



California Bankers Association 2023 Bankers Summit

FTI Consulting's Automated Disputes Handling Tool

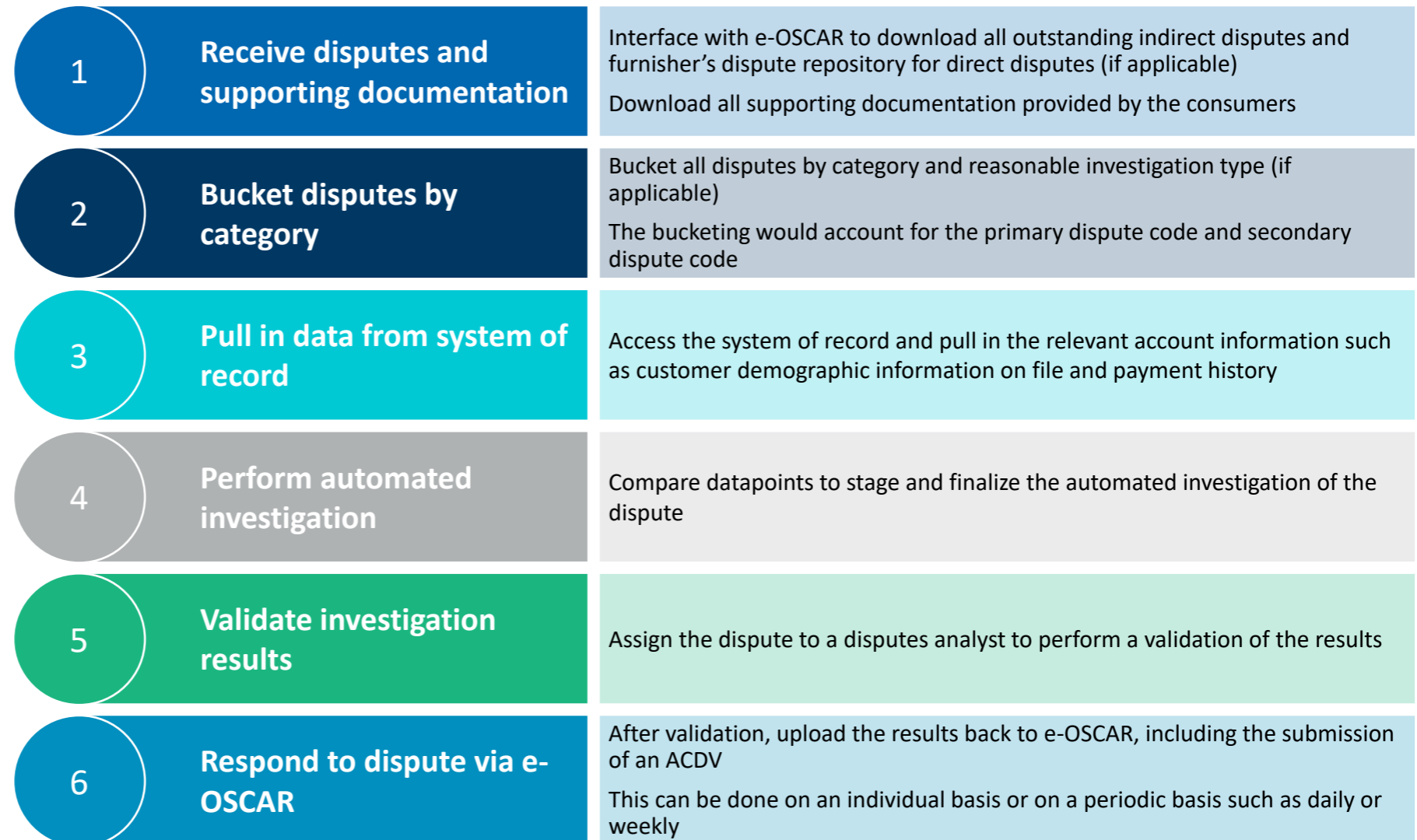
How Automated Credit Dispute Handling Can Reduce
Costs By 90%

High-Level Process and Overview

Since 2020, there has been a significant increase in the number of credit disputes while financial institutions continue to feel the strain of hiring and retaining the staff that process them.

These clashing trends have led institutions to seek more automation in their disputes handling processes.

FTI Consulting has developed a prototype tool for automated indirect dispute handling, which follows the high-level process outlined here.



Comparison to a Manual Process

Automated disputes handling frees up resources for more complex analysis and investigations.

Process Step	Typical Manual Process	Dispute Handling Tool
1. Receive disputes and supporting documentation	Manual	Automated
2. Bucket Disputes by category	Automated	Automated
3. Pull in data from system of record	Manual	Automated
4. Perform automated investigation	Manual	Automated
5. Validate investigation results	Manual	Manual
6. Respond to dispute via e-OSCAR	Manual	Automated

Potential Cost Savings Example

Using the assumptions detailed in the illustrative example below on disputes handling, we believe disputes automation can simplify disputes reviews and significantly reduce the review time per dispute.

Approach	# of “Not His / Hers” Indirect Disputes / Month	Estimated Minutes / Dispute Review	Total Minutes / Month	Total Hours / Month (A)	Estimated Hourly Rate of Disputes Analyst (B)	Estimated Monthly Cost (A x B)
Current Process	650	10	6,500	108	\$20	\$2,160
Dispute Handling Tool		~1	650	11		\$220
Estimated Cost Savings						(\$1,940) per month

Based on the estimates above, a furnisher could expect to see cost savings of ~\$1,940 per month or ~\$23,000 annually on “not his / hers” disputes alone. The savings here can be reallocated for special projects (e.g., furnishing remediation) and/or investigating more complex disputes

FTI Consulting: EXPERTS WITH IMPACT

FTI Consulting is an independent global business advisory firm dedicated to helping organizations **manage change, mitigate risk** and **resolve disputes**: financial, legal, operational, political & regulatory, reputational and transactional.

Individually, each practice is a leader in its specific field, staffed with experts recognized for the **depth of their knowledge** and a track record of **making an impact**.

Collectively, FTI Consulting offers a comprehensive suite of services designed to assist clients across the business cycle – from proactive risk management to the ability to respond rapidly to unexpected events and dynamic environments.

At a Glance



7,600+
Employees
Worldwide

Advisor to
99 of the world's
top **100** law firms

\$6.1B

Market Cap¹

50

Advisor to the world's
top **50** bank holding
companies



31
Countries

82

of Fortune Global 100
corporations are clients

50/100

Advisor to **50** of the
top **100** Private
Equity International
(PEI) firms

700+

SMDs

What Makes us Unique



Definitive Expertise

Our professionals are experts, with extensive, practical experience in applying that expertise to generate a decisive impact.



A Culture that Delivers

Our culture and working style reflect a bias for the tangible and a tenacity for solutions that make a meaningful difference.



Comprehensive Services

Our practices, as standalone offerings and comprehensive solutions, address the many interconnected issues our clients face.



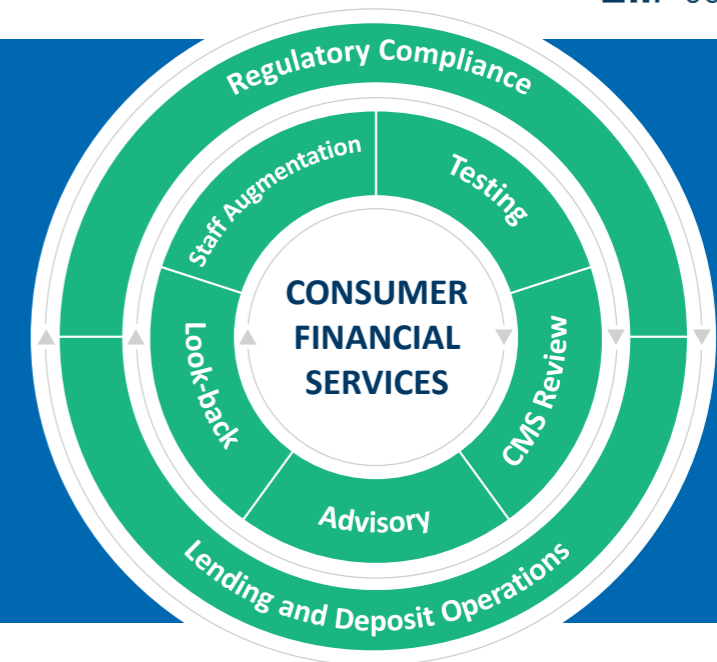
Industry Experience

Our industry groups are staffed with seasoned practitioners who possess many years of hands-on management and operational experience in 16 industries.

1. Number of total shares outstanding as of February 16, 2023, by the closing price per share on February 23, 2023.

Consumer Financial Services (CFS)

Our team consists of former financial institution compliance and operational risk executives, CFPB regulators, and experienced consultants. We employ our deep industry knowledge to partner with clients to develop strong Compliance Management Systems (“CMS”) and mitigate risk with the goal of reducing regulatory scrutiny, as well as through regulatory issue management and crises remediation.



Service Areas:

- **Regulatory Compliance** – We understand the regulatory perspective and help clients avoid unwanted regulatory scrutiny as well as resolve identified compliance gaps. We have extensive experience working with the FRB, OCC, CFPB, FTC, FDIC, state banking regulatory agencies and other government agencies.
- **Lending and Deposits** - We help clients navigate the risks of their consumer loan and deposit account portfolios, particularly in identifying and addressing issues that may result in regulatory or reputational concerns. For example, we perform proactive transactional testing as part of ongoing compliance monitoring or look-back reviews resulting from regulatory findings or legal disputes.

Product Offerings:

- **General Compliance Advisory**
- **CMS Build or Assessment**
 - **Governance and Reporting**
 - **Policies and Procedures**
 - **Complaints Management**
 - **Training Review and Build**
 - **Third Party Risk Management**
- **CFPB Readiness Reviews/Mock-examinations**
- **Risk and Control Self-Assessments (RCSA)**
- **Compliance Staff Augmentation**
- **Regulatory Action Remediation including Look-back Reviews**
- **Transaction or Account Level Review and Testing**
- **Fair Lending and HMDA Reviews and Analysis**
- **Expert Witness**

Regulatory Expertise:

- **ECOA** - Equal Credit Opportunity Act
- **EFTA** - Electronic Funds Transfer Act
- **Fair Housing Act**
- **FCRA** - Fair Credit Reporting Act
- **FDCPA** - Fair Debt Collection Practices Act
- **FDPA** - Flood Disaster Protection Act
- **GLBA** - Gramm-Leach-Bliley Act
- **HMDA** - Home Mortgage Disclosure Act
- **RESPA** - Real Estate Settlement Procedures Act
- **SCRA** - Servicemembers Civil Relief Act
- **TILA** - Truth in Lending Act
- **TISA** - Truth in Savings Act
- **TCPA** – Telephone Consumer Protection Act
- **TRID** - TILA/RESPA Integrated Disclosures
- **UDAAP** - Unfair, Deceptive or Abusive Acts or Practices

Contact Us



Margaret Shea

**Managing Director
Financial Services**

margaret.shea@fticonsulting.com

Margaret Shea is a Managing Director in the Financial Services practice based in San Francisco, CA.

Ms. Shea has industry expertise in consumer lending, operational risks and controls, operational effectiveness, and disputes and litigation. Ms. Shea has over 16 years of experience providing regulatory compliance, forensic accounting and investigations, financial analysis, and dispute resolution consulting services.

Currently, Ms. Shea manages and performs reviews and risk assessments of operational controls on behalf of financial institutions in response to mitigating regulatory compliance, operational and reputational risks. She has led multiple teams performing risk and controls self-assessments.

To learn more about FTI Consulting's Automated Disputes Handling Tool and our Consumer Financial Services Practice, visit us at Booth 20 or scan below:



EXPERTS WITH IMPACT™

The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc., its management, its subsidiaries, its affiliates, or its other professionals. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities.

©2023 FTI Consulting, Inc. All rights reserved. fticonsulting.com

