



10 COMPLIANCE AREAS YOU DON'T WANT TO OVERLOOK

STEPHEN R. KING, JD, AMLP

With the increasing regulatory environment, financial institutions have a great deal of work to ensure they are up to date on compliance. Since community-based financial institutions lack the staffed compliance department of the larger banks, it's very possible that smaller, more routine compliance steps could be overlooked when attention and resources are focused on the bigger, more complex compliance requirements.

To help make sure that you are in compliance on as many fronts as possible, here is a checklist of 10 easily overlooked compliance activities that your financial institution should be working on over the year.

COMPLIANCE ISSUES TO LOOK AT RIGHT AWAY

1. Review and Prepare for HMDA LAR and CRA Loan Report and make sure it has all up-to-date information on your financial institution. You must file this by March 1st.
2. Perform the financial institution's annual compliance risk assessment and corresponding compliance audit plan to document the Bank's evaluation of each area and substantiate how certain areas are risk

rated. Present the risk assessment and the corresponding audit plan to your Audit Committee.

COMPLIANCE ISSUES RELATED TO THE BANK SECRECY ACT

3. Perform the financial institution's annual Bank Secrecy Act requirements such as the annual independent audit, overall Bank Secrecy Act and OFAC risk assessments. There are also the more technical Enhanced Due Diligence customer risk ratings, and CTR Reporting Exemption Qualification reviews. Present the overall Bank Secrecy Act and OFAC risk assessments to your Audit Committee.

COMPLIANCE ISSUES RELATED TO ID THEFT

4. Evaluate the financial institution's Identity Theft risk assessment and performance and then determine if any significant changes have occurred. Report these results to the Board for approval.

COMPLIANCE AREAS RELATED TO FAIR LENDING AND UDAAP

5. Evaluate the financial institution's Fair Lending policies, procedures, performance and internal controls through risk assessment, testing and analysis to



determine their adequacy and compliance with the applicable requirements.

6. Evaluate the financial institution's UDAAP policies, procedures, performance and internal controls to determine their adequacy and compliance with the applicable requirements.

COMPLIANCE ISSUES RELATED TO THE FINANCIAL INSTITUTION'S POLICIES AND OPERATIONS

7. Schedule and attain Board approval for all applicable compliance policies. Make sure that the Board is approving not just the big compliance policies but all compliance policies.

8. Update the financial institution's CRA Public File so it includes the most current and accurate information.

9. Renew SAFE Act MLO registration to ensure proper identification of qualified employees and accurate registration. Perform and document all required compliance training in areas of the Bank Secrecy Act, Fair Lending, SAFE Act, GLBA, ID Theft, and Board Training.

10. Verify that applicable lending disclosures are updated such as the ARM Loan Program Disclosures and Home Equity Line of Credit Early Disclosure.

Take the time to review this list and share it with your team. Ensuring that you are up to date on all of these compliance issues now will save you time, resources, and trouble later on.

STEPHEN R. KING, JD, AMLP
DIRECTOR, REGULATORY
COMPLIANCE SERVICES
617-428-5448
SKING@WOLFANDCO.COM

WOLFANDCO.COM
© 2014 Wolf & Company, P.C.