

June 13, 2018

The Honorable Steve Pearce
Chairman
Subcommittee on Terrorism
and Illicit Finance
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Blaine Luetkemeyer
Chairman
Subcommittee on Financial Institutions
and Consumer Credit
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairmen Pearce and Luetkemeyer:

On behalf of the members of the American Bankers Association (ABA), I am writing to thank you and to express our support for H.R. 6068, the Counter Terrorism and Illicit Finance Act. H.R. 6068 is long overdue legislation and takes critical steps to update the Bank Secrecy Act (BSA) and anti-money laundering (AML) laws and regulations.

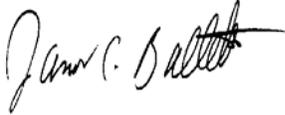
For many years, the financial industry has carried a heavy burden to keep the financial sector and the country safe. To ensure success, banks and law enforcement must have a partnership. This partnership is not only built on compliance with existing laws, but on a desire to ensure that adequate measures are taken to prevent criminals from misusing the banking system for criminal purposes. The partnership between law enforcement and the private sector needs to be a two-way street to succeed. Unfortunately, the process today has become one where banks produce a huge amount of information, but seldom get feedback on its use or effectiveness.

We applaud you for taking a thorough review of these laws and regulations to determine the proper balance of regulatory requirements and the needs of law enforcement. Bank Secrecy Act compliance is an important building block for our national security, but it is founded on principles that were developed nearly 50 years ago. BSA was adopted in 1970, when the world and banking were quite different. We believe that now is the time to update the law and help develop a system suited for both 21st century banks and a more sophisticated criminal element. And, it is important to take steps so that BSA/AML compliance doesn't drive transactions and financial activity underground where it is out of the view of law enforcement.

The legislation begins the process of modernizing this 50 year old law by increasing the threshold for filing currency transaction reports to \$30,000 and increasing the threshold for filing suspicious activity (SAR) reports to \$10,000. The legislation also makes it simpler for banks to share SAR data internally. Importantly, the bill would require the Department of Treasury to review BSA filing requirements to help streamline the process, which has been a significant compliance burden on banks, particularly for community banks. It also includes an 18-month safe harbor from liability for good faith compliance with the final Customer Due Diligence rule and an assessment of exactly how bank BSA data is used by law enforcement.

While more can and should be done to modernize BSA/AML, we applaud you and members of the House Financial Services Committee for considering this important piece of legislation and we urge the Committee to approve H.R. 6068.

Sincerely,

A handwritten signature in black ink, appearing to read "James C. Ballentine". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

James C. Ballentine

cc: Members of the House Committee on Financial Services