



Submitted via Electronic Delivery
At reg.comments@federalreserve.gov

November 27, 2020

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: Docket No. R-1726; RIN 7100-AF97

Dear Ms. Misback:

Thank you for the opportunity to provide comments on the proposal by the Board of Governors of the Federal Reserve (FRB) and the Financial Crimes Enforcement Network (FinCEN). The Texas Bankers Association (TBA) appreciates the Agencies' willingness to consider the proposal's impact on the Texas banking industry. TBA is the nation's oldest and largest state banking trade association, representing over 400 banks of all sizes and charter types. Many of our members are chartered or have branches in the 46 Texas counties located within 100 miles of the Texas-Mexico border. We believe the proposal as published will negatively impact all banks offering cross border wire transfer services to their customers; however, we strongly believe Texas banks will be disproportionately impacted should the above-referenced proposal be implemented as originally published.

Simply put, the Texas Bankers Association does not support the proposed lowering of the threshold for the Recordkeeping Rule. Lowering the threshold from \$3,000 to \$250 for funds transfers and transmittals of funds by financial institutions that begin or end outside of the United States will burden banks across the entire state, but unduly burden those in our border communities. In attempting to make the case for the necessity for the proposal, the Agencies state they have "considered Suspicious Activity Reports (SARs) filed by money transmitters, which indicate that a substantial volume of potentially illicit funds transfers and funds occur below the \$3,000 threshold". The reliance on SARs to prove the necessity of this proposal does quite the opposite. Instead of proving it should happen, the Agencies make the case that it is unnecessary because when a bank files a SAR, it **must** retain the information contained therein.

The proposal's lowering of the threshold is unwarranted because if a bank is suspicious of a cross-border money transfer, it is already required to file a Suspicious Activity Report and retain the information relating to that SAR. The overwhelming majority of the wire transfers that flow across the border are from law-abiding citizens. In cases where a bank is concerned about a particular transaction, a SAR is filed and information about the transaction is retained. TBA urges the Agencies to withdraw this proposal.

Thank you in advance for your thoughtful consideration of our position.

Sincerely,


Celeste Embrey
Deputy General Counsel