



PRESS RELEASE

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Media Contact:
David Barr (202) 898-6992
dbarr@fdic.gov

Statement by FDIC Chairman Sheila C. Bair on the Bank Secrecy Act's Effectiveness and Efficiency

FDIC Chairman Sheila C. Bair today issued the following statement about Treasury Secretary Henry Paulson's Remarks on Protecting the Financial System and Effective Implementation of the Bank Secrecy Act at the offices of the Financial Crimes Enforcement Network (FinCEN):

"I applaud Treasury Secretary Paulson and FinCEN Director Freis for addressing the need to tailor administration of the Bank Secrecy Act (BSA) to the varying risk profiles of community banks. I've been a consistent advocate for a common sense approach to the obligations that BSA requirements impose on financial institutions. While the goal is to diminish the potential for money laundering and other illicit financial activity, the understanding that the vast majority of community banks may have less exposure should result in a more focused examination process. We welcome the opportunity to continue working with FinCEN and the other bank regulatory agencies to ensure that BSA guidance and procedures are effective and efficient for banks of all sizes.

"I commend FinCEN's continuing efforts to review money services businesses' (MSBs) compliance with the BSA. The FDIC has partnered with FinCEN, the Conference of State Bank Supervisors, and the Money Transmitter Regulators Association to ensure that issues surrounding the discontinuance of banking services for MSBs are being actively addressed. We are also looking forward to enhancing our knowledge of state agencies' MSB examination practices."



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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