

Compliance Solutions

By Dennis Child, strategic partner with VirtualCorps and TCT Risk Solutions, LLC

One might be lulled into thinking that after the last seven years, regulators might take a brief hiatus from cranking out a proliferation of regulations. But, alas, regulatory agencies have made it clear – they are just warming up.

As a result of a deluge of new regulations, credit union managers are facing some difficult decisions. For small credit unions especially, CEOs find themselves torn in many directions. As more regulations are heaped on credit unions, managers of smaller institutions often have to choose between managing their operations and serving as full time compliance officers. Sadly, they cannot do both to any degree of effectiveness.

It is not practical in the present environment for managers to reduce the time they should be devoting to managing operations and divert that time toward complying with regulations. This is a serious dilemma since now is the time for credit union CEOs to prepare for critical challenges that lie ahead – both in managing their credit unions and complying with regulations. Failure to manage or comply will most likely bring about the downfall of both the CEO and the credit union. CEOs of smaller credit unions especially need to seriously consider outsourcing their regulatory compliance duties so they devote their full time to actually managing their operations.

When considering consulting firms that specialize in helping credit unions with regulatory compliance issues, CEOs should look at those that have extensive experience not only in regulatory issues but also experience in financial institution management concepts. CEOs should research the amount of time and experience a consultant has had dealing directly with regulators. Those consulting firms that have experience training regulators and examiners in the regulatory compliance services and management tools they have developed are arguably going to be the best able to provide such services that are acceptable to regulators.

TCT helps credit unions achieve total compliance with federal and state regulations in a cost effective way. These compliance services include the following components delivered by a nationally certificated compliance expert with over 28 years of experience.

TCT provides services which include auditing existing policies, procedures and practices. A major part of the audit process is to determine compliance with applicable regulations. At the conclusion of the audit process, TCT will then provide a summary of findings and a list of recommendations to the board and management.

TCT will review and report on existing policies, procedures and practices on subjects including (but not limited to):

- BSA
- ACH
- Website
- Marketing
- Escheat
- Home Equity Line of Credit (HELOC)

- Loans (both early disclosure forms and funded loans)
- Vendor Due Diligence

TCT also provides policy and procedure writing services. TCT audit and writing services are particularly helpful in assuring procedures and policies are synchronized. The policy and procedure writing services are specifically designed to assure compliance with regulation. After receiving initial policy and procedure drafts from TCT, boards and managers can then consider any credit union specific provisions they might want to add to the policy/procedure drafts provided by TCT.

In addition to management tools and regulatory compliance services, TCT also includes education and training services for members of credit union boards, committees and staff. This training covers subjects specific to regulatory compliance which includes:

- Board responsibilities and expectations
- Regulations and laws
- Financial reports
- Policies and procedures
- Strategic planning

Outsourcing duties associated with regulatory compliance is a practical way for CEOs to assure they are meeting the growing expectations of regulators without sacrificing time they should be devoting to running their credit unions.