



August 16, 2021
Office of the General Counsel
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Re: NCUA 2021 Regulatory Review

Dear General Counsel Office:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit comments on the National Credit Union Administration's (NCUA) annual review of one-third of its regulations. The ICUL member credit unions represent 99% of assets and members of Indiana's credit unions, with those memberships totaling more than 2.7 million consumers.

We appreciate the agency's continuing effort to revise and update existing regulations. Credit unions continue to navigate a compliance environment that proves to be complex and costly. We encourage NCUA to evaluate how to minimize the effect of new regulations, so credit unions can continue providing outstanding service to their communities and members. We understand there can be a need create guardrails for credit unions to work within, but we ask the agency to clearly communicate the verifiable need for regulations.

Part 748 (Security Program, Report of Suspected Crimes, Suspicious Transactions, Catastrophic Acts and Bank Secrecy Act Compliance) continues to be a challenge for credit unions due to its complex nature. The ICUL recommends that NCUA minimize compliance burdens related to the BSA/AML regulations under Part 748. While we understand the necessity to track money laundering and terrorist finance activity, there should be a balance between the implementation costs and the benefits the government receives. Part 748 should also address FinCEN's Customer Due Diligence (CDD) Requirements to ensure compliance uniformity. FFIEC's BSA/AML Examination Manual contains detailed information on how to comply with BSA/AML requirements. The manual creates uniformity in regulatory expectation for examiners and credit unions alike. This helps create examination consistency; improve interpretations of BSA requirements; and minimize regulatory overlap. The only variance should be how the provisions are applied based upon the credit union's risk profile.

We believe the deadline for suspicious activity reporting (SARs) should be extended from 30 days to 40 days for more complex investigations and cases. We also believe the Currency Transaction Report (CTR) threshold should be increased. The current \$10,000 threshold was established in 1972, it is an amount that has not been adjusted for inflation. We support any initiative that aims at increasing this current threshold to account for inflation and the current economic conditions, and we are supportive of the passage of the Financial Reporting Threshold Modernization Act which would raise the threshold for CTR reporting to \$30,000. We are also supportive of regulatory and legislative changes that increase the SAR reporting thresholds. The intent is to strike a balance between aiding law enforcement and lessening the compliance burden for credit unions.

The final BSA-related comment is regarding the Corporate Transparency Act and the Beneficial Ownership requirements. The intent is to create a secure, non-public database that FinCEN can use to collect information directly from legal entities. We encourage NCUA to ensure that this database provides detailed information and assist credit unions in complying with the Beneficial Ownership requirements.

Part 749 (Records Preservations Program and Appendices) should be updated to specifically to allow for physical or electronic records. Also, NCUA should reevaluate whether the permanent retention of certain document is necessary. For example, keeping closed membership records and joint account agreements permanently is burdensome, along with many of the other permanently required documents.

An Appendix to Part 760 (Loans in Areas Having Special Flood Hazards) should be inclusive of interagency questions and answers. Having all the pertinent information easily available in one regulatory area will assist with compliance efforts.

The ICUL appreciates the opportunity to comment on NCUA's 2021 Regulatory Review, and we welcome a regulatory approach that contains a balance between verifiable compliance need versus an environment where credit unions can continue providing member service without burdensome and costly barriers.

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" and "M".

John McKenzie
President, Indiana Credit Union League