



Actors Federal Credit Union  
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Office of Regulatory Policy  
Financial Crimes Enforcement Network  
Department of the Treasury  
P.O. Box 39  
Vienna, Virginia 22183  
Attention: PRA Comments—BCTR Revision

Via email and email attachment to [regcomments@fincen.gov](mailto:regcomments@fincen.gov)

Dear Office of Regulatory Policy, Financial Crimes Enforcement Network:

Actors Federal Credit Union (“AFCU”) appreciates the opportunity to comment on the Financial Crimes Enforcement Network’s (“FinCEN”) February 2, 2016 notice and request for comment on proposed revisions to the Bank Secrecy Act Currency Transaction Report (“CTR”). Proposed changes include adding cash-in and cash-out amount fields for each transaction location reported on Part III. AFCU is concerned that the addition of these fields may cause a false appearance of structuring, specifically as it relates to the use of credit union shared branching by licensed money transmitters (“Licensed Money Transmitters” or “LMT”). Our experience and reasoning are outlined below.

AFCU provides accounts to FinCEN registered, state licensed money transmitters. Many LMTs utilize a principal/agent business model, where an authorized representative (“agent”) of the LMT (“principal”), become duly authorized to sell the principal’s money transfer services on behalf of the principal. Agents originate consumer remittance transactions on behalf of the principal, which are processed by the LMT. Consumer remittance transactions are generally

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recurring in nature and frequently funded with cash. There is a payable/receivable established between the agent/principal at the time a remittance is originated when the sender funds the transaction with cash at an agent location. As with any extension of credit, the principal money transmitter assigns a “credit limit” to each agent. An agent must promptly deposit remittance trust funds to the principal’s account and thereby pay down its credit line before being allowed to continue accepting transactions.

It is a widely-known, common industry practice that an LMT maintains depository relationships where its agents are able to deposit these cash proceeds. In a narrow set of circumstances, credit union shared branching is a reasonable means for an LMT to collect from its smaller agents. This is viable where an agent’s credit limit is relatively low, the agent is willing to risk carrying smaller amounts of cash on the street, and an acquiring credit union is willing and able to accept these cash deposits. Accordingly, recurring cash deposits near or below the CTR reporting threshold by agents to an LMT’s account are within the scope of duly executed agency agreements, expected by the depository and, in our experience, frequently occur. These circumstances, when coupled with adding a cash-in field for each transaction location reported on Part III, may contribute to a less informed user of FinCEN’s data to unduly suspect or conclude that an LMT or agent is structuring to avoid CTR reporting. However, if a redesigned form could possibly allow the filing institution to indicate that there are legitimate, documented business reasons for the observed patterns, this might help mitigate the risk of perceived structuring.

The LMT’s agent credit limits are one of the reasons agent deposit amounts may be under the \$10,000 reporting threshold. LMTs commonly allow credit limits of \$5,000 to \$10,000 for smaller agents. An agent might be willing to risk his or her personal safety and assume liability for the security of cash in transit for amounts of this size. (Cash collection from larger agents is generally performed by armored pickup which is both cost-prohibitive for a smaller agent and raises alternative safety and security concerns of unwanted attention an armored truck may draw by frequenting the agent’s place of business.) There are additional contributing factors to smaller, recurring cash deposits, such as it being customary to send money during certain holidays in certain countries, and it is therefore common for a smaller agent to make two deposits in one day at a particular shared branch location for a real-time settlement to the principal LMT so that the agent can continue processing remittances for the rest of the day. Finally, an LMT may have multiple agents depositing at multiple shared branching locations across the country on any given day.

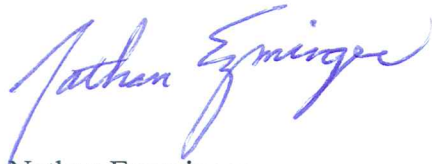
AFCU, as the Issuer/Host Credit Union, pursuant to Section III. A. 1) (bb) of the CO-OP Shared Branching Network Policies and Procedures, must aggregate transactions and file a CTR when its member deposits at multiple shared branching outlets and/or at the same outlet multiple times per day. Each LMT is notified in writing that AFCU files CTRs on all qualifying single or



aggregated daily cash deposits by agents to LMT accounts, including aggregate agent share branch cash deposits. Each shared branch deposit is captured by AFCU's core software and then verified by the principal to AFCU that it was made by a duly authorized agent. AFCU keeps a log of each deposit and the corresponding agent number. AFCU lists each shared branch location on Part III on the CTR that AFCU files.

In conclusion and to reiterate, AFCU is concerned that adding cash-in and cash-out amount fields for each transaction location reported on Part III may cause a false appearance of structuring depending upon an observers specific point of reference, access to full and complete information, and overall understanding of the facts and circumstances. A means for a filing institution to indicate that there are legitimate, documented business reasons for persons having recurring cash deposits near or below the CTR filing threshold amount across multiple locations might minimize false alerts and further enhance the law enforcement value of the revised CTR.

Respectfully submitted,



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