

# Using Technology for Regulatory Compliance

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# Benefits of Using Technology for Regulatory Compliance:



- Uniformity and Consistency of Review
- 100% of Loans Reviewed
- Current and Historical Accuracy
- Expert Minds at Work - The "Super Legal Brain"
- Computers Have Good Memories
- Lender's/Investor's Policies Applied to All Loans Reviewed
- Permits Leveraging of Resources

## Expert Systems Can Help:

- Truth in Lending Validation
  - APR Accuracy
  - Finance Charge Accuracy
  - Payment Schedule Calculation
  - Right of Rescission Timing
- High Cost/Predatory Lending
  - Federal, State, and Local
  - Threshold Tests
  - Unique Calculations
  - Fee Classification
  - Prohibited Practices if thresholds triggered

## Expert Systems Can Help:

- State Law Compliance Requirements for:
  - License Review and Validation for Lenders and Brokers
  - Fee Limitations/Prohibitions
  - Late Charges
  - Prepayment Penalties
  - Interest Related Issues
    - Usury Ceilings
    - Calculation Restrictions
    - Interest Accrual
  - Payment/Term Limitations
  - State Specific MI Drop-off

## Documentation Systems Can Help:

- TILA Disclosures
  - Truth in Lending Disclosure Statement
  - Notice of Right to Cancel
- GFE/HUD-1
- State Compliance Issues
  - Late Charge Provisions
  - NSF Provisions
  - Prepayment Penalty Provisions
  - Correct Documents and Notices
  - Required Language
  - Awareness of compliance issues through checklists or alerts