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Rebeca Romero Rainey, *President and CEO*

December 4, 2020

The Honorable James M. Inhofe  
Chairman  
Committee on Armed Services  
United States Senate  
Washington, D.C. 20510

The Honorable Jack Reed  
Ranking Member  
Committee on Armed Services  
United States Senate  
Washington, D.C. 20510

The Honorable Adam Smith  
Chairman  
Committee on Armed Services  
U.S. House of Representatives

The Honorable Mac Thornberry  
Ranking Member  
Committee on Armed Services  
U.S. House of Representatives

Dear Chairman Inhofe, Ranking Member Reed, Chairman Smith and Ranking Member Thornberry:

On behalf of community banks across the country, with more than 52,000 locations, I write to express our support for the National Defense Authorization Act for Fiscal Year 2021 (NDAA) and to urge its swift passage. In particular, ICBA and community banks support provisions of the NDAA that will help our nation better combat money laundering and terrorist financing by modernizing the Bank Secrecy Act (BSA). We applaud the bipartisan and bicameral efforts that led to the inclusion of these provisions in the NDAA.

The BSA amendments contained in the NDAA will help prevent terrorists from using the financial system to fund their operations and prevent money launderers from hiding the proceeds of criminal activities. The bill would create a central database housed at FinCEN of company beneficial ownership information for use by law enforcement. This would effectively deter the use of shell companies, which are used for money laundering, corruption, fraud, terrorist financing and sanctions evasion, by creating more immediate transparency. This is a good start toward advancing needed relief from the onerous beneficial ownership reporting requirements on community banks. We encourage lawmakers to ensure more robust relief is achieved as these reforms are implemented.

The NDAA provides strong protections to ensure this information is not abused. It creates robust protocols for safeguarding this information by limiting access to authorized users within law enforcement agencies for law enforcement, national security, or intelligence purposes.

*The Nation's Voice for Community Banks.®*

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We urge you to use the present bipartisan momentum to begin to modernize and strengthen the BSA by passing the NDAA.

Sincerely,

/s/

Rebeca Romero Rainey  
President and CEO

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