



Rural Development

June 15, 2018

Joel C. Baxley
Administrator

TO: State Directors
Rural Development

Rural Housing Service
1400 Independence Ave, SW
Room 5014-S
Washington, D.C. 20250

FROM: Joel C. Baxley /s/ *Joel C. Baxley*
Administrator
Rural Housing Service

Telephone: (202) 692-0268

SUBJECT: Supervised Bank Accounts

This Unnumbered Letter (UL) is reissued in response to continued questions on the use of Supervised Bank Accounts (SBA) with our housing programs. It replaces any previous ULs on this subject.

Pursuant to the Customer Identification Program (CIP) regulations at 31 CFR 1020.220, financial institutions are required to obtain certain identification information from customers who are opening an account. However, financial institutions are not required to obtain CIP information from Federal agencies opening an account, because Federal agencies are not considered “customers” for the purpose of CIPs, in accordance with 31 CFR §1020.100(c)(2) and 31 CFR §1020.315(b)(2). Government officials with signature authority and acting in the course and scope of their official Government duties fall under this exemption.

To assist banks in complying with 31 CFR 1020.220, a copy of this UL may be provided to bank compliance officers documenting the exemption of providing social security numbers when an employee is set-up for countersignature authority on the borrower’s SBA. It is recommended that Rural Development employees provide the bank with proof of being a Government employee, such as a copy of their Federal identification card.

If you have any questions regarding this UL, please contact the Single Family Housing Direct Loan Division, at (202) 720-1474, or Charlene Broussard of the Multi-Family Housing Portfolio Management Division, at (337) 262-6601, extension 142.

EXPIRATION DATE:
June 30, 2019

FILING INSTRUCTIONS:
Housing Programs