Compliance Audit I:
General Lending Emphasis

Triac Compliance LLC

Schedule

Although this review may be conducted at any point during the year, we frequently conduct it during the first quarter in connection with the institution's preparation of the HMDA submission.

Area(s) of Review

This review emphasizes the following credit regulations, as applicable:
1. Truth in Lending Act—Regulation Z, including the TILA-RESPA Integrated Disclosure (TRID) rule
2. Equal Credit Opportunity—Regulation B
3. Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act (FACT Act)
4. Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)—Dodd-Frank Act §§ 1031, 1036
5. Consumer Leasing—Regulation M
6. Home Mortgage Disclosure Act (HMDA)—Regulation C
7. Flood Disaster Protection Act
8. Real Estate Settlement Procedures Act (RESPA), including TRID
9. Ability-to-Repay / Qualified Mortgage (ATR/QM) Rule
10. Home Ownership and Equity Protection Act (HOEPA)
11. Mortgage Servicing—Regulation X
12. Loan Originator Compensation Rule and SAFE Act registration requirements
13. Military Lending Act (MLA) and Servicemembers Civil Relief Act (SCRA)
14. Applicable California (DFPI) and Nevada state lending law requirements

Scope of Review

The scope of the review is modified to meet the needs of each client. Typically, however, it includes the following:

- Review of applicable lending policies, including coverage of TRID, ATR/QM, MLA/SCRA, and applicable California (DFPI) and Nevada requirements.
- Review and evaluation of training.
- Review of blank disclosures applicable to lending compliance, including current Loan Estimate and Closing Disclosure forms required under TRID.
- Review of lending advertisements.
- Review of lobby disclosures/posters of loan products.
- Review of loan tracking system to ensure compliance with timing elements involving disclosure regulations (e.g., flood, ECOA, TILA, RESPA/TRID, etc.).
- Review of the bank's prepared HMDA disclosure in anticipation of March 1 submission date and/or once 6 months in advance.
- Review of handling of billing errors.
- Sampling of loans in each major lending category (residential mortgage lending for both open and closed-end including construction lending, consumer installment lending, small business lending, small farm lending, commercial real estate lending), with attention to Ability-to-Repay/Qualified Mortgage documentation. The review would concentrate on high-risk areas as indicated by our experience and the bank's input.
- Sampling of declines in each major lending category.
- Review of Military Lending Act and Servicemembers Civil Relief Act compliance, including MAPR calculations and required disclosures.
- Interviews of appropriate personnel involving the above items (maximum of 2 hours interviewing) to ensure comprehension of regulatory requirements involving regulations reviewed.

Proposal

Depending on the needs of the institution, this review typically requires two to four days.
For a specific fee proposal for your institution, please contact Frank Young at 702.217.7566 or fyoung@triaccompliance.com.

Services for financial institutions since 2005.

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