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**Board of Governors of the Federal Reserve System  
Federal Deposit Insurance Corporation  
Financial Crimes Enforcement Network  
Office of the Comptroller of the Currency**

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April 30, 2015

Commissioner Julie Menin  
New York City  
Department of Consumers Affairs  
42 Broadway  
New York, New York 10004

Commissioner Nisha Agarwal  
New York City  
Mayor's Office of Immigrant Affairs  
City Hall  
New York, New York 10007

Michael P. Smith  
President and CEO  
New York Bankers Association  
99 Park Avenue, 4th Floor  
New York, New York 10016

Dear Commissioners Menin and Agarwal and Mr. Smith:

The Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Financial Crimes Enforcement Network (collectively, the "Agencies") are in receipt of your letter dated November 25, 2014, regarding the newly instituted New York City Municipal Identification Card ("ID Card") and whether it can be used to verify identity under the customer identification program ("CIP") requirements when opening bank accounts. In addition, you are seeking guidance as to whether the ID Card's number may be used as an identification number for non-U.S. persons, and whether banks can rely on the ID Cards to open accounts when certain cards are issued without an address.<sup>1</sup>

The Agencies recognize the importance of ensuring public access to financial services in an environment that promotes trust and confidence. At the same time, supervisory requirements address oversight for compliance with the Bank Secrecy Act (BSA), which requires banks to

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<sup>1</sup> A limited number of cards will be issued without a residential address to individuals who can otherwise demonstrate identity and residence in New York City, but who are domestic violence survivors or homeless individuals.

adopt and implement a BSA/Anti-Money Laundering (AML) Compliance Program. One important component of a BSA/AML Compliance Program is a bank's CIP.

The CIP rule, 31 C.F.R. 1020.220, requires a bank to have procedures in place to identify its customers at account opening by obtaining at a minimum the customer's name, date of birth, address, and identification number, and to verify the customer's identity using documentary or non-documentary means. For a U.S. person, the identification number is their taxpayer identification number. For a non-U.S. person, their identification number may be from a passport, alien identification card, or any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

The rule also requires the bank to obtain from an individual customer a residential or business street address. For ID Cards issued without an address, the rule permits the individual customer to provide a residential or street address of next of kin or of another contact individual.

Banks using documentary methods to verify a customer's identity must have procedures in place that set forth the documents the bank will rely on to verify a customer's identity. The CIP rule neither endorses nor prohibits a bank from accepting particular types of government identification cards. Indeed, a bank's procedures may permit any unexpired, government-issued identification evidencing nationality or residence and bearing a photograph or similar safeguard. Ultimately, each bank's management must determine which forms of documentation are acceptable in meeting such requirements.<sup>2</sup> Other forms of identification may be used, alone or in combination, provided the bank is able to form a reasonable belief that it knows the true identity of the customer. *See*, Interagency Interpretive Guidance on Customer Identification Program Requirements under Section 326 of the USA PATRIOT Act, 2005 FAQs: Final CIP Rule, April 28, 2005. Therefore, a bank may accept the ID Card as a means of documentary verification as provided in the bank's CIP procedures. Since the ID Card is a government-issued document, its number may be used as an identification number for non-U.S. persons, provided the ID Card evidences residence in New York City and bears a photograph or similar safeguard.

Because the rule is risk-based, the bank must assess the risk presented by the customer. In some cases, the bank may determine that more information than the ID Card is necessary to verify the customer's identity.

In addition to satisfying CIP requirements, the bank should also assess the AML risks posed by the customer, and conduct appropriate due diligence to manage those risks. Please note that this letter only applies to the CIP requirements under the BSA and does not alter any other recordkeeping or reporting requirements calling for additional information, such as a taxpayer identification number.

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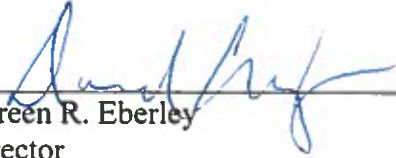
<sup>2</sup> A bank need not establish the accuracy of every element of identifying information or document obtained, but the institution must verify enough information to form a reasonable belief that it knows the true identity of the customer.

This letter represents the views of the Agencies. We hope you find this information helpful.

Sincerely,



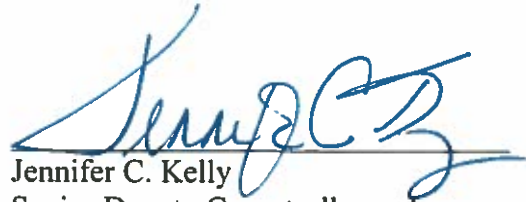
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