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March 13, 2019

The Honorable Emanuel Cleaver
Committee on Financial Services
Subcommittee on National Security,
International Development and Monetary Policy
House of Representatives
Washington, DC 20515

The Honorable Steve Stivers
Committee on Financial Services
Subcommittee on National Security,
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House of Representatives
Washington, DC 20515

Dear Chairman Cleaver and Ranking Member Stivers,

On behalf of America's credit unions, thank you for holding the hearing entitled, "Promoting Corporate Transparency: Examining Legislative Proposals to Detect and Deter Financial Crime." The Credit Union National Association (CUNA) represents America's state and federal credit unions and the 115 million members that they serve.

Credit unions support efforts to track money laundering and terrorist financing, but also believe it is important to strike the right balance between the compliance costs to financial institutions, like credit unions, and the benefits to the federal government. As such, we support legislative and regulatory changes to address the redundancies, unnecessary burdens, and opportunities for efficiencies within the Bank Secrecy Act/Anti-Money Laundering (BSA/AML) statutory framework.

Credit unions appreciate the importance of financial institutions, law enforcement, and the federal government all working together to combat money laundering, however, we would argue that the compliance burden for some of the BSA/AML requirements outweigh the value of the information reported.

The dollar amount thresholds included in the BSA/AML have not been updated since the law was originally enacted in 1970. In today's market the Currency Transaction Report (CTR) \$10,000 threshold has the same buying power as \$1,500 when the law was enacted fifty years ago – according to the Consumer Pricing Index's Inflation Calculator provided by the Bureau of Labor and Statistics. And yet, credit unions are required to report every cash transaction of \$10,000 or more, even when the credit union knows that the transaction has no criminal implications. This is a clear example of the compliance burden far outweighing the value of the information to law enforcement.

On behalf of America's credit unions and their 115 million members, thank you for your leadership on this important issue. We look forward to working with you.

Sincerely,

A handwritten signature in black ink that reads "Jim Nussle".

Jim Nussle
President & CEO