



**America's  
Credit Unions**

March 29, 2024

Policy Division  
Financial Crimes Enforcement Network  
P.O. Box 39, Vienna, VA 22183

**RE: Request for Comment Regarding Currency Transaction Report Filing (Docket Number FINCEN-2024-0003)**

Dear Sir or Madam:

On behalf of America's Credit Unions, I am writing in response to the Financial Crimes Enforcement Network's (FinCEN) request for comment (RFC) on its information collection associated with the Currency Transaction Report (CTR).<sup>1</sup> America's Credit Unions is the voice of consumers' best option for financial services: credit unions. We advocate for policies that allow the industry to effectively meet the needs of their nearly 140 million members nationwide. America's Credit Unions requests FinCEN review the CTR burden estimate to ensure it accurately reflects all aspects of filing a CTR. More importantly, we urge FinCEN to increase the CTR filing threshold from \$10,000 to \$30,000.

**General Comment**

America's Credit Unions strongly supports FinCEN's efforts to track and investigate financial crimes involving money laundering and terrorist financing. Credit unions are not-for-profit financial cooperatives with a statutory mission to promote thrift and provide access to credit for provident purposes. Unlike other financial institutions, credit unions do not issue stock or pay dividends to outside stockholders. Instead, earnings are returned to members in the form of lower interest rates on loans, higher dividends on deposits, and lower fees. Credit unions exist only to serve their members, and as a result, credit unions' interest in their members' financial well-being and advancing the communities they serve takes on paramount importance.

Compliance with anti-money laundering and countering the financing of terrorism (AML/CFT) rules and regulations is expensive and places a tremendous burden on credit unions. While larger banks and non-bank mortgage lenders can afford to absorb the significant regulatory and compliance costs from the AML/CFT framework, these requirements have made it significantly more difficult for credit unions to provide the affordable financial services credit union members depend on and deserve.

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<sup>1</sup> Agency Information Collection; Comment Request; Currency Transaction Report, 89 Fed. Reg. 7,767 (Feb. 5, 2024).

## Currency Transaction Report Burden Estimate

Reporting and recordkeeping requirements associated with FinCEN's AML/CFT rules are a significant (and increasing) strain on credit union compliance resources. As one of the primary forms credit unions must submit to FinCEN on a regular basis, the CTR is frequently cited as a top compliance requirement that needs to be addressed. Specifically, FinCEN's rules require financial institutions to report each deposit, withdrawal, exchange of currency or other payment or transfer involving more than \$10,000. Such transactions require the filing of a CTR (FinCEN Form 112).<sup>2</sup>

Since completing a CTR places a reporting burden on impacted financial institutions, FinCEN is required under the Paperwork Reduction Act (PRA)<sup>3</sup> to provide an estimate of the burden associated with filing a CTR.<sup>4</sup> FinCEN has submitted a request to the Office of Management and Budget (OMB), as required under the PRA, to continue collecting information through the CTR from credit unions and other financial institutions that must comply with the AML/CFT reporting requirements. As part of this request, FinCEN estimates the average burden to complete a CTR is eight minutes.

Based on recent outreach, it is America's Credit Unions' understanding that it typically takes around eight to ten minutes for a credit union to complete a CTR. However, there are instances where it may take longer, such as if there is an error, which will take additional time to review and correct. FinCEN's estimate is primarily limited to the actual time to fill out the CTR. This estimate does not necessarily include ancillary factors, such as the time required to determine whether a CTR is necessary, which includes a thorough review of the specific facts for each potentially covered transaction. Thus, while the estimate of eight minutes per CTR appears reasonable, we ask FinCEN to assess whether additional factors, such as those noted above, are cause for the burden estimate to be increased.

## Outdated CTR Reporting Threshold

The \$10,000 threshold for filing a CTR was established in 1972 and has not been adjusted for inflation. If adjusted for inflation as of February 2024, the threshold would exceed \$75,000.<sup>5</sup> Viewed within the context of consumers' lives, in 1972 the CTR threshold represented 90 percent of the median annual income for an American family, 33 percent of the average sales price of a new home, and 312 percent of the average price for a new car.<sup>6</sup> In comparison, the CTR threshold

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<sup>2</sup> 31 C.F.R. § 1010.311.

<sup>3</sup> Public Law 104-13, 44 U.S.C. 3506(c)(2)(A).

<sup>4</sup> *Supra* note 1, at 7,768.

<sup>5</sup> See, Bureau of Labor Statistics Consumer Price Index Inflation Calculator, <https://data.bls.gov/cgi-bin/cpicalc.pl?cost1=10%2C000.00&year1=197201&year2=202402>.

<sup>6</sup> See, U.S. Census Bureau, Money Income in 1972 of Families and Persons in the United States, Report Number P60-90 (Dec. 1973), <https://www.census.gov/library/publications/1973/demo/p60-90.html>; U.S. Census Bureau, Median and Average Sales Prices of New Homes Sold in the United States, Annual Data,

now represents 13 percent of the median annual income for an American family in 2022, 2 percent of the median sale price of a new home in 2024, and 23 percent of the average price for a new car in 2024.<sup>7</sup> As inflation and the cost of living has skyrocketed past the CTR threshold, the CTR reports now frequently capture absolutely routine cash transactions of limited use to law enforcement.

While the individual reports themselves do not take significant time to file, credit unions report that the “sheer volume” of CTR reporting is a compounding burden on credit union resources and staff time.<sup>8</sup> Credit unions have reported that their CTR filings have increased by up to 40 percent year-over-year during the last five years.<sup>9</sup> Credit unions also report an increase in Suspicious Activity Report (SAR) filings in connection with suspicious activity; however, the increase in CTRs has clear, nationwide explanations that bear no relationship to money laundering or terrorist financing. As the frequency of reportable cash transactions has increased, and corresponding significance and usefulness of the reports has significantly decreased.

The current CTR threshold simply does not serve the goals and original intent of the Bank Secrecy Act (BSA). Further, the balance between useful reporting and burden on credit unions is wildly disproportionate. The current threshold should be increased to account for inflation and economic changes over the past several years.

America’s Credit Unions urges FinCEN to use its existing authority to increase the threshold to \$30,000.<sup>10</sup> For purposes of CTR filings, FinCEN established the \$10,000 threshold as provided in section 1010.311 of its regulations.<sup>11</sup> While 31 U.S.C. section 5313 requires financial institutions to report currency transactions, the statute provides FinCEN with latitude to establish the level at which reporting is mandatory.<sup>12</sup> Based on recent credit union feedback, increasing the threshold from \$10,000 to \$30,000 would reduce the annual number of CTR filings by roughly 90 percent, on average.<sup>13</sup> Thus, we urge FinCEN to increase the CTR filing threshold to \$30,000.

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[https://www.census.gov/construction/nrs/xls/usprice\\_cust.xls](https://www.census.gov/construction/nrs/xls/usprice_cust.xls); Marketplace, *Money and Millennials: The Cost of Living in 2022 vs. 1972*, <https://www.marketplace.org/2022/08/17/money-and-millennials-the-cost-of-living-in-2022-vs-1972/>.

<sup>7</sup> See, U.S. Census Bureau, *Monthly New Residential Sales, January 2024* (Feb. 26, 2024),

<https://www.census.gov/construction/nrs/current/index.html>; U.S. Census Bureau, *Income in the United States* (Sept. 12, 2023), <https://www.census.gov/library/publications/2023/demo/p60-279.html>; J.D. Power, *Increasing New-Vehicle Sales Drives Record Consumer Spending* (Feb. 22, 2024),

<https://www.jdpower.com/business/press-releases/jd-power-globaldata-forecast-february-2024>.

<sup>8</sup> America’s Credit Unions Member Feedback (received Mar. 22, 2024).

<sup>9</sup> *Id.*

<sup>10</sup> 31 U.S.C. § 5313.

<sup>11</sup> *Supra* note 2.

<sup>12</sup> “When a domestic financial institution is involved in a transaction for the payment, receipt, or transfer of United States coins or currency (or other monetary instruments the Secretary of the Treasury prescribes), *in an amount*, denomination, or amount and denomination, or under circumstances the *Secretary prescribes by regulation*, the institution and any other participant in the transaction the Secretary may prescribe shall file a report on the transaction . . . .” 31 U.S.C. § 5313(a) (emphasis added).

<sup>13</sup> *Supra* note 8.

Even increasing the threshold to \$30,000 would be conservative, representing 40 percent of 2022 median family income, almost 7 percent of the 2024 median sales price of a new home, and 68 percent of the 2024 average price of a new car.<sup>14</sup> America's Credit Unions supports the regular adjustment of this threshold. As an example, consider when a credit union member sells his or her vehicle and receives over \$10,000 in cash. The credit union may know the member, there may be absolutely nothing suspicious about the transaction, and the credit union may even be aware of a corresponding transaction to finance the purchase of a new car. Yet, credit union staff must dedicate time and resources to the completion and processing of a CTR which has absolutely no use to law enforcement. This is wasteful and inefficient.

While inflation or the cost of living are helpful metrics to contextualize these amounts, ultimately, the appropriate threshold amount and the frequency of its adjustment should be driven by how and the degree to which CTR reports have been successfully used by law enforcement.

## Conclusion

America's Credit Unions appreciates the opportunity comment on the information collection associated with filing a CTR. Should you have any questions or require any additional information, please contact Luke Martone, Senior Director of Advocacy & Counsel at [LMartone@americascreditunions.org](mailto:LMartone@americascreditunions.org) or (202) 508-6743.

Sincerely,



Luke Martone  
Senior Director of Advocacy & Counsel

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<sup>14</sup> *Supra* note 7.