protected by the safe harbor provisions applicable to both voluntary and mandatory suspicious activity reporting by credit unions.

A complete copy of the FinCEN Advisory FIN-2007-G003 may be obtained at:
http://www.fincen.gov/Supporting_Documentation_Guidance.pdf

Requests by Law Enforcement for Financial Institutions to Maintain Accounts (FIN-2007-G002)

Law enforcement may have an interest in ensuring certain account relationships remain open, despite suspicious or potential criminal activity in connection with the account. Complying with such a request may further law enforcement efforts to combat money laundering, terrorist financing, and other crimes. However, each credit union must ultimately make the decision to maintain or close an account in accordance with its own standards and guidelines.

When law enforcement requests a particular account be maintained, the credit union should ask for a written request. The request should be issued by a supervisory agent or an attorney representing the federal, state, or local law enforcement agency. It should indicate the purpose, and specify a duration not to exceed six months. FinCEN recommends credit unions maintain documentation of such requests for at least five years after the request has expired.

A complete copy of the FinCEN Advisory FIN-2007-G002 may be obtained at: http://www.fincen.gov/Maintaining_Accounts_Guidance.pdf

Should you have any questions, please contact your district examiner, regional office or state supervisory authority.

Sincerely,

/s/

JoAnn M Johnson
Chairman