



May 28, 2024

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

**Re: RFI and Comment on Customer Identification Program Rule Taxpayer Identification Number Collection Requirement - Docket Number FINCEN-2024-0009**

*Filed electronically via: [www.regulations.gov](http://www.regulations.gov)*

Dear Director Gacki:

CrossState Credit Union Association (CrossState) appreciates the opportunity to share comments from our members on the request for information (RFI) regarding the Customer Information Program (CIP) Rule requirement for financial institutions to collect a taxpayer identification number (TIN), among other information from a customer who is a U.S. person, prior to opening an account.

CrossState is a regional trade association that advocates for nearly five hundred credit unions located in the State of New Jersey and Commonwealth of Pennsylvania. Credit unions were formed for the purpose of making credit available to Americans and promoting thrift through a national system of nonprofit, cooperative financial institutions. Credit unions are owned by their members and governed by volunteer boards of directors elected by their membership. Earnings of credit unions are returned to their members through fewer and lower fees, higher yields on savings, and lower loan interest rates.

As part of their Anti-Money Laundering program (AML), the CIP Rule requires financial institutions to implement a written CIP that includes identity verification procedures to allow the financial institution to form a reasonable belief that it knows the identity of its customers. Currently, credit unions collect a SSN directly from the member. The RFI discusses the potential of credit unions utilizing third-party sources to obtain a full social security number (SSN) prior to an account opening. Additionally, the RFI promotes the possibility of credit unions being required to collect only the last four digits of a SSN at an account opening.

CrossState and its members strongly oppose modifying the current CIP regulations to require financial institutions to collect only the last four digits of a person's TIN or SSN. The proposal has the potential to increase credit unions' expenses, fraud, and errors. It would also not be compatible with current regulations that credit unions must follow.

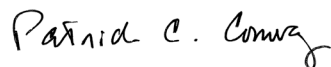
Many credit unions use third-party verification services at an account opening to verify that the SSN provided by the member matches the name and other information provided by the member. If the credit union were to depend on a third-party service provider not just for verification but also for providing the full SSN, it may result in increased costs. Creating an additional step to the verification process may take longer to open an account, potentially negatively impacting the member experience and increasing credit union costs.

Fraud and identity theft continue to rise, causing significant harm to consumers and credit unions. According to a 2021 Bureau of Justice Statistics report, victims whose personal information was misused to open a new account had higher direct losses on average than victims of bank account or credit card misuse.<sup>1</sup> This proposal could make it easier for fraudsters to manipulate information and profit from stolen identities if the credit union is only collecting the last four SSN digits.

Currently, credit unions must verify the full SSN of individuals opening an account to comply with Internal Revenue Service (IRS) requirements. The IRS requires credit unions to report dividends earned on accounts in amounts over \$10 annually on Form 1099. Credit unions must have the member sign a W-9 or similar form at an account opening. A W-9 must contain the payee's name and TIN and be signed and dated under penalties of perjury by the payee or person authorized to sign for the payee. Credit unions must also comply with components of the Bank Secrecy Act (BSA) requiring Currency Transaction Reports (CTR) be filed for cash transactions over \$10,000. Under BSA regulations, the credit union must record the SSN or TIN of the individual who conducted the transaction.

We appreciate and strongly support FinCEN's ongoing efforts to track and investigate financial crimes involving money laundering and terrorist financing. Despite FinCEN's intention to enhance the account opening procedure at financial institutions, as proposed in this RIF, altering the existing processes would not ultimately prove advantageous to either credit unions or consumers. Thank you for the opportunity to comment.

With best regards,



Patrick C. Conway  
President & CEO

cc: CrossState Board  
CrossState Government Relations Committee  
CrossState Regulatory Review Committee

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<sup>1</sup> U.S. Department of Justice, Victims of Identity Theft, 2021, published October 2023.  
[https://bjs.ojp.gov/document/vit21\\_sum.pdf](https://bjs.ojp.gov/document/vit21_sum.pdf)