

Effective May 11, 2018 new rules become effective that will expand the customer due diligence (CDD) requirements for banks and credit unions. These rules are an important part of assisting the government in the fight against financial crimes and national security threats.

### What is required under the new Customer Due Diligences (CDD) rule?

All banks and credit unions will be required to implement enhanced procedures used to identify and verify the beneficial owners of legal entity customers each time a new account (checking, savings, money market, loan and certificate of deposit) is opened.

### Who is defined as a beneficial owner?

Each individual, if any, who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of a legal entity customer AND a single individual with significant responsibility to control, manage, or direct a legal entity customer including an executive officer or senior manager (CEO, CFO, COO, Managing Member, General Partner, President, Vice President, or Treasurer or any other individual who regularly performs similar functions).

### Who is defined as a legal entity customer?

A legal entity customer is defined as a corporation, LLC, or other entity created by the filing of a public document with the Secretary of State or similar office, a general partnership, and any similar entity formed under the laws of a foreign jurisdiction. This also includes limited partnerships and business trusts that are created by filing with the state office and any other entity created in this manner.

It does not include sole proprietorships, unincorporated associations, or natural persons opening accounts on their behalf.

### What type of information is required to be collected from beneficial owners?

Name, address, date of birth, social security number, physical address of residence, and current government issued I, such as a driver's license or passport, for individuals that own 25% or more of the equity interest of the legal entity customer, and individuals with significant responsibility to control, manage, or direct the legal entity customer.

### What information will be required prior to opening an account for a legal entity customer?

We will ask that you provide us with:

- Copies of business documents proving ownership and organizational structure

- Business Tax Identification Number (EIN)

We also ask that you contact us promptly upon any change in beneficial ownership information during your relationship with our credit union.