

BANK OF SOMEWHERE

UDAAP Compliance Program Risk Assessment

The **Evaluation of the Bank's UDAAP Compliance Program** will focus on the adequacy of the Bank's policies and procedures for governing Bank activities and the processes for monitoring compliance with Regulation AA and applicable law. Examiners will determine whether the Bank's internal controls and management information systems are adequate and protect the Bank. Examiners will complete the core assessment procedures reflected in the following assessment.

Directions: In this Assessment, summarize the factors supporting the Level of Risk, the Aggregate Level and the Direction by checking Low, Moderate or High for each category. Then, total the number of check marks for each of the Low, Moderate or High boxes in the Totals Box below to determine your Bank's overall risk. Please be sure to include all mitigating and bank specific processes in the comments section.

Low	Moderate	High	L	M	H	Comments
Formal, detailed UDAAP policy and procedures are maintained and have been reviewed and approved by the Board of Directors.	High-level policies and procedures are maintained, reviewed and approved by Board of Directors.	Limited or no policies and procedures are maintained, with no Board of Directors review and no approval process in place.				
Risk assessments are performed on a periodic/annual basis for all new products or services introduced, with particular attention for those products that combine features and terms in a manner that can increase the difficulty of the average consumer in understanding the overall costs or associated risks of the product and any potential harm to the consumer associated with the product.	Risk assessments are performed on a periodic/annual basis for all new products or services introduced, but there is no differentiation or special attention geared towards those products that offer combined features and/or terms to identify any potential harm to the consumer associated with the product.	Risk assessments are not performed on a routine basis for any new Bank offered products or services.				
The Bank's compliance officer or senior management routinely reviews the Bank's marketing programs, advertisements and other promotional material in all forms of media (including print, radio, television, telephone, Internet, social media advertising	The Bank's compliance officer or senior management routinely reviews the Bank's marketing programs, advertisements and other promotional material in all forms of media (including print, radio, television, telephone, Internet, social media advertising	The Bank's compliance officer or senior management does not routinely review the Bank's marketing programs, advertisements and other promotional material in all forms of media (including print, radio, television, telephone, Internet, social media advertising and scripts and				



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and scripts and recorded calls for telemarketing and collections) for continuously offered products and services and for new products or services to be offered.	and scripts and recorded calls for telemarketing and collections) for only new products and services to be offered.	recorded calls for telemarketing and collections) for current products and services or new products or services to be offered.				
The Bank's compliance officer or senior management routinely reviews the Bank's existing products and services (such as deposit products, lending activities, etc.), including, but not limited to, changes to the products or services, descriptions, disclosures, notices, agreements, periodic and account statements and changes in terms.	The Bank's compliance officer or senior management routinely reviews the Bank's existing products and services (such as deposit products, lending activities, etc.) but does not focus on changes to the products or services, descriptions, disclosures, notices, agreements, periodic and account statements and changes in terms to ensure that adequate updates are made and documented.	The Bank's compliance officer or senior management does not routinely review the Bank's existing products and services (such as deposit products, lending activities, etc.). There is no process in place to review any changes to the products or services, descriptions, disclosures, notices, agreements, periodic and account statements and changes in terms.				
The Bank's compliance officer or senior management monitors and documents any software development and testing.	The Bank's compliance officer or senior management monitors software development and testing but does not document progress or findings.	The Bank's compliance officer or senior management does not monitor software development and testing and does not document progress or findings.				
The Bank's compliance officer or senior management routinely reviews all Bank materials to ensure that cost, benefits and other material terms of the products or services being offered clearly and prominently disclose any fees, penalties, or other charges that may be imposed and the reason for their imposition.	The Bank's compliance officer or senior management review only new Bank materials to ensure that cost, benefits and other material terms of the products or services being offered clearly and prominently disclose any fees, penalties, or other charges that may be imposed and the reason for their imposition.	The Bank's compliance officer or senior management does not review any Bank materials to ensure that cost, benefits and other material terms of the products or services being offered clearly and prominently disclose any fees, penalties, or other charges that may be imposed and the reason for their imposition.				



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The Bank's compliance officer or senior management review contracts to ensure that each contract clearly informs customers of contract provisions that permit changes in the terms and conditions of the product or service so that customers can make informed decisions.	The Bank's compliance officer or senior management does not review every contract to ensure that each contract clearly informs customers of contract provisions that permit changes in the terms and conditions of the product or service so that customers can make informed decisions.	The Bank's compliance officer or senior management does not review every contract to ensure that each contract clearly informs customers of contract provisions that permit changes in the terms and conditions of the product or service so that customers can make informed decisions.				
The Bank's compliance officer or senior management reviews all advertising and promotions to confirm that terms and language used can be easily understood by the average consumer; especially for targeted audience advertising (i.e., elderly, students).	The Bank's compliance officer or senior management reviews all advertising and promotions but does not offer recommendations or place limits on terms and language used.	The Bank's compliance officer or senior management does not review any advertising and promotions and relies solely on other department's guidance.				
The Bank's compliance officer or senior management reviews all advertising and promotions to confirm there is clear disclosure for any limitations, conditions or restrictions on an offer when using terms such as "pre-approved" or "guaranteed."	The Bank's compliance officer or senior management reviews all advertising and promotions, but does not confirm that disclosures for any limitations, conditions or restrictions are accurately explained.	The Bank's compliance officer or senior management does not review all advertising and promotions and relies solely on other department's guidance.				
The Bank's compliance officer or senior management reviews all advertising and promotions to confirm there is clear disclosure for optional products and services, such as insurance, travel services, credit protection and consumer report update services that are offered simultaneously with credit	The Bank's compliance officer or senior management reviews all advertising and promotions to confirm there is clear disclosure for optional products and services, such as insurance, travel services, credit protection and consumer report update services that are offered simultaneously with credit	The Bank's compliance officer or senior management reviews all advertising and promotions but overlook disclosures for optional products and services, such as insurance, travel services, credit protection and consumer report update, relying on the consumers to make their own personal decision.				



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Low	Moderate	High	L	M	H	Comments
but are not required to obtain credit or considered in decisions to grant credit.	but do not consistently state that these optional products and services are not required to obtain credit or considered in decisions to grant credit.					
The Bank's compliance officer or senior management ensures that customers are provided a telephone number or mailing address (and an email or website address) that consumers' may use to contact the Bank or its third party servicers regarding any complaints they may have, and maintain appropriate procedures for resolving complaints.	The Bank's compliance officer or senior management ensures that customers are provided a telephone number or mailing address (and an email or website address) that consumers' may use to contact the Bank or its third party servicers regarding any complaints they may have; however, there are no safeguards in place to ensure appropriate procedures are followed for resolving complaints.	The Bank's compliance officer or senior management ensures that customers are provided a telephone number or mailing address (and an email or website address) that consumers' may use to contact the Bank for any complaints, but does not make available the same information for all third party servicers.				
All consumer complaints are formally reviewed by Bank management to identify practices that have the potential to be misleading to customers, including any consumer complaints received for or submitted from third party servicers.	All consumer complaints are formally reviewed by Bank management to identify practices that have the potential to be misleading to customers; however third party servicers are not required to submit customer complaints to Bank management for review.	Bank management does not formally review consumer complaints, directly received by Bank customers or from third party servicers, and authorizes the receiving party of the complaint to resolve and/or handle the complaint.				
Bank personnel are adequately trained on an annual basis so that they do not engage in unfair, deceptive, or abusive acts or practices and training received is documented.	Bank personnel are adequately trained so that they do not engage in unfair, deceptive, or abusive acts or practices but training is not conducted on an annual basis.	The Bank does not provide personnel training on how to avoid and prevent unfair, deceptive, or abusive acts. The Bank relies primarily on customer service training.				



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Periodic evaluations or audits are conducted to ensure personnel follow established UDAAP program procedures and a disciplinary policy is in place to deal with any deficiencies.	Periodic evaluations or audits are conducted to ensure personnel follow established UDAAP program procedures, but there is no formal disciplinary policy in place to deal with any deficiencies.	The Bank does not have periodic evaluations or audits conducted to ensure personnel follow established UDAAP program procedures.				
Compensation arrangements and performance evaluation criteria prohibits any incentives that may lead to unfair, deceptive or abusive acts or practices, including criteria for sales personnel based on sales volume, size, terms of sale or account performance and particularly with respect to loan originations and collections.	Compensation arrangements and performance evaluation criteria does not create unintended incentives to engage in unfair, deceptive or abusive acts or practices, including criteria for sales personnel based on sales volume, size, terms of sale or account performance and particularly with respect to loan originations and collections.	Compensation arrangements and performance evaluation criteria does not take into consideration whether there are incentives in place that may lead to unfair, deceptive or abusive acts or practices, including criteria for sales personnel based on sales volume, size, terms of sale or account performance and particularly with respect to loan originations and collections.				
Senior management ensures that all Bank personnel and third party servicers apply payments in a manner that does not unnecessarily increase customer payments without clear justification and that all periodic statements are delivered in a timely manner to provide consumers ample opportunity to avoid late payments.	Senior management confirms that all Bank personnel apply payments in a manner that does not unnecessarily increase customer payments without clear justification and that all periodic statements are delivered in a timely manner to provide consumers ample opportunity to avoid late payments, but does not confirm third party servicers practices.	There is not a periodic check in place for senior management to confirm Bank personnel or third party servicers apply payments in a manner that does not unnecessarily increase customer payments without clear justification and that all periodic statements are delivered in a timely manner to provide consumers ample opportunity to avoid late payments.				
The Bank has policies for Bank personnel and third party servicers for avoiding repeated telephone calls to consumers that may annoy, abuse or harass any	The Bank has policies for Bank personnel for avoiding repeated telephone calls to consumers that may annoy, abuse or harass any person at the number called. Bank	The Bank does not have solid policies in place for Bank personnel and third party servicers for avoiding repeated telephone calls to consumers that may annoy, abuse or harass any				



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Low	Moderate	High	L	M	H	Comments
<p>person at the number called. Bank personnel and third party servicers are instructed to not disclose the existence of a consumer's debt to the public without the consent of the consumer, except as permitted by law.</p>	<p>personnel are instructed to not disclose the existence of a consumer's debt to the public without the consent of the consumer, except as permitted by law. Such policies are not enforced with third party servicers.</p>	<p>person at the number called. Bank personnel and third party servicers are not formally instructed to never disclose the existence of a consumer's debt to the public without the consent of the consumer, except as permitted by law.</p>				
<p>The Bank conducts periodic independent audits and reviews by designated and independent internal audit personnel and/or third party auditors of system records and operations to ensure ongoing compliance, identify transactional violations and program deficiencies.</p>	<p>The Bank conducts periodic independent audits and reviews by internal Bank personnel of system records and operations to ensure ongoing compliance, identify transactional violations and program deficiencies.</p>	<p>The Bank does not conduct periodic independent audits and reviews by designated and independent internal audit personnel and/or third party auditors of system records and operations to ensure ongoing compliance, identify transactional violations and program deficiencies.</p>				
<p>Senior management ensures prompt correction of compliance violations or deficiencies identified during ongoing monitoring, the internal and/or third party review process, or in response to consumer or customer complaints so that the risk of loss is reduced and to minimize civil liabilities.</p>	<p>Senior management relies on each Bank department to ensure the prompt correction of compliance violations or deficiencies identified during ongoing monitoring, the internal and/or third party review process, or in response to consumer or customer complaints so that the risk of loss is reduced and to minimize civil liabilities. Each department reports periodically to senior management on corrective actions taken.</p>	<p>Senior management relies on each Bank department to ensure the prompt correction of compliance violations or deficiencies identified during ongoing monitoring, the internal and/or third party review process, or in response to consumer or customer complaints so that the risk of loss is reduced and to minimize civil liabilities. However, senior management does not require periodic reporting on corrective actions taken.</p>				