

Statement by Chairman Travis Hill on the Proposal to Implement the BSA Program Rule

April 7, 2026

In 2021, Congress passed the AML Act,¹ the most substantial overhaul of the Bank Secrecy Act (BSA) in a generation, and the first since the USA Patriot Act was signed into law in 2001. In the AML Act, Congress directed FinCEN and the banking agencies to, among other things, modernize the BSA, ensure that bank BSA programs focus on high-risk areas that are important to law enforcement and national security agencies, and encourage technological innovation to more effectively counter money laundering and the financing of terrorism.

Banks currently devote enormous resources to complying with BSA requirements, while it is unclear to what extent much of that effort actually helps further law enforcement or national security efforts. Meanwhile, the risk of large fines due to BSA violations incentivizes banks to “debank” customers by denying or closing accounts.

Today, the FDIC Board is considering perhaps the most important of the reforms Congress envisioned in the AML Act. The proposal embraces a risk-based approach to supervision and would affirmatively encourage banks to allocate resources away from lower risk activities and toward higher risk activities. It would require that programs be established and effectively implemented in light of each bank’s particular risk assessment and profile. Banks, notably community banks that receive little direct feedback from law enforcement, would be able to rely on the Treasury Department’s “National Priorities” as they develop their risk assessments. The proposal seeks to avoid penalizing banks for “foot faults” or approaching exams as “box checking” exercises, and instead focuses on better aligning regulation with risk and avoiding having to wait until a massive failure to take action. At the same time, the proposal would still maintain the tools necessary for regulators to take action if, for example, a bank is accepting duffel bags full of cash from drug cartels or funding terrorists overseas.

I want to thank FDIC staff for their work on this proposal, along with the staffs of our interagency partners, and I look forward to receiving comments.

¹ Anti-Money Laundering Act of 2020, Pub. L. No.116-283, §§ 6001-6511, 134 Stat. 4547-4633 (2021).