



Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

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FinCEN Proposes Anti-Money Laundering/Suspicious Activity Reporting Rules for Fannie Mae, Freddie Mac, Federal Home Loan Banks

Proposed Rule to Further Ongoing Efforts to Combat Mortgage Fraud

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) today proposed regulations that would require government-sponsored enterprises (GSEs) Fannie Mae, Freddie Mac and the Federal Home Loan Banks to develop anti-money laundering (AML) programs and file suspicious activity reports (SARs) with FinCEN.

The GSEs currently file fraud reports with their regulator, the Federal Housing Finance Agency (FHFA), which then files SARs with FinCEN when the facts in a particular fraud report warrant a SAR under FinCEN's reporting standards. The [proposed regulations](#) would require that the GSEs file SARs directly with FinCEN, which will help streamline the reporting process, provide law enforcement with quicker access to data about potential fraud, and result in the reporting of a wider range of suspected financial crimes.

“This action is another step to help restore the integrity of the mortgage market,” said FinCEN Director James H. Freis, Jr. “Providing law enforcement with quicker access to data about potential financial crimes will help them better hold illicit actors accountable for mortgage fraud and other scams.”

FHFA Acting Director Edward J. DeMarco said, “This is a positive step and we are pleased to work with FinCEN on this project. The proposed rule will streamline the process and build on the efforts of FHFA and the GSEs to support law enforcement in its important work to fight mortgage fraud.”

FinCEN closely coordinated this proposal with the FHFA, to which FinCEN would delegate responsibility for examining the GSEs with compliance for the regulations. FinCEN anticipates

that new AML and SAR programs can be efficiently and effectively integrated into the GSEs' existing anti-fraud policies, procedures and training programs.

Another important benefit to the GSEs of developing an AML program and filing SARs directly with FinCEN is that the GSEs, including their directors, officers, and employees, will become subject to the Bank Secrecy Act's (BSA) "safe harbor" provisions, which are intended to encourage financial institutions to report suspicious activities without fear of liability from lawsuits by SAR subjects.

FinCEN has placed combating mortgage loan fraud and related criminal activity as one of its highest priorities over the past five years. FinCEN has a pending rule to apply AML program and SAR reporting requirements with respect to [non-bank mortgage lenders and originators](#) and has released [quarterly mortgage loan fraud reports](#) to track the type and number of suspected fraud.

FinCEN carries out its mission by receiving and maintaining financial transactions data; analyzing and disseminating that data for law enforcement purposes; and building global cooperation with counterpart organizations in other countries and with international bodies. The BSA, the nation's first and most comprehensive Federal AML and counter-terrorist financing statute, authorizes the Secretary of the Treasury to require certain records or reports where they have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, or in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism.

The comment period is open for 60 days from the date of publication in the *Federal Register*.

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*F*inCEN's mission is to enhance U.S. national security, deter and detect criminal activity, and safeguard financial systems from abuse by promoting transparency in the U.S. and international financial systems.