

July 20, 2017

TO: State Directors
Rural Development

FROM: Richard A. Davis /s/ *Richard A. Davis*
Acting Administrator
Rural Housing Service

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); 1020.315(b)(2). Government officials with signature authority and acting in the course and scope of their official Government duties fall under the exemption.

To assist banks in complying with 31 CFR 1020.220, a copy of this UL may be provided to bank compliance officers for their documentation regarding **NOT** requiring Rural Development employee’s social security numbers when an employee is set-up for countersignature authority on the borrower’s Supervised Bank Account.

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:
July 31, 2018

FILING INSTRUCTIONS:
Housing Programs