Dear Board of Directors:

The Suspicious Activity Report (SAR) Form has been revised to address provisions of the USA Patriot Act. Credit unions, who have not already done so, should take the necessary steps to implement the revised SAR.

The revised SAR contains three changes from the previous version:

- Part III - Includes the addition of two check boxes for terrorist financing and identity theft.
- SAR Instructions - The Safe Harbor provision has been updated to incorporate USA PATRIOT Act changes.


To assist financial institutions with use of the new form, FinCEN is publishing a semi-annual report on SAR Activity. This report, which was published in February 2004 and can be viewed on the NCUA website, is discussed in Regulatory Alert, 04-RA-01, The Suspicious Activity Report (SAR) Activity Review – Trends, Tips & Issues, Issue 6, November 2003.
Should you have any questions about revisions to the SAR form or the Bank Secrecy Act, please do not hesitate to contact your NCUA Regional Office or State Supervisory Authority.

Sincerely,

/S/

Dennis Dollar
Chairman

Enclosure