



Office of Thrift Supervision
Department of the Treasury

1700 G Street, N.W., Washington, D.C. 20552 • (202) 906-6000

Notice

Enclosed in this package are Transmittal 19, which deals with a final rule implementing changes to the Community Reinvestment Act, and a letter from the Department of Treasury explaining its intention to allow an exception to certain Bank Secrecy Act identification, reporting, and recordkeeping requirements.



RESCINDED

June 14, 1991

Number: 19

This rescission does not change the applicability of the conveyed document. To determine the applicability of the conveyed document, refer to the original issuer of the document.

Attached is a final rule that amends the Office of Thrift Supervision's (OTS) regulations that implement the Community Reinvestment Act (12 C.F.R. 563e). The rule is effective July 12, 1991, and was published in the *Federal Register* on June 12, 1991 (Vol. 56, Number 113). This rule incorporates changes to the regulations made necessary by amendments to the Community Reinvestment Act by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 relating to the public disclosure and availability of CRA Performance Evaluations and CRA ratings. Also attached is a reprinting of §§ 563e.4, 563e.5, and 563e.6 for ease of reference.

This final rule establishes procedures applicable to savings associations governing public access to their CRA Per-

formance Evaluations and CRA ratings assigned by the OTS during the examination process. Savings associations must place the CRA Performance Evaluation and CRA rating in a public comment file (a file already maintained under the regulations) within 30 business days of receipt from the OTS. Savings associations must make the evaluation available for public inspection and provide copies of the evaluation, upon request, to interested parties. A reasonable fee may be charged for reproduction and mailing. Savings associations must also amend their current CRA Public Notice to reflect the availability of the evaluation. A copy of the CRA Performance Evaluation must be available at each savings association's home office, and in at least one office in each local designated community it serves.

Director
Office of Thrift Supervision

Attachment



Office of Thrift Supervision
Department of the Treasury

1700 G Street, N.W., Washington, D.C. 20552 • (202) 906-6590

Jonathan L. Fiechter
Deputy Director

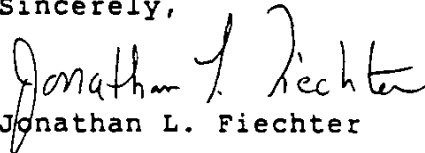
Washington Operations

June 1991

TO THE CHIEF EXECUTIVE OFFICER OF THE SAVINGS ASSOCIATION
ADDRESSED:

The enclosed letter explains the U.S. Department of the Treasury's intention to allow an exception to certain Bank Secrecy Act identification, reporting and recordkeeping requirements when federal, state, and local law enforcement and revenue officers conduct large cash transactions in the performance of their official duties. We understand that a formal regulatory amendment addressing this issue is forthcoming.

Sincerely,


Jonathan L. Fiechter

Enclosure



FEB 27 1991

To Whom It May Concern:

Pursuant to its authority granted under Section 103.45(a) of the Bank Secrecy Act ("BSA") Regulations, Treasury intends to allow an exception to certain identification, reporting and recordkeeping requirements when federal, state and local law enforcement and revenue officers conduct large cash transactions in the performance of their official duties.

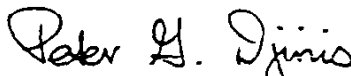
Section 103.27(d) of the Bank Secrecy Act ("BSA") Regulations states that in regard to the filing of CTRs, "All information called for in such forms shall be furnished." In addition, Section 103.28 requires that before concluding a transaction for which a BSA report is required, financial institutions "... shall verify and record the name and address of the individual presenting the transaction as well as record the identify, account number, and the social security or taxpayer identification number, if any, of any person or entity on whose behalf such transaction is to be effected." That Section further states that "Verification of identity shall be made by examination of a document, other than a bank signature card, that is normally acceptable within the banking community as a means of identification when cashing checks for nondepositors (e.g., a driver's license or credit card)." Section 103.29 likewise requires financial institutions to verify the purchaser's identity and record certain information prior to selling bank checks and drafts, cashier's checks, money orders or traveler's checks purchased with currency in amounts between \$3,000 and \$10,000, inclusive.

Because Treasury recognizes that federal, state and local law enforcement and revenue officers frequently conduct large currency transactions as a result of seized drug proceeds or collected taxes, or to help fund certain undercover operations, and because Treasury understands these officers' need to protect their identity, Treasury intends to allow banks to institute modified identification verification procedures consistent with the enclosed guidelines. This exception to the BSA regulations will be granted only to banks as defined in

31 C.F.R. 103.11(b). All "non-bank" financial institutions must obtain and verify identity as required by Sections 103.28 and 103.29 and complete all information required on a CTR as required by 103.27(d). On a case-by-case basis, Treasury will consider requests by non-bank financial institutions for an exception from the identification verification requirements.

This exception and modified procedures are being issued at this time in the interest of providing guidance to banks until such time as a formal amendment is issued by Treasury.

Sincerely,



Peter G. Djinis
Acting Director
Office of Financial Enforcement

Enclosure

MODIFIED IDENTIFICATION VERIFICATION PROCEDURES

When a federal, state or local law enforcement or revenue officer conducts a cash transaction in the performance of their official duties, Treasury will allow an exception to the identification requirements as follows:

If a bank is required to complete and file a Currency Transaction Report ("CTR") because it has not granted a unilateral exemption pursuant to Section 103.22(b)(2)(iii), it may follow these procedures:

- The bank must verify that the customer is a law enforcement or revenue officer or IRS revenue officer by examining the individual's agency badge or official credentials.
- The bank must record the agency badge or credentials number in Part 1, Item 15 of the CTR.
- **Part 1, Item 7:** The bank may record the Employer Identification Number ("EIN") of the officer's government agency in lieu of the officer's social security number.
- **Part 1, Item 8:** The bank may record the address of the officer's agency in lieu of the officer's home address.
- **Part 1, Item 15:** The bank must record the words "official badge" or "official credentials" in item 15a, the agency name in item 15b and the badge or credentials number in item 15c.

If a bank sells or issues bank checks and drafts, cashier's checks, money orders and traveler's checks for currency between \$3,000 to \$10,000, to an officer in the performance of his/her duties, it should treat that officer as a non-deposit account holder and record the purchase on its monetary instrument log as required by Section 103.29(a)(2), including all information required by paragraphs (C) through (K).¹

¹ Information required by Section 103.29(a)(2)(C) through (K) is: the purchaser's date of birth (C); the name and account number of any third person on whose behalf the purchase is made; if there is no account number, then the name, address and social security number, as well as taxpayer identification or alien identification number of such person (D); the date of purchase (E); the branch where the purchase occurred (F); the type of instrument(s) purchased (G); the serial number(s) of each of the instrument(s) purchased (H); the dollar amount of each of the instrument(s) purchased (I); the payee(s) on each of the instrument(s) purchased (for cashier's checks and bank checks and drafts) (J); and, the amount of the purchase in currency (K).

The bank may, however, make the following changes in recording all other information required by Section 103.29(a)(2)(i)(A), (B) and (ii), as follows:

- (A) **NAME OF PURCHASER:** The bank should verify the purchaser's identity by examining the individual's agency badge or official credentials, and record his/her identity on the log.
- (B) **ADDRESS AND SOCIAL SECURITY NUMBER OF PURCHASER:** The bank may record the address and Employer Identification Number ("EIN") of the agency to which the officer is assigned. The bank need not record the officer's home address and social security number.
- (ii) **METHOD OF IDENTIFICATION:** The bank should enter on the log the words "official badge" or "official credentials" as the method of identification, along with the agency name and badge or credentials number.