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## Consumer Regulatory Compliance Audit and Review Services

### Sample Audits/Reviews

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#### Lending Compliance Audit/Reviews

- **HMDA Reviews** – quarterly monitoring of a sample of on-going production or annual compliance audit of controls in place to ensure accuracy and on-going compliance
- **Flood Disaster Protection Act** - flood determination certificate, notice to consumer regarding property is located within a flood zone, determination that appropriate amount of insurance is obtained at closing, monitoring procedures, force placement, remapping procedures
- **Regulation B - Equal Credit Opportunity Act, Other than Fair Lending (ECOA)** - Right to Copy of Appraisal Valuation Notice and Delivery of Evaluation, Adverse Action Notices, Notices of Incomplete Application, Credit Score Disclosure, Collection of Government Monitoring Information, Notice of Joint Intent, Notice of Action Taken
- **Regulation V - Fair Credit Reporting Act (FCRA) - (Loans)** - Permissible use to obtain a credit report, Adverse Action Disclosure if based upon credit report, Credit Score Disclosure, Notice to Home Loan Applicant, Risk Based Pricing Notices, Use of Medical Information
- **Regulation C - Home Mortgage Disclosure Act (HMDA)** - Disclosure to Consumer, Accurate Reporting on the HMDA Loan Application Register, signage, modified LAR, aggregate disclosure availability
- **Regulation X - Real Estate Settlement Procedures Act (RESPA)** - Homeownership Counseling Organizations Notice, Affiliate Business Arrangement Disclosure, Servicing Transfer Notice, Escrow disclosures, force placed hazard insurance requirements, timely payments, error resolution procedures, request for information, early intervention, continuing of contact, loss mitigation procedures
- **Regulation Z - Truth in Lending Act (TILA)** - Appropriate disclosure of amount financed, finance charge, annual percentage rate, payment summary schedule, adjustable rate product disclosure, right to rescind, points and fees test, determination of higher cost mortgages, valuation independence, adjustable rate mortgage rate change notice, periodic statement review, mortgage transfer disclosures, compliance with advertising requirements, ability to repay
- **TILA/RESPA Integrated Disclosures (TRID)** – review policies/procedures pertaining to origination of loans subject to TRID requirements, including pre-application requirements, fee definition (charged and prohibited), fee tolerance levels, timely delivery of Loan Estimate, list of service providers, “intent to proceed” methodology/documentation, disclosures, records retention, and staff training
- **Home Ownership and Equity Protection Act**
- **Homeowners Protection Act (PMI)** - PMI Disclosure indicating the borrower’s ability to terminate PMI, annual notices, monitoring procedures, cancellation notices
- **Military Lending Act**
- **Service Members Civil Relief Act**
- **SAFE Act**
- **State Regulations as applicable during sample testing**

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#### Deposit Compliance Review

- **Regulation DD - Truth In Savings Act (TISA)** - initial and subsequent disclosures, periodic statement review, e-sign requirements, overdraft requirements, maturity notices, consistent terminology review, compliance with advertising requirements
- **Regulation E - Electronic Fund Transfers Act** - initial and subsequent disclosures, periodic statements, e-sign requirements, error resolution procedures and notices, overdraft opt in/out procedures and notices, remittance transfer procedures
- **Regulation CC - Availability of Funds** - initial and subsequent disclosures, periodic training, placement of holds, proper completion of hold notices, check21 disclosures, dispute procedures, required notices
- **Regulation D - Savings, Money Market and Time Deposit Accounts** - review procedures for monitoring excessive transfers for appropriateness and perform testing to determine the Institution's practice is in line with its monitoring procedures
- **Overdraft Protection Privilege Program** - overdraft programs and services; policies and procedures; initial disclosures, including daily limits on overdraft fees; testing of procedure monitoring in regard to limiting use by consumers as a form of short-term, high-cost credit
- **Online Account Opening** – E-sign requirements for account opening to include prior consent and notice of availability of paper records, hardware and software requirements, notice of changes, record retention requirements, and disclosure requirements (if applicable)
- **Regulation V - Fair Credit Reporting Act (FCRA) - (Retail)** - permissible purpose to obtain a credit report, obtaining authorizations, disclosures, and adverse action notices for employment
- **Garnishment of Accounts Containing Federal Benefits** – review policies, procedures, and practices to ensure they are sufficient to ensure compliance with rule related to accounts for which a garnishment order has been received into which Federal benefit payments have been deposited
- **FDIC Advertisement of Membership and Insurance Rules** – assess compliance of signage posting and logo/"Member FDIC" use in oral and printed advertising; test sample ownership records for signature cards and account documents; determine distribution of "Your Insured Deposit" pamphlet to consumers and representatives not counseling consumers with regard to insurance limits
- **Website Review** - review of website/advertising policy and procedures to comply with regulatory requirements for Internet Website and Advertisements, testing of website/advertisements for deposit-related products and services for compliance to Regulation DD (Truth In Savings Act), including a review of disclosures and e-sign requirements
- **Social Media** – review of policies and procedures related to social media to comply with consumer compliance advertising requirements/record-keeping and retention requirements. testing of review and approval process of postings prior to publication, when applicable
- **Regulation F - Fair Debt Collection Practices Act (FDCPA)** – policy and procedures; customer communication; customer notification; foreclosure practices
- **RFPA - Right to Financial Privacy Act** - review the policy/procedure/process for receiving requests for information and perform testing to determine the Institution's practice conforms to its policy/procedures

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- **Regulation P - Privacy of Consumer Financial Information** - privacy form (web and paper), initial and annual disclosure, limits on sharing and re-disclosure, opt-outs
- **Regulation E - Remittance Transfer Rule** - if not a remittance transfer provider, review of transactions included in the calculation to ensure the Institution is under the exemption threshold; if a remittance transfer provider, review of policies and procedures, required disclosures, error resolution, and other processes
- **Non-Deposit Investment Products (NDIP)**

### **Identity Theft Prevention Program Review**

- 12 CFR 334.90 Identity Theft Red Flags
- Appendix J to Part 334 – Interagency Guidelines on Identity Theft Detection, Prevention, and Mitigation, including Supplement A
- 12 CFR 334.82 Duties of Users Regarding Address Discrepancies
- 12 CFR 334.91 Duties of Card Issuers Regarding Changes of Address

### **Community Reinvestment Review**

- Review the Institution's product offerings and business strategies; contents of the Institution's public file; board involvement; self-assessments; Community Development Lending; lending performance (assessment area and geographic distribution); CRA related activities; CRA Investments; policy and procedures; small business reporting; and training

### **Fair Lending Review**

- Testing may include review of Policies and Procedures, Second Look Program, Advertising, and/or Pricing; we can also select one product and review approvals vs. denials based on HMDA data or some other available criteria

### **Compliance Management System (CMS)**

- Review the design of the Compliance Management Program to determine its adequacy and effectiveness, including the Compliance Policy, applicable procedures and program structure
- Review the job descriptions of Compliance Department staff members to determine that all compliance responsibilities are covered and properly assigned
- Review compliance-related lines of authority and the compliance reporting process
- Review the compliance training program to determine if training is adequate and effective and meets regulatory requirements for content and frequency
- Review the existing Compliance Risk Assessment methodology to determine its adequacy and effectiveness in identifying areas of high compliance risk
- Review the internal compliance monitoring plan, schedule and scope for adequacy

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- Review completed compliance monitoring reports and work papers and corresponding management responses and corrective action
- Review the most recent compliance examination, as well as compliance audit reviews and any required corrective action
- Review the consumer complaint handling and response system
- Review the Vendor Management program as it pertains to compliance
- UDAAP Risk Management overview

### **UDAAP Risk and Compliance Review**

- UDAAP Policy and Related Internal Procedures
- Complaint Tracking and Management Monitoring
- Product Development and Existing Services/Delivery Review of high-risk activities
- Advertising and Marketing Review
- Staff Training