

CFPB Watch:

The Latest Headlines &
How to Keep from Becoming a Headline Yourself

Bill Himpler

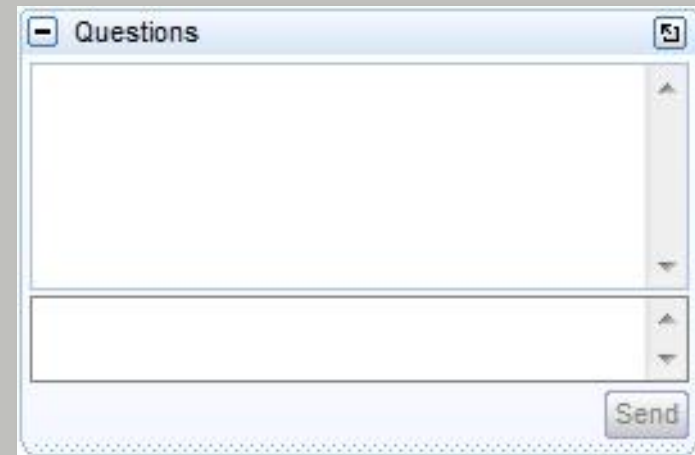
Executive Vice President
AFSA

Brian Larson

Director of Sales,
Financial Services
Complí

Before We Jump In...

- Session materials & recording available next week
- Ask lots of questions!
- Quick Disclaimer



Our Guests Today



Bill Himpler

Executive Vice President
American Financial
Services Association



Brian Larson

Director Sales,
Financial Services
Complí

Poll

How does your company
manage workforce compliance
initiatives today?

Is a CMS Really Required?

Let's look at some case studies...

The Cost of Non-Compliance

American Express Bank

\$27.5 million penalty

What Happened?

- UDAAP violations
- Deficient CMS
- Ineffective training program
- Did not monitor complaints
- Ineffective management oversight and control
- Chief Compliance Officer turnover
- Insufficient compliance staffing

The Cost of Non-Compliance

Citibank

\$35 million penalty

What Happened?

- UDAAP violations
 - 3rd party marketing
 - Credit card add-on products
- Insufficient oversight
 - Compliance management system
 - Vendor management
- Reporting issues

The Cost of Non-Compliance

Discover Bank

\$14 million penalty

- UDAAP violations by 3rd party marketers

Drive Time

\$8 million penalty

- Did not address audit issues
- CFPB required independent policy & procedure review

JP Morgan Chase

\$20 million penalty

- UDAAP violations by 3rd party add-on servicer

A Good CMS Can Save You Money

...the CFPB expects every regulated entity under its supervision and enforcement authority to have an effective compliance management system adapted to its business strategy and operations...

Excerpt from the
CFPB Examination Manual

A Company's CMS is the Foundation



Poll

What percentage of time does
your compliance team devote to
Fair Lending compliance issues?

Automate Your Compliance Program

The List of Rules and Regulations is Long

- TRID
- Introduction to Non-Mortgage Consumer Lending
- OFAC Compliance
- SCRA (Servicemembers Civil Relief Act)
- The Electronic Fund Transfer Act and Regulation E
- The Equal Credit Opportunity Act and Regulation B
- The Fair Credit Reporting Act and Regulation V Adverse Action Notices
- The Fair Credit Reporting Disposal Rule
- The Fair Credit Reporting Furnisher and Dispute Rule
- The Fair Credit Reporting Permissible Purpose
- The Fair Credit Reporting Red Flags Rule
- The Fair Credit Reporting Risk Based Pricing Rule I
- The Fair Debt Collection Practices Act
- The Gramm-Leach-Bliley Act and Regulation P
- Truth in Lending Act/Regulation Z
- Unfair, Deceptive and Abusive Practices



A Manual Approach No Longer Works



Something Eventually Drops

- Behavior incident
- Lawsuit
- Visits from regulators
- Missed deadlines
- Delayed programs
- Late audit reports
- Lost confidence



Automating Your CMS

We think we're doing it right, but we can't prove it.

Look at how much time and money we're wasting.

Keeping track through spreadsheets is overwhelming.

Nothing Falls Thru The Cracks

- Predictable Outcomes
 - Every compliance initiative defined
 - Repeatable workflows based on your business
 - Ensure the right people do the right thing every time
- Compliance at a Glance
 - Continuous tracking and monitoring
 - Executive dashboards
 - Auditable, defensible reports



Recap: How to Stay Out of the Headlines

A Good CMS is a Requirement in the Age of the CFPB

Automating your CMS

- Saves you time
- Saves money
- Makes sure nothing slips through the cracks

Questions?

For more tactics to help you stay out of the headlines, check out Compli's new eBook



Thank You!

info@compli.com
www.compli.com