



November 16, 2020

Financial Crimes Enforcement Network
P.O. Box 39
Vienna, VA 22183

Re: Anti-Money Laundering Program Effectiveness; Docket Number FINCEN–2020–0011/RIN1506-AB44

To whom it may concern:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit comments on FinCEN’s Advanced Notice of Proposed Rulemaking (ANPRM) concerning Anti-Money Laundering (AML) Program Effectiveness. The Indiana Credit Union League member credit unions represent 99% of assets and members of Indiana’s credit unions, with those memberships totaling more than 2.6 million consumers.

ICUL supports FinCEN’s effort to clarify the standards for assessment and managing risks for an effective AML program. We believe that any proposed amendments should have the goal of modernizing AML and BSA while providing credit unions with flexibility to develop a program commensurate with their size, risk, and complexity.

It is important to strike the right balance between imposing additional compliance costs for credit unions with limited staff and law enforcement benefits. FinCEN should provide additional flexibility for smaller financial institutions, so they can effectively and efficiently allocate resources.

The three proposed ANPRM core elements are indeed consistent with BSA requirements, but they do not contemplate the differences of smaller financial institutions and their business models. Additionally, when there is an expectation for AML priorities, there should be a defined objective of what constitutes useful information relevant to the expectations of regulators in order for credit unions and regulatory agencies to work together in the creation and implementation of programs.

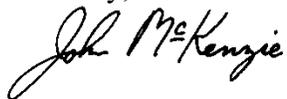
Furthermore, we understand that a risk assessment is required for an AML program, but adding an explicit requirement for that practice does not contemplate the flexibility in how such a risk assessment is carried out, and the recognition that appropriate and reasonable practices may vary significantly. Additionally, FinCEN’s AML strategic priorities are helpful, but should not be stated as requirements for risk assessments because priorities are likely to change after publication.

We appreciate FinCEN’s acknowledgement that “financial institutions vary considerably in size and complexity, and even well-intentioned regulatory actions that impact such a diverse collection of financial institutions can result in unintended consequences,” which is why we believe that an “opt in” option for smaller, less complex credit unions is preferable to a mandatory program that does not take their differences into consideration. Similarly, FinCEN should continue to communicate with regulators

responsible for BSA examinations that they should tailor their exams to the credit union's size, risk, and complexity.

We appreciate the opportunity to comment on the ANPRM and we ask FinCEN to consider our comments. If you have any questions about our letter, please do not hesitate to give me a call at (317) 594-5320.

Sincerely,

A handwritten signature in black ink that reads "John McKenzie". The signature is written in a cursive style with a large, stylized initial "J".

John McKenzie
President, Indiana Credit Union League