



For Details, Contact:
External Affairs
email: pacamail@ncua.gov
Fax: (703) 518-6409

National Credit Union
Administration
1775 Duke Street
Alexandria, VA 22314-3428
Phone: (703) 518-6330
Web Address: <http://www.ncua.gov/>

Media Advisory

FOR IMMEDIATE RELEASE

Johnson Encourages Balance in BSA Rules

June 26, 2007, Alexandria, VA- National Credit Union Administration (NCUA) Chairman JoAnn Johnson today emphasized NCUA's proactivity and interest in working closely with the U.S. Department of Treasury to help credit unions improve Bank Secrecy Act rules and requirements for credit unions and other financial service providers.

During remarks made to the Supervisory Committee & Internal Audit Conference, hosted by CUNA and several state leagues, Johnson referenced the announcement made last week by Treasury Secretary Henry M. Paulson regarding Financial Crimes Enforcement Network (FinCen), its role in protecting the U.S. financial system, and proposed enhancements to the BSA compliance process.

"NCUA looks forward to working with Secretary Paulson on BSA compliance and commends him on his efforts to find a sensible and achievable balance between the important goal of protecting Americans from terrorism and other crimes conducted through the mechanisms of our financial industry, and ensuring that the burdens of compliance are not excessive or unreasonable for credit unions," stated Chairman Johnson. "Last week, in advance of Secretary Paulson's speech regarding BSA, I met with James H. Freis, Jr., Director of FinCen, to discuss ways credit unions can improve compliance in order to accomplish our mission without imposing unnecessary regulatory burdens. NCUA is also an active participant in FinCen's BSA Advisory Group, which has regular interactive meetings that result in tangible regulatory input from NCUA and other FFIEC members."

Secretary Paulson's remarks last week also referenced the recently released "Bank Secrecy Act Effectiveness and Efficiency Fact Sheet", available on FinCen's website at: http://www.fincen.gov/bsa_fact_sheet.pdf.

"NCUA is striving to match risk-based examinations to risk-based obligations," noted Chairman Johnson. "The Agency recognizes that all credit unions do not engage in the same types of transactions, and that should factor into the examination process. Open communication between your credit union and NCUA is essential in order to meet the challenges and opportunities associated with BSA compliance. Please do not hesitate to share your thoughts openly with

your examiners, as improvement of the process is a goal we all share. The mission of BSA is a vital element in the overall efforts to protect Americans and combat terrorism, and I am confident that credit unions will once again lead by example in this endeavor.”

The National Credit Union Administration is the independent federal agency that regulates, charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, also operates and manages the National Credit Union Share Insurance Fund (NCUSIF), insuring the deposits of over 85 million account holders in all federal credit unions and the majority of state-chartered credit unions.