
COMPLIANCE MANAGEMENT SYSTEM: AN EFFECTIVE ISSUES AND CORRECTIVE ACTION NETWORK



COMPLIANCE
ALLIANCE

KNOWLEDGE. CLARITY. RELIABILITY.

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WHAT IS A COMPLIANCE MANAGEMENT SYSTEM (CMS)



A CMS is
how a bank:

Assesses
Responsibility

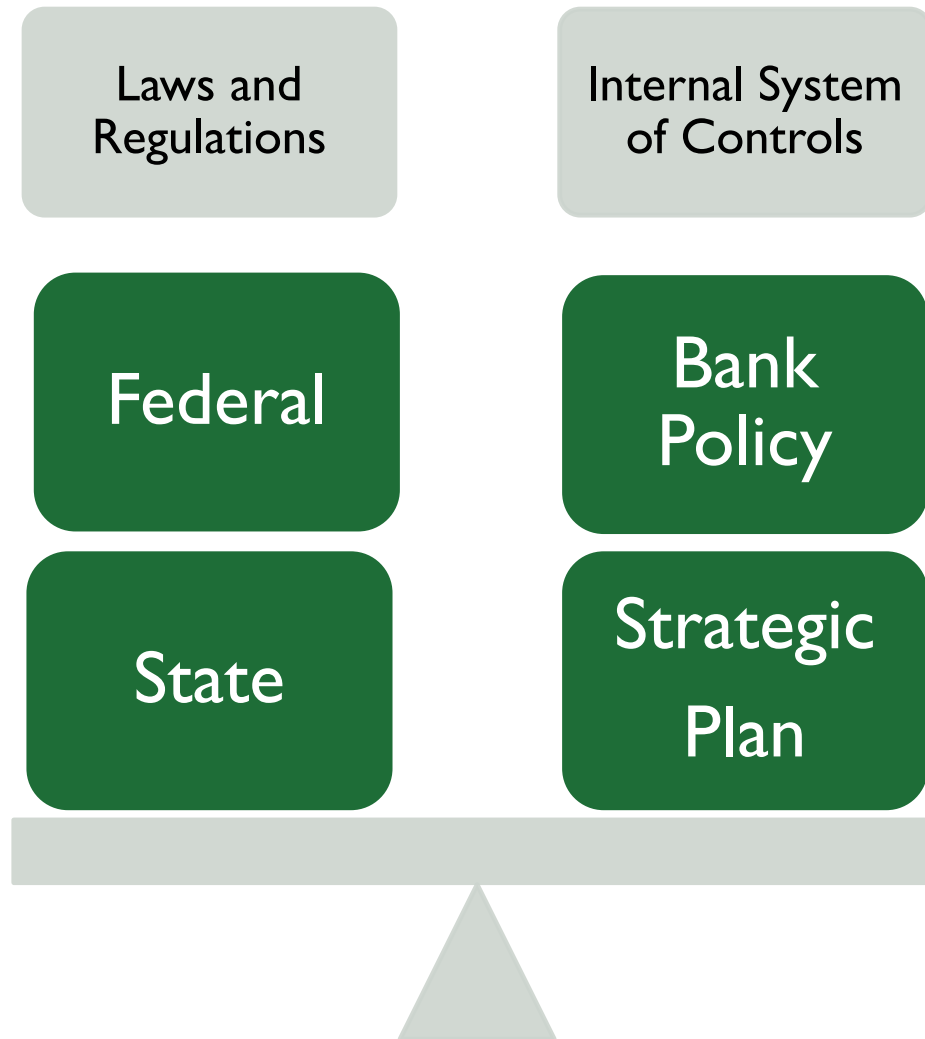
Ensures
Understanding

Incorporates

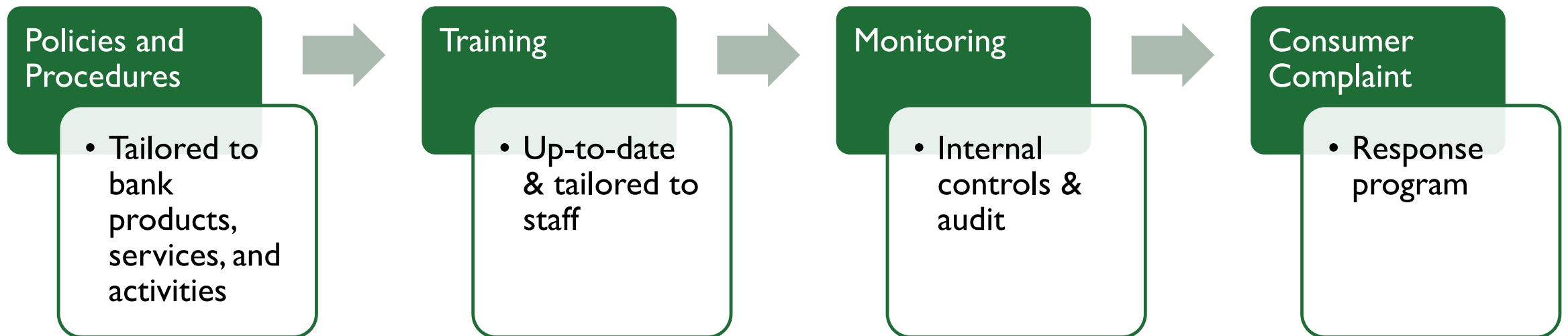
Reviews
Operations

Takes
Corrective
Action

WHAT IS COMPLIANCE?



COMPLIANCE PROGRAM



PROGRAM STRENGTH

C
√A

Identify



Control



Determine



Limit

THE BOARD

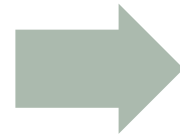


THE BOARD

C /
√A

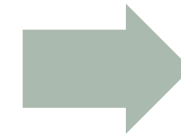
Understand

- Products, Services & Activity



Identify

- Risk specific to bank



Manage

- Inherent Risk

SENIOR MANAGEMENT



Ensure policies are implemented through business units

Emphasizing organizational compliance as a top priority bank-wide.

COMPLIANCE OFFICER



Work with bank management

Incorporate policies into procedures

Coordinate changes

Train staff

COMPLIANCE OFFICER



Issue Interpretations

Review Advertisements

Evaluate New Products/Services

Resource for Staff

COMPLIANCE OFFICER



Ensure Employees Follow Procedures

Develop Monitoring Program

Report Results to Management and Board

Initiate Corrective Action

EMPLOYEES

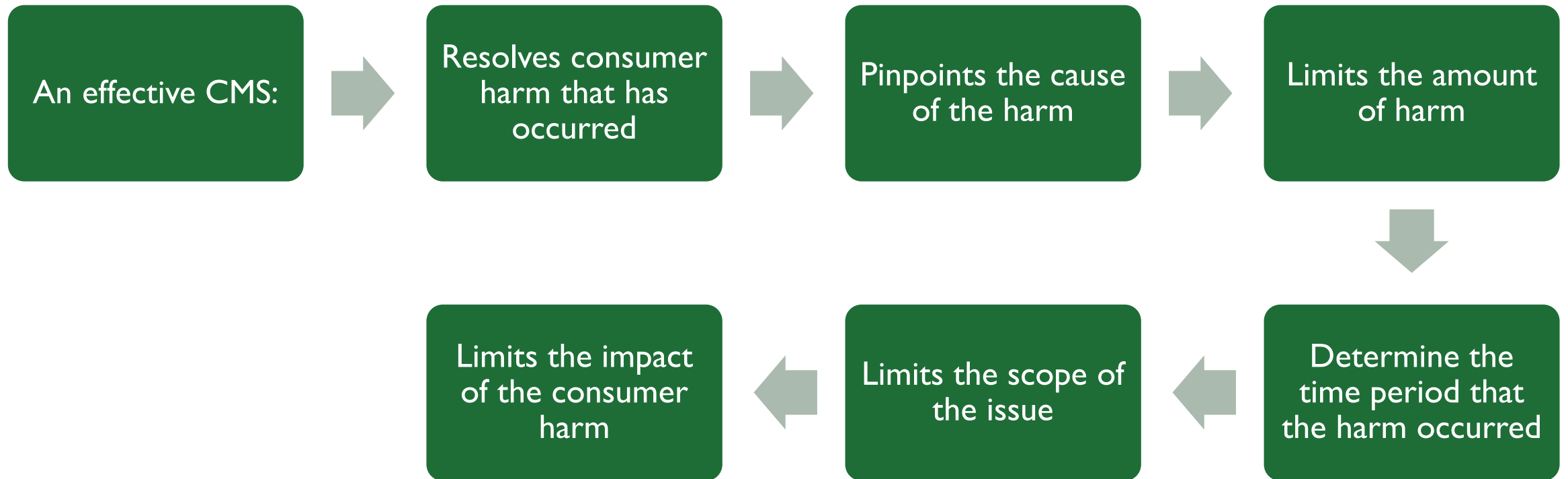


Ensure that each position is working within the framework of the CMS

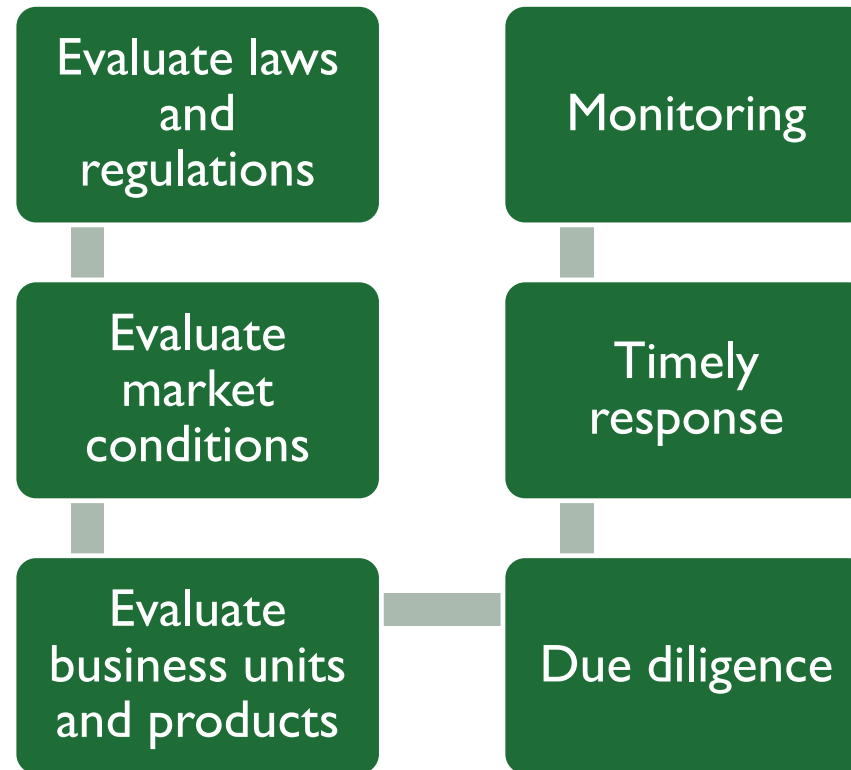


Comply with the bank's policies

CONSUMER HARM



CHANGE MANAGEMENT



RISK MANAGEMENT



Identify emerging risks as well as existing compliance risks

Comprehensive self-assessments

Management engages in mitigating risk

CORRECTIVE ACTION



Proactive about identifying issues

Responds/resolves issues quickly

Document short response times with minimal consumer harm

COMPLAINT RESPONSE



Thorough and effective policies and procedures

Investigate complaints and respond in a timely fashion

Identify potential risks and take corrective action

QUESTIONS?



Thank you for your participation!

We hope you found value in today's presentation.

If you have any additional questions,
contact Compliance Alliance at 888-353-3933.

ENFORCEMENT ACTIONS – CASE STUDIES



- Freedom Mortgage
- BSI Financial Services/Servis One, Inc.
- USAA Federal Savings Bank
- State Farm Bank
- American Express
- Nationstar Mortgage