

**County Mortgage, LLC
Newton, Massachusetts
MNLS#2162**

**Anti-Money Laundering Policy
September 10, 2014**

Money Laundering - Defined.....	1
Suspicious Activity - Defined.....	1
Suspicious Activity – Commercial Accounts	1
Suspicious Activity – Consumer Accounts.....	2
Enhanced Due Diligence for New Accounts	3
Minimum Identification Requirements – Commercial Accounts	3
Minimum Identification Requirements – Consumer Accounts	3
Enhanced Due Diligence – Other Factors.....	4
Dollar Limits for Filing an SAR	4
Identification of High-Risk Accounts	5
Procedures for Monitoring Compliance with this Policy.....	5
BSA Officer Training.....	5
Suspicious Activity Tracking Report.....	6

Anti-Money Laundering Policy

County Mortgage, LLC

The board of directors at County Mortgage, LLC (County) is committed to combating money laundering. Bank management will actively search for suspicious activity. When it is discovered, an officer will review it and making a recommendation as to whether a Suspicious Activity Report (SAR) should be filed.

The assigned officer will have ten (10) business days to conduct the review and make his recommendation. All recommendations will be made in writing and forwarded to the Bank Secrecy Act (BSA) Officer. The BSA Officer is responsible for reviewing the investigating officer's recommendation, and determining if an SAR should be filed.

The BSA Officer will file the SAR with the appropriate legal and regulatory authorities. All supporting evidence for the SAR will be maintained for a minimum of five (5) years, and will be securely stored. The BSA Officer will report to the board of directors the number of SARs filed each month, along with brief a summary as to dollar amount of the suspicious activities and why they were deemed that way.

Money Laundering - Defined

COUNTY has two definitions for money laundering:

- 1) It is the introduction of illegally obtained currency into the banking system.
- 2) It is using the banking system to illegally hide currency that was lawfully obtained.

It is not hard for criminals to obtain currency. However, until the currency is deposited into the banking system, their ability to utilize it is restricted. When banks knowingly accept the cash deposits of criminals, they legitimize (or launder) the proceeds. Accordingly, criminals must do business with banks. And banks like COUNTY must be diligent in detecting and reporting suspicious activity.

Suspicious Activity - Defined

It is impossible for the directorate to define all activity that would qualify as suspicious. However, the following guidelines quantify the types of suspicious activities that COUNTY will monitor for.

Suspicious Activity – Commercial Accounts

1. One or more cash deposits a week, that are structured avoid CTR reporting.
(Note: a deposit is considered structured if it is between \$8,000 and \$10,000.)

2. Two or more instances a week, where a customer makes two or more cash deposits on the same day, and the total of the deposits is between \$5,000 and \$8,000.
3. One or more instances a week, where a customer has made cash deposits to two or more related accounts, and the total of the deposits is between \$5,000 and \$10,000.
4. Cash deposits that are over \$10,000, and, that are 25% greater than the customer's second highest cash deposit.
5. Cash deposits that are over \$10,000, and, that are 150% of the customer's average cash deposits (ignoring inconsequential deposits that are below \$3,000).
6. Cash withdrawals of more than \$5,000, unless the withdrawal is made for payroll purposes.
7. Deposits of more than \$3,000, made in travelers checks or money orders.
8. Single purchase with cash of cashier's checks, travelers checks, or money orders for more than \$5,000.
9. Purchase of a CD with cash, for more than \$5,000.
10. Deposits of more than \$5,000 in a week, made primarily from wire transfers.
11. Check cashing customers, whose deposits of checks exceed by 50% the amount of cash they withdraw.
12. Two or more instances a week, where small bills (\$1, \$5, \$10, \$20) or exchanged for large bills (\$50, \$100), in excess of \$3,000.

Suspicious Activity – Consumer Accounts

1. Two or more deposits made during a week, where the total amount of the deposits is greater than \$5,000.
2. Two or more deposits made during a month, where the total amount of the deposits is greater than \$10,000.
3. Two or more cash deposits made during a quarter, where the total amount of the deposits is more than \$18,000.
4. Any cash deposit between \$8,000 and \$10,000.

5. Any cash deposit where the currency has a noticeable mildew aroma. Likewise, any cash deposit where the currency has an aroma that could be drug-related (e.g., alcohol, cannabis, or an unidentifiable sweet smell).
6. One or more cash withdrawals during a month, where the total amount is equal or above \$5,000.
7. Deposits equal or above \$3,000 in a day, made in travelers checks or money orders.
8. Purchase with cash of cashier's checks, travelers checks, or money orders for \$3,000 or more.
9. Purchase with cash of a CD, for \$3,000 or more.

Enhanced Due Diligence for New Accounts

One of the best ways for COUNTY to avoid being an unknowing accomplice to money launders is to properly identify new customers, when their account is opened. Accordingly, the minimum identification requirements for opening a new account are listed below. If a customer refuses or is unable to provide the requested information within ten (10) business days of opening his or her account, the account will be closed.

Minimum Identification Requirements – Commercial Accounts

1. Articles of Incorporation
2. Assumed Name Filing, if account is to be opened in a name other than that shown on the Articles of Incorporation
3. Board resolution authorizing the opening of the new account.
4. Letter of reference from prior bank (unless the company is newly formed).
5. Credit history for the company (unless the company is newly formed).
6. Most recent balance sheet and income statement (unless the company is newly formed; can be waived if customer has an existing relationship with the bank).
7. Last three bank statements (unless the company is newly formed; can be waived if customer has an existing relationship with the bank).

Minimum Identification Requirements – Consumer Accounts

1. One of the following forms of identification with a picture
 - 1) U. S. drivers license

- 2) Passport
 - 3) Alien registration card
2. If none of these forms of identification is available, the account can still be opened if the customer can supply two (2) of the following forms of ID.
- 1) Employer identification card
 - 2) Major credit card
 - 3) Two (2) current utility bills, showing the customer's current address

Enhanced Due Diligence – Other Factors

1. New customers are expected to live or work near an office of the bank.
Customer's that don't meet the residency requirement will be asked to explain why they choose to do business with COUNTY. Failure to provide a sufficient explanation will be grounds for denying the account.
2. Customers that asked to be excluded from CTR reporting will be reported to FinCen via an SAR. Also, their account will be closed.
3. Customers that refuse to provide the necessary information for filing a CTR will be reported to FinCen via an SAR. Also, their account will be closed.

Dollar Limits for Filing an SAR

The following guidelines will be used in determining when to file an SAR

1. Suspected insider abuse – Report any amount.
2. Suspicious transactions where the bank has identified a suspect – Report if amount equals or exceeds \$5,000.
3. Suspicious transactions where the bank has not identified a suspect – Report if amount equals or exceeds \$25,000
4. Known violations of the Bank Secrecy Act – Report if amount equals or exceeds \$5,000.

The BSA Officer will file SARs for amounts less than those specified above, if he or she has reason to believe the transaction is tied to an illegal activity.

Identification of High-Risk Accounts

Certain types of business are more likely to be involved with money laundering. Accordingly, all businesses that are classified as one of the following will receive increased scrutiny from the BSA Officer.

1. Check cashing
2. Currency dealer or exchanger
3. Convenience stores that sell travelers checks and/or money orders
4. Adult book stores
5. Adult entertainment clubs
6. Used car or motorcycle dealers that finance their own sales
7. Used boat dealers that finance their own sales
8. Movie theaters
9. Liquor stores
10. Apartment houses
11. Hotels

Procedures for Monitoring Compliance with this Policy

A minimum of once a year, COUNTY's internal auditor or an independent third-party will review the BSA Officer's suspicious activity file. The auditor will ensure that all identified suspicious activity was reviewed and appropriately handled. The auditor will also use the Cash Transaction Monitor System to search for suspicious activity that the BSA Officer may have missed.

BSA Officer Training

The BSA Officer will be allowed to attend two (2) one-day training classes per year. He or she will get to choose the training.

The BSA Officer will also be allowed to subscribe to a BSA newsletter service.

Suspicious Activity Tracking Report

To: Stuart N. Cole:

The following customer has been identified by the Company's compliance system as possibly being involved in money laundering.

Customer name: _____.

Customer account number: _____.

You are the Loan Officer/Branch Manager assigned to work with this customer. The board of directors at this bank has assigned you the responsibility of investigating this customer's suspicious activity. This form must be completed and returned to the bank's BSA officer by _____.

Please answer the following questions for this customer. If necessary, you may contact the customer. However, under no circumstances are you to tell the customer his or her transaction(s) are being investigated for money laundering.

1. Please attach a written summary that describes the circumstances that resulted in this customer having the following transaction(s).

2. Does COUNTY have another customer in this same business, that has comparable transactions? yes: _____ no: _____.

3. If Yes, please identify: Name: _____

Account number: _____

4. Please attach a written summary that explains why you feel that an SAR should or should not be filed for this customer.

Note: please be advised that "willful blindness" by an officer of money laundering activities is a crime under 18 U.S.C. 1956 & 1957, punishable by fines of up to \$500,000 and incarceration of up to five years.

314(a) Requests – What to Search

Type of bank record to search	Who to look for	Scope of search
Deposit records: DDA NOW accounts MMDAs Savings Certificates of Deposit	Match between named subject and: Accountholder name only	Current accounts and accounts maintained in the subject name within the preceding 12 months
Wire transfer records required to be kept under the BSA regulations	Match between named subject and: Originator/transmittor on wires originated through you; Beneficiary/recipient on wires where you were the receiving FI	Transactions conducted by a named subject within the preceding 6 months
Monetary instrument logs (or a recordkeeping equivalent) on sales of monetary instruments for cash between \$3,000 and \$10,000	Match between named subject and: Purchaser's name	Transactions conducted by a named subject within the preceding 6 months
Loan records	Match between named subject and: Borrower's name	Current accounts and accounts maintained in the subject name within the preceding 12 months
Trust department account records	Match between named subject and: Account titles that match subject name	Current accounts and accounts maintained in the subject name within the preceding 12 months
Securities account records (purchase, sale, loan, custody)	Match between named subject and: Named accountholders	Current accounts and accounts maintained in the subject name within the preceding 12 months
Safe deposit box records [only required to be searched if they can be searched electronically]	Match between named subject and: Renters, deputies, and other individuals authorized to access the box.	Current accounts and accounts maintained in the subject name within the preceding 12 months