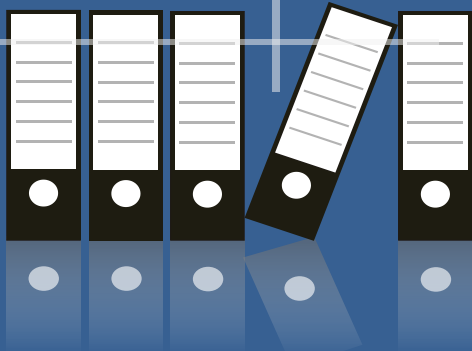


2020 COMPLIANCE PROGRAM

- CHECKLISTS -



Sheshunoff
CONSULTING + SOLUTIONS

Online Compliance Consulting
12/30/2019

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Compliance Planning

Complying with regulatory requirements is an integral part of working in the financial industry.

And, beginning the New Year with an action plan can make all the difference.

The goal... to organize compliance priorities that must be met over the next 12 months, while remaining flexible enough to allow the incorporation of new requirements that arise during that same time period.

The attached checklists were compiled to assist in this process.

Regulations or supervisory guidance should be consulted for additional information related to definitions, detailed specifics, exemptions and clarifications. These checklists were developed as of the date referenced on the cover.

2020 Checklists

Compliance Management Systems

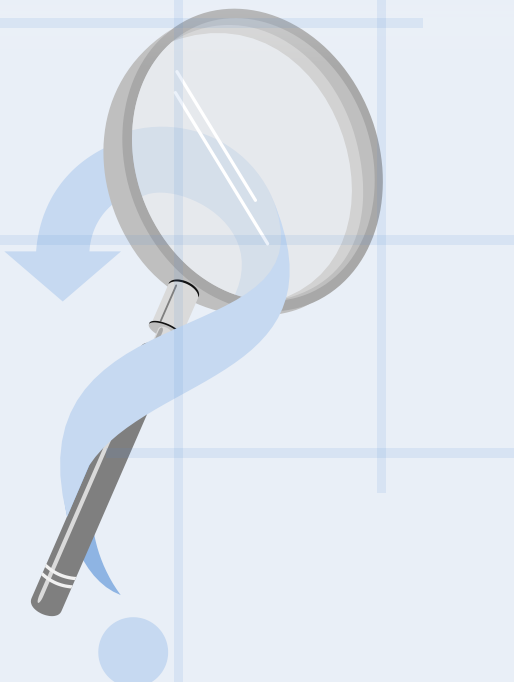
Compliance Calendar Items

Policy Reviews / Updates

Compliance Audits (External)

Compliance Reviews (Internal)

Training



Compliance Management System - General

- ▶ **Having an effective Compliance Management System (CMS) in place is a core component in the organization of your activities.**
- ▶ Considerations are included below, for use as applicable. Indicate month(s) activity will occur and utilize completion column to check when activity is finished.

<i>2020 CMS Checklist – General Compliance</i>		<i>Month</i>	<i>Complete</i>
1.	Review your written compliance program and update as needed.		
2.	Review, update and approve your compliance risk assessment.		
3.	Review and schedule compliance updates for the Board to ensure they are aware of the overall status of compliance.		
4.	Review makeup of compliance committee to determine if membership needs adjustment. As needed, discuss with senior management.		
5.	Review any engagements for third party compliance reviews and audits. Set schedule.		

Compliance Management System – Fair Lending

-
- ▶ **Having an effective Compliance Management System (CMS) focused on Fair Lending creates an infrastructure to help manage risk.**
-
- ▶ Considerations are included below, for use as applicable. Indicate month(s) activity will occur and utilize completion column to check when activity is finished.
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<i>2020 CMS Checklist – Fair Lending</i>		<i>Month</i>	<i>Complete</i>
1.	Ensure an up-to-date fair lending risk assessment and policy statement is in place.		
2.	Implement ongoing monitoring for compliance with fair lending policies and procedures and appropriate corrective action.		
3.	Implement ongoing monitoring for compliance with other policies and procedures intended to reduce fair lending risk (controls on discretion).		
4.	Review lending policies for potential fair lending violations, including disparate impact.		
5.	Ensure a customer complaint program is in place and operating effectively. Report complaint data to board and management.		
6.	Depending on size/complexity of institution, regular statistical analysis, as appropriate, of loan-level data for potential disparities on a prohibited basis in pricing, underwriting and other aspects (mortgage and non-mortgage products).		
7.	Regular assessment of the marketing of loan products, to include institution marketing and any marketing support by third parties.		
8.	Meaningful oversight of fair lending compliance (Mgmt. or Board)		
9.	Assess whether the use of any scoring models resulted in disparities or other fair lending concerns.		
10.	As needed, consider a review of your CRA assessment area and branch locations.		
11.	Implement regular fair lending training.		

Compliance Calendar Items

- **Being aware of regulatory changes, reporting requirements and other related matters will help ensure compliance.**

- Considerations are included below (does not reflect credit card items). Indicate the month of the applicable change or deadline and utilize the completion column to check when activity is finished.

NOTES: Regulatory changes can occur at any time. As need be, use additional page to add items.

2020 Compliance Calendar Checklist		Month	Complete
1.	HMDA – 2015 Rule date for quarterly reporting provisions (eff. 1/1/20)	January	
2.	HMDA – 2019 Rule date for extending current temporary threshold of 500 open-end lines of credit and incorporating interpretive and procedural rule issued 8/31/18 (eff. 1/1/20)	January	
3.	Regulation C – Asset Threshold – will increase to \$47 million (eff. 1/1/20)	January	
4.	Regulation M – Threshold - will increase to \$58,300 (eff. 1/1/20)	January	
5.	Regulation Z – Various Thresholds & Adjustments (eff. 1/1/20) <ul style="list-style-type: none"> • Appraisals for HPMLs Exemption Threshold – will increase to \$27,200 • Escrow Requirements for HPMLs Asset Size Exemption Threshold – adjusted to \$2.202 billion • General Exemption Threshold – will increase to \$58,300 • HOEPA / High Cost Mortgage Points & Fees Thresholds: <ul style="list-style-type: none"> – 5% of loan amount – for loans greater than or equal to \$21,980 – 8% of loan amount or \$1,099, whichever is less – for loans less than \$21,980 • Minimum Interest Charge (OE rule 1026.6(b)(2)(iii)) – will remain at \$1.00 • Qualified Mortgage Points & Fees Thresholds: <ul style="list-style-type: none"> – Points & fees may not exceed 3% - for a loan amount greater than or equal to \$109,898 – Points & fees may not exceed \$3,297 - for loans greater than or equal to \$65,939, but less than \$109,898 – Points & fees may not exceed 5% - for loans greater than or equal to \$21,980 but less than \$65,939 – Points & fees may not exceed \$1,099 – for loans greater than or equal to \$13,737 but less than \$21,980 – Points & fees may not exceed 8% - for loans less than \$13,737 	January	
6.	HMDA – Update LAR w/last quarter’s activity (as applicable)	January	
7.	Amended CTR Instructions (mandatory eff. date 2/1/20)	February	
8.	HMDA – 2019 LAR Reporting (as applicable)	March	
9.	CRA – 2019 CRA Reporting (as applicable)	March	
10.	HMDA – Modified LAR Availability Deadline (as applicable)	March	
11.	CRA – Update CRA Public File	April	
12.	HMDA – Update LAR w/last quarter’s activity (as applicable)	April	
13.	HMDA – 1 st Quarterly LAR submission due for larger-volume reporters	May	

Compliance Calendar Items cont.

2020 Compliance Calendar Checklist cont.		Month	Complete
14.	New Reg. CC Inflationary Adjustments (eff. 7/1/20)	July	
15.	HMDA – Update LAR w/last quarter’s activity (as applicable)	July	
16.	HMDA – 2 nd Quarterly LAR submission due for larger-volume reporters	August	
17.	Flood Escrow Provisions – As applicable, for the first calendar year in which an institution has a change in status regarding escrow requirements, deadline reminder to mail or deliver an offer of an “option to escrow” flood insurance for certain loans (as applicable – 9/30/20)	September	
18.	HMDA – Update LAR w/last quarter’s activity (as applicable)	October	
19.	HMDA – 3 rd Quarterly LAR submission due for larger-volume reporters	November	
20.	Annual Update of ARM / HELOC disclosures		
21.	Annual Identity Theft Prevention Program Update & Report		
22.	Annual Error Resolution Notices (<i>Reg E</i>)		
23.	Annual Billing Rights Statement (<i>Reg Z</i>)		

Policy Reviews & Updates

- ▶ It is a common practice for Compliance to participate in the annual review and update of compliance-related policies and submit them to the Board for approval. *Taking this course of action throughout the year (versus all in one presentation) will help ensure each policy gets the proper attention and inhibits this from being a "rubber stamp" process.*
- ▶ Considerations are included below, for use as applicable. Indicate the month of presentation for a policy and utilize the completion column to check when process is finished. Use additional lines to add policies.

2020 Policy Review Checklist		Month	Complete
1.	BSA / AML Policy		
2.	CRA Policy		
3.	Fair Lending and/or Fair Housing Policy		
4.	Fair Credit Reporting Act / FACTA Policy		
5.	Flood Disaster Protection Act Policy		
6.	Homeowners Protection Act Policy		
7.	Reg. B / ECOA Policy		
8.	Reg. C / HMDA Policy		
9.	Reg. CC / Expedited Funds Availability Policy		
10.	Reg. D Policy		
11.	Reg. DD / Truth in Savings Policy		
12.	Reg. E / Electronic Funds Transfer Policy		
13.	Reg. GG / Unlawful Internet Gambling Policy		
14.	Reg. O Policy		
15.	Reg. X / RESPA Policy		
16.	Reg. Z / Truth in Lending Policy		
17.	Record Retention Policy		
18.	Right to Financial Privacy Act Policy		
19.	SAFE Act Policy		
20.	SCRA Policy		
21.	UDAAP Policy		

Compliance Audit (external)

- ▶ **Using a third party to perform compliance audits and reviews can provide an independent determination of your compliance in various areas. Based on your engagement, schedule areas of review.**
- ▶ Considerations are included below, for use as applicable. Indicate the month of audit and use the complete column to check when process is finished. Use additional lines to add additional reviews.

2020 Compliance Audit (external) Checklist		Month	Complete
1.	BSA / AML / CIP / OFAC		
2.	Loan Review (non-real estate)		
	- <i>Regulatory coverage includes:</i>		
3.	Loan Review (real estate lending)		
	- <i>Regulatory coverage includes:</i>		
4.	Deposit Review		
	- <i>Regulatory coverage includes:</i>		

Compliance Reviews (internal)

- ▶ **Even if you use a third party to perform compliance audits and reviews, there may be some higher-risk or complex areas that periodic internal reviews need to be performed in order to mitigate risk.**
- ▶ A few considerations are included below, for use as applicable. Indicate the month(s) of review and use the complete column to check when process is finished. Use additional lines to add additional reviews, based on your own risk assessment.

<i>2020 Compliance Review (internal) Checklist</i>		<i>Month</i>	<i>Complete</i>
1.	Adverse Action Review		
2.	BSA / AML Suspicious Activity Review	continuous	
3.	Deposit Hold Notice Review		
4.	Flood Notice and Insurance Coverage Review		
5.	Complaints – Analysis & Trends		
6.	Fair Lending Monitoring		
	- Approvals versus Denials		
	- Underwriting / Policy Overrides		
	- Pricing Overrides / Disparities		
	- Servicing-Related Overrides / Disparities		
	- Marketing Review		

Training

- ▶ **Ensuring staff are properly trained is an important internal control to enhancing compliance.**
- ▶ A few considerations are included below, for use as applicable. Indicate the month(s) of training and use the complete column to check when training is finished. Use additional lines to add additional training topics, based on your own process.

<i>2020 Training Checklist</i>		<i>Month</i>	<i>Completion</i>
1.	BSA / AML / CIP – annual training		
2.	BSA / AML / CIP – new hire training	continuous	
3.	Bank Security Policy & Robbery Training		
4.	Community Reinvestment Act		
5.	Disaster Recovery Plan		
6.	FCRA / Furnishing Information to Consumer Reporting Agencies		
7.	Fair Lending		
8.	Flood Disaster Protection		
9.	Identity Theft Prevention Program		
10.	Information Security Program		
11.	Regulation C / HMDA		
12.	Regulation CC / Funds Availability		
13.	Regulation E / Electronic Fund Transfers		
14.	Regulation O		
15.	Regulation DD / Truth in Savings		
16.	Regulation X / RESPA		
17.	Regulation Z / Loan Originator & Origination Requirements		
18.	SAFE Act		
19.	UDAAP		