

# CREATING YOUR COMPLIANCE STORY

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# YOU HAVE A CHOICE TO MAKE - ARE YOU GOING TO TELL YOUR OWN COMPLIANCE STORY, OR LET OTHERS?

*There are literally hundreds of state and federal regulations that can be wielded against you by regulators and plaintiffs' attorneys. Deciding where to begin can be overwhelming. The most important thing you can take away from this entire presentation is this:*

*You need to decide what “Your Story” is going to be.*

*It is not an accident.*

*It is your story to write.*



# WHAT HAPPENS WHEN “THEY” WRITE YOUR STORY?

Read just about **every** regulatory enforcement action, federal or state, in the last 10 years. What is the most common thread through all of them? In almost every case, it was a failure of the business to build their own stories. Not having adequate controls. Not having policies and procedures. Not having training. Not having qualified individuals. It usually isn't intentional acts, but a failure to act. If you aren't writing your story, someone else is going to write it for you and demonize you.



# THE STORY IS YOURS TO OWN, DEFINE AND CREATE

COMPLIANCE ISN'T RANDOM  
CONTROL YOUR DESTINY

- **OWN** - Appoint a single person to be accountable for compliance
- **DEFINE** - Develop a Robust CMS and have a compliance vision
- **CREATE** - Policies and Procedures, Training, Audit function  
and communication throughout the organization



# WHO IS THE HERO OF YOUR STORY? YOU ARE!

- As the Company's Compliance Champion, you are critical to creating and then telling the story. Do you have the Support of the company? How about the Resources to succeed?
- Authority - Is it commensurate with other leaders?
- Are you Respected? It is not given, it is earned.
- Focus - How many hats do you wear? Do they conflict?
- Are you all badge, or do you have a gun?



# CRITICAL CHAPTERS IN YOUR COMPLIANCE STORY

- COMMUNICATION WITH MANAGEMENT
- COMPLAINT MANAGEMENT
- POLICIES AND PROCEDURES
- TRAINING
- AUDIT



# CRITICAL CHAPTERS - COMMUNICATION WITH MANAGEMENT

- Regular Interaction between Owner/Board and Compliance function
- Leadership Position
- Involved With Business Decisions
- Arrange and Lead Quarterly Compliance Meetings
- Document all of this information
- Develop Compliance Metrics



# CRITICAL CHAPTERS - COMPLAINT MANAGEMENT MANAGEMENT

- Assign a single, responsible person that is accountable
- Lawsuits start with complaints
- Complaints Trigger Regulators
- This chapter takes effort to write well
- How will you define “complaint”? How are they tracked?



# CRITICAL CHAPTERS - POLICIES AND PROCEDURES

- Table of Contents to your story
- Keep the story line on track
- Should match the size and complexity of your business
- Examples - underwriting, sales, fair lending, complaint management, cash reporting, marketing and advertising, UDAP, ancillary products



# CRITICAL CHAPTERS - TRAINING

- Think of it as character development for your employees
- Creates positive supporting characters for your “hero”
- Regulators love to ask your employees about training - and lack of it
- Plaintiff lawyers love to depose your employees to ask about training
- Do you have a robust and demonstrable training program?



# CRITICAL CHAPTERS - AUDIT KEY BUSINESS FUNCTIONS

- Adverse Action
- Deal Jacket audits and metrics
- Underwriting and Approvals
- Penetration rates and pricing for ancillary products
- Data Furnishing Dispute Handling
- Advertising



# FINAL THOUGHTS - WHAT'S YOUR STORY?

*Regulators call it your CMS*

*We call it “Your Story”*

*It's all the same thing.*

*What are you doing to demonstrate your compliance efforts?*



# QUESTIONS?

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