

# REGULATORY ALERT

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

**DATE:** September 2007 **NO:** 07-RA-07  
**TO:** All Federally-Insured Credit Unions  
**SUBJECT:** Revised Bank Secrecy Act/Anti-Money Laundering  
Examination Manual

Dear Board of Directors,

The purpose of this regulatory alert is to inform all federally insured credit unions that the Federal Financial Institutions Examination Council (FFIEC) recently released the revised 2007 Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Examination Manual. The revised manual reflects the ongoing commitment to provide current and consistent guidance on risk-based policies, procedures and processes for credit unions to comply with the BSA and safeguard operations from money laundering and terrorist financing.

Revisions were made throughout the manual. The sections with the more significant updates are again noted in the table of contents. Significant updates relating to credit union activities include:

**Customer Due Diligence** – Clarified regulatory expectations between lower-risk and higher-risk customers.

**Suspicious Activity Reporting** – Enhanced discussion of law enforcement inquiries and requests. Updated the section to include new guidance on maintaining accounts and supporting documentation.

**OFAC** – Revised and clarified guidance on screening responsibilities in connection with automated clearing house (ACH) transactions. Made corresponding revisions to the ACH section.

**Electronic Banking** – Added discussion regarding Remote Deposit Capture.

**Non-Bank Financial Institutions** – Expanded the discussion on providing banking services to money services businesses.

**Appendix F: Money Laundering and Terrorist Financing “Red Flags”** – Expanded examples of red flags for trade finance, ACH transactions, shell company activity, and other potentially suspicious customer activity, and added new examples for lending activity.

**Appendix R: Enforcement Guidance** – Added recently issued interagency enforcement guidance addressing noncompliance with BSA/AML requirements.

**Index** – To make the document more user-friendly, included a detailed, cross-referenced index with key terminology and subject matters.

The 2007 version of the manual is located on the FFIEC BSA/AML InfoBase at: [http://www.ffiec.gov/bsa\\_aml\\_infobase/default.htm](http://www.ffiec.gov/bsa_aml_infobase/default.htm).

If you have any questions regarding the manual, please contact your district examiner, regional office, or state supervisory authority.

Sincerely,

/s/

JoAnn Johnson  
Chairman