
State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

For consumer assistance:
[Banking] 888-568-4547
[Insurance] 800-964-1784
[Securities] 877-550-3907
www.dfr.vermont.gov

Department of Financial Regulation
Testimony Outline
RE: Bill H.412

Bank Secrecy Act Overview

- Bank Secrecy Act (BSA) was enacted on October 26, 1970.
- BSA and related regulations require certain reports to be useful in criminal, tax or regulatory investigations or proceedings.
- USA PATRIOT Act was enacted on October 26, 2001 and is implemented by BSA.
 - Amended several portions of BSA.
 - Implemented the Customer Identification Program.
 - Requires minimum identification information, including a physical address.
 - Allows use of the street address of next of kin.
 - Federal exemptions for military addresses and victims of domestic violence.
- Applies to financial institutions regulated by DFR.

Implications

- Financial institutions responsibilities related to detecting and deterring criminal activity, including: money laundering, terrorist financing & human trafficking.
- Customers do not have to own or rent a home but must provide a physical address & identifying information.
- DFR does not contradict prohibiting discrimination relating to housing status.
- Concerns about the ease of misusing the financial system.

