



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D.C. 20551

DIVISION OF SUPERVISION
AND REGULATION

SR 20-20

August 14, 2020

**TO THE OFFICER IN CHARGE OF SUPERVISION
AT EACH FEDERAL RESERVE BANK**

**SUBJECT: Updated Fingerprinting Process Related to Applications Reviewed by the
Federal Reserve**

Applicability: This guidance applies to all financial institutions supervised by the Federal Reserve, including those with \$10 billion or less in consolidated assets.

PURPOSE: The Federal Reserve reviews applications and notices (collectively, “applications”) that may include the need to collect fingerprints in order to assess whether certain proposed shareholders and policymakers have the competence, experience, integrity, character, and financial resources to effectively lead a supervised financial institution in a safe-and-sound manner. This letter describes the new process to facilitate the electronic collection and transmission of fingerprints to the Federal Bureau of Investigation (“FBI”) in connection with background investigations associated with applications that involve changes to the ownership and/or composition of the board of directors or executive management of supervised financial institutions.

The Federal Reserve will continue to request from other regulatory and investigative agencies background information about an individual or company involved in applications through the name check process. Since 2003, the Federal Reserve’s background investigation process has included an FBI criminal history check through the submission of fingerprints. The Federal Reserve recently commenced using a third-party vendor to facilitate the electronic collection and transmission of fingerprints to the FBI. Electronic fingerprinting is a more efficient collection method relative to the previous card and ink process. Benefits associated with the new process include faster fingerprint processing time, cost savings, and reduced staff burden. In addition, applicants will benefit from a significantly increased number of fingerprint collection sites, and improved scheduling flexibility.

The new fingerprint process will not change the Federal Reserve’s overall process for determining whether an individual will be subject to name checks. The Federal Reserve generally will conduct name checks only on an individual that, upon consummation of an application, will become a principal shareholder or one of the top two policymakers of the

supervised financial institution. Reserve Bank staff will notify affected individuals of any fingerprint requirements and provide instructions on how to access the vendor's collection sites.

Reserve Banks are asked to distribute this letter to the Federal Reserve-supervised institutions in their districts, as well as to their supervisory and examination staff. Questions may be sent via the Board's public website.¹

Michael S. Gibson
Director

Cross References:

- SR letter 15-8, "Name Check Process for Domestic and International Applications".

Supersedes

- SR letter 03-10, "Enhancement to the Name Check Process Related to Applications Reviewed by the Federal Reserve".

¹ See <http://www.federalreserve.gov/apps/contactus/feedback.aspx>