

# THE CREDIT UNION COLUMN

## NOTICE TO CONSUMERS: A CTR REFERENCE GUIDE

(Courtesy of FinCen)

The following is taken from the Federal Consumer's Guide on cash transactions:

Why is my financial institution asking me for identification and personal information?

Federal law requires financial institutions to report currency (cash or coin) transactions over \$10,000 conducted by, or on behalf of, one person, as well as multiple currency transactions that aggregate to be over \$10,000 in a single day. These transactions are reported on Currency Transaction Reports (CTRs). The federal law requiring these reports was passed to safeguard the financial industry from threats posed by money laundering and other financial crime. To comply with this law, financial institutions must obtain personal identification information about the individual conducting the transaction such as a Social Security number as well as a driver's license or other government issued documents. This requirement applies whether the individual conducting the transaction has an account relationship with the institution or not.

There is no general prohibition against handling large amounts of currency and the filing of a CTR is required regardless of the reasons for the currency transaction. The financial institution collects this information in a manner consistent with a customer's right to financial privacy.

Can I break up my currency transactions into multiple, smaller amounts to avoid being reported to the government?

No. This is called "structuring." Federal law makes it a crime to break up transactions into smaller amounts for the purpose of evading the CTR reporting requirement and this may lead to a required disclosure from the financial institution to the government. Structuring transactions to prevent a CTR from being reported can result in imprisonment for not more than five years and/or a fine of up to \$250,000. If structuring involves more than \$100,000 in a twelve month period or is performed while violating another law of the United States, the penalty is doubled.

## FOUR FIRST TIME HOMEBUYER MISTAKES

From CUInsight, buying your first home is one of the biggest purchases you'll make. It is an emotional experience. But it's crucial you don't let the excitement of homeownership blind you to potential pitfalls.

Here are four common missteps first-time homebuyers should avoid.

**Starting the search without a pre-approval.** Don't look at houses without knowing how much lenders (or your Credit Union) say you can afford. A pre-approval from a lender proves your creditworthiness, which means your offer will be taken seriously by sellers. And be realistic when also evaluating your own budget. Calculate all the costs involved: not just the monthly mortgage payments, down payment and closing costs. Have you planned for utilities, insurance, Homeowner Association fees, lawn care, pest control and more? Will you have any money left over to enjoy yourself now, handle any unexpected expenses and fund your future?

**Skipping the inspection.** Trying to save a few hundred dollars for an inspection now can cost you thousands later. This is your opportunity to discover any potential problems with the home before you buy. The last thing you want is to discover is that there's an electrical, plumbing, roofing, mold or foundation issue after you move in.

**Switching jobs or making a big purchase before closing.** It's not over until the closing is done. Lenders will look at your credit just before closing to make sure your financial situation hasn't changed. Wait until you have those keys in your hand before making any big purchases or career moves.

**Not learning more about the neighborhood.** Do your research. Real estate websites like Zillow and Trulia, and neighborhood apps like Nextdoor, can give you the scoop about what life is really like in your new hood, from safety to schools.

## WORDS OF WISDOM

*Every human has four endowments - self awareness, conscience, independent will and creative imagination. These give us the ultimate human freedom... The power to choose, to respond, to change.*

Stephen Covey



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ACCOUNTS INSURED UP TO \$500,000



American Share Insurance insures each account up to \$250,000. Excess Share Insurance Corporation provides up to an additional \$250,000 of insurance per account. This institution is not federally insured.