



**America's  
Credit Unions**

**Jim Nussle**  
President & CEO  
202-508-6745  
jnussle@americascreditunions.org

99 M Street SE  
Suite 300  
Washington, DC 20003

April 30, 2024

The Honorable Roger Williams  
Chairman  
Committee on Small Business  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Nydia Velázquez  
Ranking Member  
Committee on Small Business  
U.S. House of Representatives  
Washington, DC 20515

**Re: Today's Hearing: "Under the Microscope: Examining FinCEN's Implementation of the Corporate Transparency Act"**

Dear Chairman Williams and Ranking Member Velázquez:

On behalf of America's Credit Unions, I am writing regarding the Committee's hearing entitled, "Under the Microscope: Examining FinCEN's Implementation of the Corporate Transparency Act." America's Credit Unions is the voice of consumers' best option for financial services: credit unions. We advocate for policies that allow the industry to effectively meet the needs of their nearly 140 million members nationwide.

America's Credit Unions strongly supports the Financial Crime Enforcement Network's (FinCEN) efforts to track and investigate financial crimes involving money laundering and terrorist financing. Compliance with anti-money laundering and countering the financing of terrorism (AML/CFT) rules and regulations is expensive and places a tremendous burden on credit unions. While larger banks and non-bank mortgage lenders can afford to absorb the significant regulatory and compliance costs from the AML/CFT framework, these rules have made it significantly more difficult for credit unions to provide the affordable financial services credit union members depend on and deserve. The burden on credit unions is amplified by the fact that 45 percent of credit unions have fewer than 10 employees.

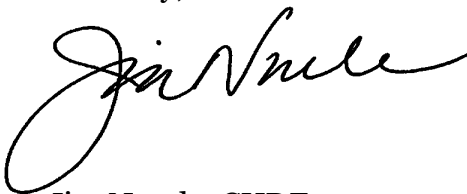
The Corporate Transparency Act (CTA) is being implemented through three separate rulemakings: the Beneficial Ownership Information (BOI) Reporting Rule (finalized September 2022); the BOI Access Rule (finalized December 2023); and revisions to the current customer due diligence (CDD) requirements (forthcoming). Credit unions are not required to report BOI under the BOI Reporting Rule, but they will have to confirm BOI information by accessing the database. The Access Rule prescribes how credit unions will access BOI from the BOI database. Credit unions that plan to obtain BOI from FinCEN's database must develop and implement administrative, technical, and physical safeguards reasonably designed to protect the information. Credit unions will be able to satisfy this requirement by applying to BOI the same security and information handling procedures they use to protect customers' nonpublic personal information in compliance with section 501 of the Gramm-Leach-Bliley Act and its implementing regulations. For each BOI request that it makes, a credit union will have to certify that the request satisfies applicable criteria.

Under the Access Rule, through a phased roll out of access to the BOI database, FinCEN has indicated credit unions and other financial institutions will obtain access to the database in spring of 2025. In response to industry advocacy, we appreciate FinCEN's clarification in the final BOI Access Rule regarding permissible use of BOI obtained from the database. Lastly, credit unions are awaiting the proposed revisions to the CDD requirements, which will, out of the three CTA rulemakings, have the most significant impact on credit unions. We urge FinCEN to release the CDD proposal as soon as possible, providing adequate opportunity for public input.

In addition, we continue to seek additional BOI resources from FinCEN regarding new regulatory requirements stemming from the CTA. We acknowledge and appreciate the BOI Frequently Asked Questions document on FinCEN's website that provides a comprehensive source of information related to the BOI Reporting Rule and BOI Access. However, we continue to receive questions from credit unions struggling to understand their expectations under these rules and the forthcoming CDD Rule. Further, while we appreciate the two FinCEN BOI webinars, we are disappointed that—similar to the timeframe for the December webinar—the webinar scheduled for today was announced just yesterday.

On behalf of America's Credit Unions and their nearly 140 million credit union members, thank you for the opportunity to share our views. We look forward to continuing to work with you on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with a large loop at the end.

Jim Nussle, CUDE  
President & CEO

cc: Members of the Committee on Small Business