

Information Regarding the Certification of Beneficial Ownership for Legal Entities

Why do I have to provide information on the owners of the business in order to open an account or to get a loan?

The federal government has issued regulations **requiring** financial institutions to collect information on the owners behind their legal entity customers before opening a deposit account or closing on a loan. The Federal Government has issued this requirement to help fight financial crime; this disclosure of the key individuals helps Law Enforcement investigate and prosecute those crimes.

What is a legal entity?

For the purpose of the regulation, a Legal Entity is any entity created by the filing of a document with the Secretary of State, a general partnership or any similar business formed in the United States or a Foreign Country. A Legal Entity, does not include Sole Proprietorship, Unincorporated Associations, or individuals opening accounts on their own behalf.

Are all financial institutions required to collect this information?

Yes, all Banks, Credit Unions and Brokerage Companies are required by the regulations to collect the information on their legal entity customers.

What information do I have to provide?

There is a certification form which needs to be filled out and signed by the individual representing the entity. The form will require the below information for the Beneficial Owners and a Control Person.

- Names
- Addresses
- Dates of birth
- Tax ID Number
- Identification

What is a Beneficial Owner?

Any individual who owns, either directly or indirectly 25% or more of the legal entity.

What is a Control Person?

An individual with significant responsibility for managing the legal entity. (ie: CEO, Managing Member, General partner, President, VP, Treasurer). In many cases the Control Person will also be an owner, therefore their information will be listed twice on the form. The Control Person may also be a Non-Owner.

What does signing the Certification mean?

Signing the Certification form means that the individual is stating that the information on the form is accurate and complete to best of their knowledge.

What if another entity is the owner?

Please note that the certification form must provide information on individuals, not other entities. If another entity is the owner, then the information on the individuals owning the other entity must be provided.

What if no individual owns 25% or more of the entity?

If no individual owns 25% or more of the entity, either because all of the owners own a smaller percentage or because it is a non-profit organization with no owners, then you will only need to complete the Control portion of the certification form.

Is the Certification Form needed for each new account and loan?

No, once the certification form is on file, we will simply confirm the information each time a new account is opened, or a new loan is closed. We do request that you notify us of any changes in ownership which would result in a new Certification form being required.

Do the percentages have to add up to be 100%

No, below are a few examples of how this form should be completed in certain circumstances:

- If four individuals own the entity, with each owning 25%, information on all four owners should be entered in the Ownership section. One individual should be entered under the Control section.
- If 2 individuals own the entity, in which one owns 80% and the other owns 20%, we only need the information on the one owning 80%. One individual would also be entered under Control Section.

What if an owner is not a U.S. Citizen and does not have a Social Security Number?

In this situation, leave the column for Social Security blank and enter the passport information into the column labeled "For Non-U.S. Persons".

Are CD rollovers and Loan Renewals considered new accounts if they were opened prior to the new regulation?

The Certification form will be required at the time of the first rollover/renewal, however your signature on the form states that the entity agrees to notify us of any future changes. A new Certification form will be required once we have been notified that changes have occurred.