



6705 Sugarloaf Parkway, Suite 200
Duluth, GA 30097
(770) 476-9625 • (800) 768-4282



August 28, 2006

Mary Rupp
Secretary of the Board,
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: NCUA Filing Requirements For Suspicious Activity Reports

Dear Ms. Rupp,

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on the National Credit Union Administration's (NCUA) proposal to amend the rules regarding the filing requirements for Suspicious Activity Reports (SARs). GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 188 credit unions that have over 1.7 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

Background:

The NCUA Board has published a proposed rule to provide greater detail and clarity concerning the reporting requirements, filing procedures and other important aspects of SARs. The NCUA Board acknowledges that SAR filing and the Bank Secrecy Act (BSA) generate a lot of comments and questions from credit unions. This rule is intended to provide credit unions with basic information concerning SARs in a single location, the result being a quick reference tool.

The result of NCUA's internal rolling review of the agency's regulations, the proposal covers:

- The definition of reportable activity;
- Important filing procedures;
- Record retention requirements;
- Prompt notification of the board of directors of SAR filings;
- Confidentiality of SARs; and

- Liability protection.

Summary of GCUL's Position:

We support NCUA's efforts to educate credit union employees and provide uniform SAR filing guidance. Although many credit unions may not need it, we believe that having a quick reference tool, which includes basic information pertaining to SARs, would benefit those employees who are not as well-versed and knowledgeable as the designated BSA compliance officer.

Additionally, due to the numerous types of fraud and other types of reportable activity that occur but do not reach the reporting thresholds, we believe that clarification for all reportable activity should be provided. Guidance from NCUA on these types of occurrences will benefit all involved. NCUA will benefit because the number of reports that are filed from a defensive posture where clear guidance wasn't given - leaving the credit union employee to question if a SAR was required, will likely reduce in number. This will allow federal authorities to focus their attention on legitimate reports. Credit unions will benefit because they will have a better understanding of when reports should be filed and what circumstances will require filing.

We believe that the credit union board of directors needs to be informed of when SARs are filed for situations occurring at their institution. However, we feel a defined timeframe should be designated. In its current form, the proposal only requires that the board be notified 'promptly.' We encourage NCUA to adopt a definitive timeframe for notification to the board of directors. We propose, "within 60 days of the occurrence."

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Because credit union officials and staff need to be able to investigate and report suspicious activity without the fear of retribution, we support the provision providing immunity for officials and staff from civil liability for filing a SAR and believe it to be sufficient.

Thank you for the opportunity to comment on the proposal to amend the rules pertaining to the filing requirements of SARs. If you have questions about our comments, please contact Cynthia Connelly or me at (770) 476-9625.

Respectfully submitted,



Richard Ellis
Vice President/Credit Union Development
Georgia Credit Union League