



MARIJUANA BANKING RISK ASSESSMENT

Please note that this risk assessment template is meant to be an example that walks you through the mechanics of the process and provides various risk considerations and rating definitions. You may revise the content and/or the rating definitions as appropriate for your institution. For each risk component, refer to the Rating Definitions to define your inherent risk. Assign the appropriate rating and then enter the controls you have implemented to mitigate that inherent risk. Determine your residual risk for each component (Inherent Risk – Mitigating Controls = Residual Risk) and indicate whether additional actions need to be taken. Each action entered in the far right column should translate into the Action Plan at the end of this document. *Residual Risk Ratings of Moderate or higher should have mitigating steps detailed, or a statement that Management and the Board have been apprised of the risk and are willing to accept the risk without mitigating measures.* **Please note that the “helper language” within the Inherent Risk sections below are for guidance purposes and you will need to comment on your specific inherent risks. Additional “helper language” has been included within these sections to help you think through your controls – be sure to place inherent risks and controls in their respective sections. The objective of this risk assessment is to thoroughly consider the factors that impact your ability to provide services to MRBs and to make an informed, well-supported decision whether to offer MRB services.**

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
LEGALIZATION						
Federal Perspective	<ul style="list-style-type: none"> Marijuana remains a Schedule I substance and therefore Federally illegal as of February 2019. As such, providing banking services to MRBs would be direct violation of Federal law, which could result in enforcement action, revocation of our banking charter, or other penalty The 2018 Farm Bill legalized industrial hemp, assuming compliance with shared state-federal requirements and THC restrictions. As a result, banks wishing to offer depository or lending services to such customers would not be violating Federal law (assuming the customer is in compliance with applicable rules). 		<ul style="list-style-type: none"> [Just a note here: There has not been observed enforcement of Federal law for states in which marijuana has been legalized and those institutions placed under enforcement action for banking MRBs have been criticized not for banking MRBs, but for failure to establish a sound infrastructure for managing associated risk] 			<ul style="list-style-type: none">

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
State Perspective	<ul style="list-style-type: none"> ▪ Discuss legality within your specific state, specifically addressing the legality (or lack thereof) of marijuana (medical or recreational), CDB and hemp ▪ Discuss the risk of enforcement action (through regulatory agencies and/or law enforcement) based on such situations publicized within your state and/or discussed with your examiners ▪ You might also discuss whether your State examiners have established examination procedures through which you can glean and understanding of how they will be examining your institution for compliance ▪ You can also discuss any examination results from your state examiners with respect to how/whether you've established a Marijuana Banking Policy and whether it is supported by a well-developed Risk Assessment <p>[The point is to discuss the inherent risk of banking MRBs at the state level]</p>		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪
OPPORTUNITIES						
Financial Institutions Banking MRBs Nationwide	<ul style="list-style-type: none"> ▪ Refer to statistics on financial institutions banking MRBs across the country and how they have been able 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
	<p>to do so. A good source is FinCEN’s Marijuana Banking Updates. The September 2018 Update can be found by clicking on the link. This component may relate to the section above discussing legality and the presence (or lack) of enforcement by regulatory agencies and/or law enforcement.</p>					
Financial Institutions Banking MRBs in our Market	<ul style="list-style-type: none"> Discuss the number of financial institutions that are banking MRBs in your market. You might have to dig for this data, but you might have a sense for those offering banking services in your area through your state banking association contacts 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">
Competition	<ul style="list-style-type: none"> What is the level of competition you might face in deciding to bank MRBs? This section will relate to the section above to determine whether banking MRBs would give you a competitive advantage or whether the level of banking in your area would wipe out potential for a competitive edge 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">
Revenue Potential	<ul style="list-style-type: none"> Given the dichotomy between state and Federal law, MRBs find it difficult to find a long-term banking solution, and as such, they are willing to pay for such services. What is the revenue potential you could realize by banking MRBs? What is the risk to other sources of revenue (i.e. your core customer base)? 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
	<p>What is the potential to grow revenue given expenses that must be incurred to effectively manage the risk?</p>					
Market Potential	<ul style="list-style-type: none"> What is the potential to gain market share by banking MRBs? Would it make you a market leader? Is this something you want to be known for? What is your risk appetite for being the leader of the pack in a high risk sector? 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">
Liquidity Potential	<ul style="list-style-type: none"> Banking MRBs could bring in significant deposits overnight, creating sizable non-interest income. It's important to determine any potential risk that such significant deposits may have on your loan-to-deposit ratio and funding strategies. Conversely, if you decide to exit any or all MRB relationships, what does the exodus of deposits do to your LTD ratio and funding strategies? 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">
DEFINING MRBs						
Tier I MRBs	<ul style="list-style-type: none"> Tiers not defined in regulatory guidance; tiers are a result of and industry white paper and resulting industry "best practice" Tier I would be defined as those directly related to seed-to-sale activities (e.g. growers, processors, distributors/dispensaries) and as such, must apply, and be approved, to hold such a license/registration within the 		<ul style="list-style-type: none"> This is where you'll discuss the due diligence you would do on the front-end and ongoing 			<ul style="list-style-type: none">

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
	<p>state. The Tier I MRB is then required to follow stringent rules to maintain that license/registration. For that reason, they may be your most compliant customers.</p> <ul style="list-style-type: none"> ▪ While Tier I customers may be those awarded state licenses or registrations, they could also be unlicensed or unregistered entities that are not approved to do business legally, which would present higher risk. ▪ Are you currently banking any Tier I MRBs? What is the inherent risk of banking your existing Tier I MRBs? ▪ Volume and types of Tier I MRBs currently banking with you ▪ What is the inherent risk of banking Tier I MRBs as new customers who do not have a pre-existing relationship with you? ▪ Be sure to consider farms or businesses engaged in “illegal hemp” as an MRB (i.e. hemp that contains more than 0.3% THC or that does not otherwise comply with state-federal guidelines for legal hemp) 					

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
	<ul style="list-style-type: none"> Address the risk of banking the employees of Tier I MRBs 					
Tier II MRBs	<ul style="list-style-type: none"> Tiers not defined in regulatory guidance; tiers are a result of and industry white paper and resulting industry “best practice” Tier II MRBs would be defined as those that do not generally “touch” marijuana, but focus on providing products and services to Tier I MRBs and the marijuana industry as a whole (e.g. suppliers, security firms, licensing consultants, etc.). Are you currently banking any Tier II MRBs? What is the inherent risk of banking your existing Tier II MRBs? Volume and types of Tier II MRBs currently banking with you What is the inherent risk of banking Tier II MRBs as new customers who do not have a pre-existing relationship with you? Address the risk of banking the employees of Tier II MRBs 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">
Tier III MRBs	<ul style="list-style-type: none"> Tiers not defined in regulatory guidance; tiers are a result of and industry white paper and resulting 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
	<p>industry “best practice”</p> <ul style="list-style-type: none"> ▪ Tier III MRBs may provide products or services to Tier I MRBs incidentally, but Tier I MRBs are not the focus (e.g. professional services, landlords, financial services, etc.). ▪ Are you currently banking any Tier III MRBs? What is the inherent risk of banking your existing Tier III MRBs? ▪ Volume and types of Tier III MRBs currently banking with you ▪ What is the inherent risk of banking Tier III MRBs as new customers who do not have a pre-existing relationship with you? ▪ Address the risk of banking the employees of Tier III MRBs 					
Legal Hemp	<ul style="list-style-type: none"> ▪ A business or farm investing in, cultivating, processing or distributing hemp products that contain less than 0.3% THC would be considered engaging in legal hemp activities, assuming that all other criteria established by the state’s legal hemp program are met. These customers would not be considered MRBs. Discuss the inherent risk of doing 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
	<p>business with legal hemp customers given your state's program (or lack of a program)</p> <ul style="list-style-type: none"> ▪ Are you currently banking legal hemp customers? What is the inherent risk associated with your existing customers? ▪ Volume and type of legal hemp customers currently banking with you ▪ What is your appetite for banking new legal hemp customers? ▪ Address the risk of banking the employees of legal hemp customers 					
SUITABILITY						
Regulatory Health	<ul style="list-style-type: none"> ▪ How well-positioned are you for taking on additional risk, operational activities, or expense? Consider your most recent examination ratings, focusing on both component and composite ratings. Ideally, you should be rated no less than a "2" in any component or composite rating ▪ Discuss most recent BSA/AML examination and compliance examination results 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
	<ul style="list-style-type: none"> What has been your institution’s historical response to exam findings and recommendations (e.g. timely, realistic, addressing root cause)? 					
Enforcement Action Activity	<ul style="list-style-type: none"> Are you currently under enforcement action, or do you have any possible pending enforcement actions? Undertaking a high risk function or high risk sector while an enforcement action is pending or in place would inherently pose additional risk to your institution. You may also be unlikely to be approved for such activity depending on the scope of your enforcement action. 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">
BSA/AML Audit Results	<ul style="list-style-type: none"> How well did you fare on your last BSA/AML audit? Did the audit uncover potentially higher risk areas or functions that need to be addressed? 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">
Capital Levels	<ul style="list-style-type: none"> How healthy are your capital levels? Speak to your capital levels in terms of regulatory definitions (e.g. well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, critically undercapitalized) 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">
Other Strategic Initiatives	<ul style="list-style-type: none"> Do you have any other strategic initiatives underway or planned (e.g. acquisitions, mergers, branching, staffing, products, services)? What is the risk of undertaking MRB banking 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
	<p>given these initiatives? Would it strain your resources or capital? What about technology impact?</p>					
Board Buy-In	<ul style="list-style-type: none"> ▪ What is your Board’s perspective on MRB banking? Has your Board been educated on the tiers and impact? The level of risk here is going to be dependent on whether the Board has appetite for banking MRBs or whether they would like to avoid the sector. 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪
Expertise and Staffing	<ul style="list-style-type: none"> ▪ Board designation of BSA/AML and Compliance Officers ▪ Discuss current staffing within the BSA and Compliance functions. Are staffing resources strained currently? Is there room for the existing staff to take on and effectively administer MRBs, or would you need additional staff? Does your current staff have the expertise to effectively oversee and administer a marijuana banking program? If you’ll need to expand staff, how will it strain your financial resources? Where will be seek such staff/expertise? What educational resources, training or other support will you need to provide to current and/or expanded staff? 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪
Technology	<ul style="list-style-type: none"> ▪ Will your current technology be sufficient to effectively monitor and manage MRBs? If you currently have a 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
	<p>manual monitoring system, the risk of adding MRBs to the function may pose higher risk than if you have a surveillance monitoring system in place.</p> <ul style="list-style-type: none"> Will you be willing to invest in newer, more specialized technology to administer MRBs? 					
Program Components	<ul style="list-style-type: none"> Have you established a sound BSA/AML Program, risk assessment and processes? Have you considered how the program may need to be expanded in order to provide a sound foundation for banking MRBs? Consider Board reporting. How would the content, scope and frequency of reporting change? 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">
Suspicious Activity Reporting	<ul style="list-style-type: none"> What is your current level of suspicious activity reporting? (volume) Banking MRBs would increase your SAR volume. Are you prepared to handle increased volume? If not, your risk here may be higher than if you have staffing, resources and technology to manage higher SAR volume. 		<ul style="list-style-type: none"> 			<ul style="list-style-type: none">

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
Currency Transaction Reporting	<ul style="list-style-type: none"> ▪ What is your current level of currency transaction reporting? (volume) ▪ Banking MRBs may increase CTR volume and likely will increase that volume until there are more electronic payment options available to MRBs. Are you prepared to handle increased volume? If not, your risk here may be higher than if you have staffing, resources and technology to manage higher CTR volume. 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪
MRB Non-Compliance	<ul style="list-style-type: none"> ▪ MRB compliance – initially and ongoing – is critical to your compliance. As such, the inherent risk of non-compliance your MRBs would be considered high. Consider how you will monitor for non-compliance. If you identify non-compliance, what is your course of action? Board reporting? SAR implications? 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪
Reputation	<ul style="list-style-type: none"> ▪ What is the risk to your reputation in banking MRBs? This may be dependent on how your state has addressed legalization. For example, in a state where it has been legalized medicinally or recreationally, there may be a general public acceptance of financial institutions banking MRBs, while in other states where legalization is not as prominent (e.g. pending, new, not fully legal), the public perspective may not 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
	<p>be as accepting</p> <ul style="list-style-type: none"> ▪ What is the risk to your current loan and deposit base if you undertake these relationships? ▪ What is the perspective from the shareholders? 					
TRAINING						
Board Level	<ul style="list-style-type: none"> ▪ Discuss whether the Board has received sufficient training related to marijuana banking to make an informed decision about how the bank should proceed in offering, or not offering, the bank's services to MRBs; if little or no training has been conducted, the risk of entering into MRB banking would be higher than if there was a solid understanding of the industry and banking responsibilities 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪
BSA/AML & Compliance Officers	<ul style="list-style-type: none"> ▪ Discuss the amount of training the BSA/AML and Compliance Officers have received with respect to the risk of banking MRBs. If these officers have attended little to no training, the risk would be considered higher than if the officers are well versed in the requirements, risks and responsibilities of their positions in administering MRB banking services 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
Customer-Facing Staff	<ul style="list-style-type: none"> ▪ Have your customer-facing staff (e.g. tellers, CSRs, lenders) received sufficient training in conducting customer due diligence to determine whether a customer is engaged in MRB activity? ▪ What would be a triggering event for refresher training? 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪
AUDIT						
BSA/AML Audit Expertise	<ul style="list-style-type: none"> ▪ Does your current BSA/AML audit function maintain sufficient expertise to be able to audit your program (e.g. policy, risk assessment, processes) with respect to marijuana banking? Would you need to seek additional/other expertise to obtain an effective audit for the MRB function? 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪
BSA/AML Audit Scope	<ul style="list-style-type: none"> ▪ Does your current BSA/AML audit scope include an assessment of your MRB activities? Would an expansion of scope be warranted and therefore more costly? 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪
Frequency of Audit	<ul style="list-style-type: none"> ▪ Discuss how frequently the BSA/AML Audit is performed in which MRBs are included within the scope. Will this frequency need to be adjusted? 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪
Response to Audit Findings	<ul style="list-style-type: none"> ▪ What is the bank's historical performance in addressing audit findings and recommendations (e.g. 		<ul style="list-style-type: none"> ▪ 			<ul style="list-style-type: none"> ▪

Risk Component	Inherent Risk	Rating	Controls	Rating	Residual Risk Rating	Action Steps
	timely, realistic, did actions address root cause)?					

MARIJUANA BANKING RISK SNAPSHOT

RISK COMPONENT	AVERAGE RESIDUAL RISK RATING	RISK LEVEL	DIRECTION OF RISK
Legalization			
Opportunities			
Defining Marijuana-Related Business (MRBs)			
Suitability			
Training			
Audit			
Risk Associated with MRB Activity			

RISK RATINGS

INHERENT RISK	EFFECTIVENESS OF CONTROLS	RESIDUAL RISK	DIRECTION OF RISK
1 – LOW 3 – MODERATE 5 – HIGH	1 – STRONG EFFECTIVE 3 – ADEQUATE 5 – WEAK	1 – LOW 3 – MODERATE 5 – HIGH	↑ INCREASING ↓ DECREASING ↔ STABLE

RISK DEFINITIONS

INHERENT and RESIDUAL RISKS

LOW

- Customers engaging in compliant industrial hemp practices/business are legal at the Federal level
- [State] has fully legalized marijuana (medical and recreational)
- Large number of financial institutions banking MRBs nationwide
- Large number of financial institutions banking MRBs in our state
- MRBs have been well-defined within policy
- The bank is well-capitalized
- The bank received a composite rating of “2” or above
- Examination component ratings are “2” or above
- The bank is not under, or being considered for, a formal or informal enforcement action
- The most recent BSA/AML examination revealed favorable results (strong or adequate)
- The results of the most recent BSA/AML audit were favorable
- There are no other strategic initiatives currently underway or planned
- The Board is open to offering MRB services and dedicated to providing the tools, resources and staffing to effectively administer MRB compliance responsibilities OR the Board is not open to offering MRB services and has established policy (supported by a sound risk assessment) to support that position
- The BSA and/or Compliance Officer is well versed in marijuana banking activities in the current environment
- The volume of SAR filings is low
- The volume of CTR filings is low
- MRBs have been well received within our market and we do not anticipate negative feedback if we provide MRB services

MODERATE

- [State] has legalized marijuana in some capacity (medical, recreational, CBD, etc.)
- Moderate number of financial institutions banking MRBs nationwide
- Moderate number of financial institutions banking MRBs in our state
- MRBs have been defined within policy, but examples are not fully illustrative of marijuana banking activity or industrial hemp is not sufficiently addressed
- The bank is adequately capitalized
- The bank received a composite rating of “3”

- Examination component ratings are generally “2s,” though one or two areas may be a “3”
- Informal enforcement action may be in place
- The most recent BSA/AML examination revealed generally favorable results (adequate or marginally adequate)
- The results of the most recent BSA/AML audit were generally adequate, but some weaknesses may exist
- There are other strategic initiatives underway or planned, but capital levels and resources should remain sufficient
- The Board does not unanimously support offering MRB services
- The BSA and/or Compliance Officer has a working knowledge of marijuana banking activities in the current environment
- The volume of SAR filings is moderate
- The volume of CTR filings is moderate
- While MRBs are generally accepted within our market, we may experience some reputational risk if we are known to be providing services to MRBs

HIGH

- Marijuana remains a Schedule I substance and is illegal at the Federal level
- Customers engaging in non-compliant hemp practices/business are illegal at the Federal level
- [State] has not legalized marijuana (medical or recreational)
- Low number of financial institutions banking MRBs nationwide
- Low number of financial institutions banking MRBs in our state
- MRBs have not been sufficiently defined within policy
- The bank is undercapitalized
- The bank received a composite rating below “3”
- Several examination component ratings are below “3”
- The bank is under formal enforcement action
- The most recent BSA/AML examination resulted in unfavorable results (marginal or weak)
- The results of the most recent BSA/AML audit were poor
- Significant other strategic initiatives are currently underway or planned; capital levels or resources may be strained by expanding product/service offerings to MRBs
- The Board supports offering MRB services, but will not expand technology, resources or staffing to support the function
- The BSA and/or Compliance Officer is not knowledgeable of and/or has no expertise with marijuana banking
- The volume of SAR filings is high

- The volume of CTR flings is high
- MRBs are not well received within our market and banking MRBs would pose significant reputational risk to our institution

EFFECTIVENESS of CONTROLS

STRONG | EFFECTIVE

- The bank has, or will invest in, a surveillance monitoring system and specialized MRB banking software
- The bank has a strong BSA/AML Compliance Program, Risk Assessment and processes
- The bank has established an effective customer due diligence process and it has been tested
- Current staffing and technology for SAR administration are effective
- Current staffing and technology for CTR administration are effective
- A process for identifying MRB non-compliance has been established and tested; actions to address non-compliance are well developed
- The Board is trained at least annually and periodically provided refresher training for BSA/AML requirements, including MRB impact
- The BSA and/or Compliance Officer attends regular training (classroom, seminars, webinars, etc.) for continuing education, including MRB impact
- Customer-facing staff have been provided training upon initial hire and at least annually on BSA/AML requirements, including MRB impact
- The bank's existing BSA/AML Audit source demonstrates expertise to effectively audit for MRB compliance and risk
- The scope of the BSA/AML Audit has been expanded in the last 12 months to include MRB impact
- The bank has demonstrated a history of taking timely, meaningful and effective corrective action that address root cause identified through BSA/AML audits or regulatory examinations

ADEQUATE

- The bank has a surveillance monitoring system in place, but has no plans for specialized MRB banking software
- The bank has an adequate BSA/AML Compliance Program, Risk Assessment and processes
- The bank has established an adequate customer due diligence process and it has been tested; improvement may be needed
- Current staffing and technology for SAR administration are adequate, but an increase may strain staff
- Current staffing and technology for CTR administration are adequate, but an increase may strain staff
- A process of identifying MRB non-compliance has been established, but is untested; actions to address non-compliance may warrant some improvement
- The Board is trained at least annually on BSA/AML requirements, but may not include MRB impact
- The BSA and/or Compliance Officer attends periodic training (classroom, seminars, webinars, etc.) for continuing education but may not include MRB impact

- Customer-facing staff have been provided training upon initial hire and at least annually on BSA/AML requirements, but training may not have addressed MRB impact
- The bank's existing BSA/AML Audit source demonstrates expertise to adequately audit for MRB compliance and risk
- The scope of the BSA/AML Audit has not been expanded in the last 12 months to include MRB impact, but will be expanded for the next BSA/AML audit
- The bank has demonstrated a history of taking corrective action in response to audit/exam findings, but findings may recur as root causes are not sufficiently addressed

WEAK

- The bank's BSA/AML program is largely manual and there are no plans to implement a surveillance monitoring system or specialized MRB software
- The bank has an insufficient or weak BSA/AML Compliance Program, Risk Assessment or processes
- The bank has established not an effective customer due diligence process
- Current staffing and technology for SAR administration are insufficient and an increase in filings would significant deplete staff and impact the effectiveness of the process
- Current staffing and technology for CTR administration are insufficient and an increase in filings would significant deplete staff and impact the effectiveness of the process
- A process of identifying MRB non-compliance has not been established; actions to address non-compliance have not been developed
- The Board is not provided BSA/AML training and/or trained on MRB impact
- The BSA and/or Compliance Officer do not attend regular training (classroom, seminars, webinars, etc.) for continuing education, including MRB impact
- Customer-facing staff have not been provided training upon initial hire and at least annually on BSA/AML requirements, including MRB impact
- The bank's existing BSA/AML Audit source does not demonstrate expertise to effectively audit for MRB compliance and risk
- The scope of the BSA/AML Audit has not been expanded in the last 12 months to include MRB impact
- The bank has not demonstrated a history of taking timely, meaningful and effective corrective action that address root cause in response to audit/exam findings

ACTION PLAN *(Based on mitigation steps defined throughout the risk assessment)*

	Action Step	Priority (H,M,L)	Assigned to	Target Completion Date	Status
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					
19.					
20.					
21.					
22.					

Date Last Updated: