

Supporting Statement  
OMB Control Number 1506-0035

Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Programs for Insurance Companies, Loan or Finance Companies, and Banks Lacking a Federal Functional Regulator (FFR)<sup>1</sup>

1. Circumstances necessitating collection of information.

The Financial Crimes Enforcement Network (FinCEN) is issuing this statement to support its request that the Office of Management and Budget (OMB) approve a proposed revision to a collection of information associated with a notice of proposed rulemaking (NPRM) in support of the Bank Secrecy Act (BSA).<sup>2</sup> The proposed rule implements section 6101(b) of the Anti-Money Laundering Act of 2020 (AML Act).<sup>3</sup>

On April 10, 2026, FinCEN published in the *Federal Register* a notice and request for comments a proposed rule to fundamentally reform the requirements for financial institutions' AML/CFT programs.<sup>4</sup> The proposed rule aims to ensure that financial institutions establish and maintain effective AML/CFT programs that better achieve the purposes of the BSA and lead to more effective outcomes for financial institutions as well as law enforcement and national security agencies. Through this rulemaking, consistent with its statutory authority as the administrator of the BSA, FinCEN is also proposing measures to modernize and reform federal supervision of AML/CFT programs by enhancing FinCEN's role in AML/CFT supervision and enforcement in coordination with Federal banking regulators. In addition, FinCEN is proposing regulatory amendments to promote clarity and consistency across FinCEN's program requirements for different types of financial institutions.

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<sup>1</sup> Pursuant to the Paperwork Reduction Act (PRA) requirements, FinCEN has historically accounted for the existing reporting and recordkeeping burdens associated with the AML/CFT program requirements for financial institutions using the following OMB control numbers: 1506-0020 (money services businesses, mutual funds, and operators of credit card systems); 1506-0030 (dealers in precious metals, precious stones, or jewels); 1506-0035 (insurance companies, loan or finance companies, and banks lacking a federal functional regulator); and 1506-0051 (casinos). FinCEN does not maintain existing OMB control numbers for the program requirements for banks, brokers or dealers in securities, futures commission merchants, or introducing brokers in commodities, or housing government sponsored enterprises. This supporting statement only pertains to a proposed revision to an existing collection of information applicable to insurance companies, loan or finance companies, and banks lacking a federal functional regulator under OMB control number 1506-0035. The AML/CFT program requirements for insurance companies, loan or finance companies, and banks lacking a FFR are found in 31 CFR 1025.210, 1029.210, and 1020.210(b), respectively.

<sup>2</sup> Certain parts of the Currency and Foreign Transactions Reporting Act, its amendments, and the other statutes relating to the subject matter of that Act, have come to be referred to as the BSA. These statutes are codified at 12 U.S.C. 1829b, 12 U.S.C. 1951-1960, and 31 U.S.C. 5311-5314 and 5316-5336 and notes thereto, with implementing regulations at 31 CFR chapter X.

<sup>3</sup> The AML Act was enacted as Division F, sections 6001-6511, of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. 116-283, 134 Stat. 3388 (NDAA).

<sup>4</sup> FinCEN, *Anti-Money Laundering and Countering the Financing of Terrorism Program*, 91 FR 18704 (Apr. 10, 2026) (2026 AML/CFT Program NPRM).

2. Method of collection and use of data.

AML/CFT programs help to ensure that insurance companies, loan or finance companies, and banks lacking a Federal functional regulator (FFR) comply with the BSA, including requirements related to retention and maintenance of reports and records, and ensure that such institutions are not used to facilitate money laundering or terrorist financing. These requirements will assist law enforcement in financial investigations, protect against terrorism and strengthen national security, improve financial institutions' ability to assess and mitigate risk, help prevent evasion of financial sanctions, facilitate tax compliance, enhance financial transparency of legal entities, and advance U.S. compliance with international standards and commitments. Compliance with these requirements is reviewed by Federal agencies to which FinCEN has delegated examination authority during BSA examinations.

3. Use of improved information technology to reduce burden.

Insurance companies, loan or finance companies, and banks lacking an FFR may—but are not required—to automate their AML/CFT program to meet their requirements.

4. Efforts to identify duplication.

There is no identical or similar information available, and therefore no duplication.

5. Methods to minimize burden on small businesses or other small entities.

Insurance companies, loan or finance companies, and banks lacking an FFR are required to document their AML/CFT programs and may use the method most suitable to their requirements.

6. Consequences to the Federal government of not collecting the information or less frequent collections.

A covered financial institution must maintain a copy of its AML/CFT program in writing and make the written program available for inspection upon request by FinCEN or one of its delegated examiners. If the information were not collected, or were collected less frequently, FinCEN and its delegated examiners would be unable to effectively assess financial institutions' compliance with the BSA.

7. Special circumstances requiring data collection inconsistent with guidelines in 5 CFR 1320.5(d)(2).

Under 31 CFR 1010.430(d), all records that are required to be retained by 31 CFR chapter X, including a written copy of the AML/CFT program, must be retained for a period of five years. Records must also be kept for five years to verify compliance with the requirement to maintain such a program, as such record may relate to civil penalty actions that are subject to statutes of limitation longer than three years.

8. Consultation with individuals outside of the agency on availability of data, frequency of collection, clarity of instructions and forms, and data elements.

Prior to the enactment of the AML Act, and as informed by the recommendations of the AML Effectiveness Bank Secrecy Act Advisory Group (BSAAG) working group, FinCEN published an ANPRM seeking public comment on potential regulatory amendments to increase the effectiveness of the current program rules (Effectiveness ANPRM).<sup>5</sup> FinCEN received 111 comments in response to the Effectiveness ANPRM, many of which generally supported the goals underlying the ANPRM.

In addition, on July 3, 2024, FinCEN published an NPRM proposing revisions to AML/CFT program requirements (2024 Program NPRM).<sup>6</sup> FinCEN received 86 comments from the public in response to the 2024 Program NPRM. Submissions came from a broad array of individuals and organizations, including members of Congress, the financial industry and related trade associations, groups representing small business interests, corporate transparency advocacy groups, regulatory associations, legal associations, and other interested groups and individuals. The proposed rule of April 10, 2026 supersedes the 2024 Program NPRM entirely. The public comment period on the new proposed rule closes on June 9, 2026.<sup>7</sup>

9. Explanation of decision to provide any payment or gift to respondents.

No payments or gifts were made to respondents.

10. Assurance of confidentiality of responses.

Information collected under an AML/CFT program established pursuant to 31 U.S.C. 5318(h) may be made available to appropriate law enforcement agencies and supervisory agencies.

11. Justification of sensitive questions.

There are no questions of a sensitive nature in the collection of information. Any personally identifiable information collected under the BSA is strictly controlled as outlined in FinCEN's Systems of Records Notice.<sup>8</sup>

12. Estimated burden.

Frequency: As required.

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<sup>5</sup> FinCEN, *Anti-Money Laundering Program Effectiveness*, 85 FR 58023 (Sept. 17, 2020).

<sup>6</sup> FinCEN, *Anti-Money Laundering and Countering the Financing of Terrorism Programs*, 89 FR 55428 (July 3, 2024).

<sup>7</sup> See the 2026 AML/CFT Program NPRM.

<sup>8</sup> See FinCEN, *Privacy Act of 1974, Systems of Records Notice*, [79 FR 20969](#) (Apr. 14, 2014).

Estimated Number of Respondents: 14,424 financial institutions.<sup>9</sup>

Estimated Total Annual Burden Hours: 49,502 hours.<sup>10</sup>

**Table 1. Summary of the PRA Burden and Costs, by Covered Financial Institution Type, Included under this OMB Control Number**

Type of Financial Institution	Hours per Respondent <sup>a</sup>	Number of Respondents	Total Burden Hours	Total Cost
Banks Lacking an FFR	52.17	365	19,041	\$2,372,107
Insurance Companies	2.17	717	1,554	\$193,535
Loan or Finance Companies	2.17	13,342	28,908	\$3,601,317
<b>Total</b>		<b>14,424</b>	<b>49,502</b>	<b>\$6,166,959</b>

<sup>a</sup> Hourly burden figures presented here are rounded to the nearest hundredth of an hour for presentation purposes. Total burden figures are produced using unrounded figures for accuracy.

13. Estimated total annual cost burden.

Estimated Total Annual Aggregate Cost: \$6,166,959 (49,502 hours multiplied by \$124.58).<sup>11</sup>

Table 2 is included here for illustrative purposes to highlight the portion of total recordkeeping burden modified in connection with the proposed rule.

**Table 2. Summary of the Pro Forma Change in PRA Burden and Cost Reflected in the**

<sup>9</sup> See the 2026 AML/CFT Program NPRM, section X.E.1, table 9.

<sup>10</sup> For the newly added pro forma burden hours and costs per activity covered under this OMB control number (i.e., those associated with ongoing customer due diligence and program approval) and the change in burden associated with the removal of 31 CFR 1021.210(b)(2)(vi), see the 2026 AML/CFT Program NPRM at sections X.E.2 and 3. For the previous burden hours per activity, which remain unchanged (i.e., maintaining and updating the written AML/CFT program, storing the written AML/CFT program, producing the AML/CFT program upon request, and program approval), see the previous supporting statement, FinCEN, *Anti-Money Laundering Programs for Insurance Companies, Loan or Finance Companies, and Banks Lacking a Federal Functional Regulator* (June 27, 2024), [https://www.reginfo.gov/public/do/PRAViewDocument?ref\\_nbr=202406-1506-005](https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202406-1506-005).

<sup>11</sup> To arrive at this wage rate, FinCEN first derives a general composite hourly wage of \$87.61 using Bureau of Labor Statistics (BLS) May 2024 mean wage data. *May 2024—National industry-specific and by ownership*, <https://www.bls.gov/oes/tables.htm>. This composite is calculated by averaging wages across six occupations (11-1010, 11-3021, 11-3031, 13-1041, 23-1010, and 43-3099) and nine groupings of North American Industry Classification System codes that are most comparable to the 11 categories of affected financial institutions in 31 CFR parts 1020–1030. FinCEN then adjusts this base wage to reflect total employer costs, including benefits. To do so, it applies a private sector benefits factor of 1.42, calculated from BLS Employer Costs for Employee Compensation data for private industry workers as of June 2024 (total compensation of \$43.94 divided by wages and salaries of \$30.90). *Employer Costs for Employee Compensation* data, [https://www.bls.gov/news.release/archives/ecec\\_09102024.pdf](https://www.bls.gov/news.release/archives/ecec_09102024.pdf). Applying this factor to the composite wage results in a fully loaded hourly rate of \$124.58 (\$87.61 × 1.42), which reflects total compensation, including benefits such as insurance and paid leave.

**AML/CFT Program Rule NPRM**

Type of Financial Institution	Change in Hours per Respondent	Number of Respondents	Change in Total Burden Hours	Change in Cost Due to Change in Burden
Banks Lacking an FFR	50	365	18,250	\$2,273,585
Insurance Companies	1	717	717	\$89,324
Loan or Finance Companies	1	13,342	13,342	\$1,662,146
Total		<b>14,424</b>	<b>32,309</b>	<b>\$4,025,055</b>

**14. Estimated annual cost to the Federal government.**

To implement the AML/CFT program for banks lacking an FFR, insurance companies, and loan or finance companies, FinCEN expects to incur operating costs of approximately \$0.9 million in the first effective year of the final rule and an average of \$0.8 million in each subsequent year.<sup>12</sup> These estimates include anticipated expenses related to rulemaking and maintenance, stakeholder outreach and support, compliance monitoring, and potential enforcement activities, as well as incremental increases to administrative expenses.

**15. Reason for change in burden.**

The change in burden presented in Table 2 is a result of (1) the newly articulated pro forma average annual 50-hour burden that banks lacking an FFR already incur associated with ongoing customer due diligence (18,250 hours) and (2) the newly articulated pro forma average annual one-hour burden associated with program approval for financial institution types that do not already have PRA burden associated with that activity. In this case, the new one-hour burden applies to insurance companies and loan and finance companies (14,059 hours).

In part, the change in aggregate burden is also attributable to certain changes in baseline populations of affected financial institutions, including (1) a decrease of 235 in the expected population of banks lacking an FFR (from 600 to 365), (2) a decrease of 3,961 in the expected population of insurance companies (from 4,678 to 717), and (3) an increase of 342 in the expected population of loan and finance companies (from 13,000 to 13,342).

**16. Plans for tabulation, statistical analysis, and publication.**

This collection of information will not be tabulated or compiled for publication.

**17. Request not to display the OMB expiration date.**

FinCEN requests that it not be required to display the expiration date so that the regulations will not have to be amended for the new expiration date every three years. This

<sup>12</sup> These estimates reflect the projected proportion of costs to FinCEN as presented in section VII.A.4.b.ii of the 2026 AML/CFT Program NPRM that would be expended in connection with the proposed regulation of banks lacking an FFR, insurance companies, and loan or finance companies specifically.

request will not affect the normal three-year PRA renewal process.

18. Exceptions to the certification statement.

There are no exceptions to certification statement.