

ABA Bank Compliance

FEATURES

Volume 27, No. 5



8 Compliance Issues in Advertising

BY CARL G. PRY

Compliance issues in advertising are some of the more difficult to manage; not so much because the requirements themselves are complex, but because they are spread out among so many different laws and regulations. Keeping track of which rules to follow in different types of ads can be daunting. This article explains the requirements for various forms of advertising, focusing chiefly on deposit and lending products.

18 Today's Marketing Trilogy: Do-Not-Call, Do-Not-Fax, Do-Not-Spam!

BY KRISTINE M. BECKER



Communicating with customers and prospective customers just seems to keep getting harder. Years ago, the primary method used by businesses to communicate with customers was the U.S. mail. With the advent of new technology, however, savvy business owners quickly learned they could communicate faster and cheaper using telephones, facsimile machines, and e-mail. Ironically, with all of our technological advances, communicating through the mail remains the least risky method. If your company communicates with customers through the telephone, via fax, or by e-mail, you need to be aware of three federal laws: the National Do-Not-Call Act, the Junk Fax Prevention Act, and the CAN-SPAM Act. Ignoring these laws could subject your company to lawsuits and fines.

26 Risk and Remote Deposit

BY LARRY TAFT

Since the Check Clearing for the 21st Century Act, or Check 21, went into effect about two years ago, there have been numerous innovations in the payments system that are rapidly changing how banks and their customers receive, process, and clear checks. While Check 21 did not mandate the use of image technology to clear checks, it did create new ways for checks to be deposited and cleared. One of the new innovations is a process generally referred to as remote deposit capture, which allows a bank's customer to electronically deposit a file of check images rather than physically deliver paper checks to the bank.

22 Filing SARs with the Government:

BY DENNIS M. LORMEL

The prospect of filing suspicious activity reports (SARs) usually engenders feelings of confusion, consternation, and frustration. Less common is a sense of satisfaction based on a recognition of the significant investigative achievements from SAR information. Make no mistake: Law enforcement consistently benefits from SAR information. In the aftermath of 9/11, and with the looming threat of terrorism, SARs have taken on greater significance. Employees at all levels of financial institutions are on the front line in the financial aspect of the war on terrorism—critically important because finance is one of the primary areas of vulnerability to terrorists.



DEPARTMENTS

COMPLIANCE MANAGEMENT

BY PAT PATRICK	4
Work Smarter—Not Harder	
BY ANDY ZAVOINA, CRCM	41
Resources	46
Continuing Education Quiz	48



Institute of Certified Bankers

A Subsidiary of the American Bankers Association

ABA Bank Compliance

PUBLISHER

Laurence Price
(202) 663-5378
lprice@aba.com

SENIOR EDITOR

Joseph M. Kelly
(202) 663-5071
jkelly@aba.com

ART DIRECTION

BonoTom Studio, Inc.
studio@bonotom.com

ADVERTISING SALES

Dave Bayard
(973) 822-9275
dave@bayard.com

WEB SITE

www.aba.com/bankcompliance

MAILING ADDRESS

Address all articles, letters,
and other correspondence
to *ABA Bank Compliance*
American Bankers Association
1120 Connecticut Avenue, N.W.
Washington, DC 20036-3971

SUBSCRIPTIONS

For information about your
subscription or to subscribe, call ABA
Customer Service at (800) BANKERS
or (202) 663-5087; or fax to
(202) 663-7543.
\$300—ABA Member Price*
\$450—Nonmember Price*
2-5 subscriptions—save 15%
6-10 subscriptions—save 25%
11-20 subscriptions—save 35%
21-25 subscriptions—save 45%
26+ subscriptions—save 50%

SINGLE/BACK ISSUES

\$50—ABA Member Price*†
\$75—Nonmember Price*†
* AZ, CA, DC, DE, FL, GA, KY, MA,
PA, TX, and WA residents add
appropriate state and local taxes.
† Issues older than six months are
half price.

REPRINTS

Article reprints are available in
quantities of 25 or more. For more
information, contact Ashley Rinier
at Reprint Management Services at
(717) 399-1900, ext.125.

POSTMASTER

Send address changes to *ABA Bank Compliance*,
American Bankers Association, 1120
Connecticut Avenue, N.W., Washington, DC
20036-3971.

Periodicals Postage Paid at Washington, DC,
and additional mailing offices.
Printed in the USA.

COMPLIANCE EXECUTIVE COMMITTEE

CHAIRMAN

Michael D. Kelsey
Corporate AML Compliance
Officer
PNC Financial Services Group,
Inc.
Wilmington, Del.

VICE CHAIRMAN

Kenneth Holmes, CRCM
Director, Regulatory Risk
Management
Southwest Bancorp, Inc./ SNB
Banks
Stillwater, Okla.

MEMBERS

Stephanie Andrews, CRCM
Vice President & Compliance
Officer
Zions First National Bank
Wealth Management
San Diego, Calif.

Carolyn J. Book
Vice President, Director,
Regulatory Risk Management
Citizens Financial Group
Providence, R.I.

Kathleen M. Curtis, CRCM
Vice President & Compliance
Officer
Capital Bank, N.A.
Rockville, Md.

Linda Firth
Director of Corporate
Compliance
TCF National Bank
Minneapolis, Minn.

Alina M. Grabala
VP & Compliance Officer
Webster Bank
Waterbury, Conn.

María De Lourdes Jiménez, Esq.
Senior Vice President &
Manager
Corporate Compliance Division
Banco Popular De Puerto Rico
San Juan, Puerto Rico

Michael A. Olson
Vice President & Compliance
Officer
Grinnell State Bank
Grinnell, Iowa

F. John Podvin, Jr.
Deputy General Counsel
Chief Compliance Officer
Chief Privacy Officer
Guaranty Bank
Dallas, Texas

Elizabeth M. Snyder
SVP & Chief Compliance
Officer
Leaders Bank
Oak Brook, Ill.

Dan Soto
Chief Compliance Officer
RBC Centura Bank
Raleigh, N.C.

Christopher T. Spellman, CRCM
Vice President, Compliance
Officer & Internal Auditor
Manager
American Sterling Bank
Sugar Creek, Mo.

David S. Stalnaker, CRCM
Senior Vice President/Chief
Compliance Officer
Mercantile Bankshares
Corporation
Baltimore, Md.

Doris Waldman, CRCM
Senior Vice President
Salem Five Cents Savings Bank
Salem, Mass.

STAFF

Richard R. Riese
Director
Center for Regulatory
Compliance
American Bankers Association
Washington, DC

Joseph V. Mach, Jr.
Industry Analyst
Professional Development
Group
American Bankers Association
Washington, DC

EDITORIAL ADVISORY BOARD

CHAIRMAN

Keith Monson, CRCM
Senior Vice President
Audit and Compliance Manager
Premier Bank
Jefferson City, Mo.

MEMBERS

Meg Sczyrba, CRCM
Compliance Process Manager
Washington Mutual Bank
Seattle, Wash.

Kenneth Holmes, CRCM
Director, Regulatory Risk Management
Southwest Bancorp, Inc./ SNB Banks
Stillwater Okla.

Barbara A. McGuire, CRCM
Regional Compliance Officer
UMB Financial Corporation-Corporate
Compliance
Kansas City, Mo.

Michael D. Maher, CRCM, CRP
Senior Vice President-Risk Assessment
Wells Fargo Home Mortgage
Minneapolis, Minn.

Pat Patrick
Vice President and General Bank
Deposit Product and Services/
Customer Channels Compliance
Manager
Wachovia Bank, N.A.
Winston-Salem, N.C.

Bonita G. Jones
Principal
Division of Banking Sup. and Reg.
Federal Reserve Bank of San Francisco
San Francisco, Calif.

Nancy Derr-Castiglione, CRCM
Consultant
Highlands Ranch, Colo.

John J. Byrne
Senior Vice President
AML Strategy Executive
Global AML Operations and
Compliance
Bank of America
Washington, D.C.

William J. "Wylli" Foote, CRCM
Compliance Manager and CRA Officer
First National Bank of Pennsylvania
Hermitage, Pa.

Michalene Johnson, CRCM
Vice President
Bank of America
Providence, R.I.

Karen Davy Wright, CRCM
Vice President/Compliance Director
JPMorgan Chase Bank
Houston, Texas

"This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought."

— From a Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers and Associations.

COPYRIGHT

Copyright ©2006 by American Bankers Association. All Rights Reserved. No portion of this publication may be stored or reproduced in any form without permission.

Copyright requests should be made in writing to Jill Goldman at the following address: American Bankers Association, 1120 Connecticut Avenue, N.W., Washington, DC 20036-3971; fax to (202) 828-4548; or e-mail to jgoldman@aba.com.

ABA Bank Compliance (ISSN 0887-0187) is a product of ABA's Center for Regulatory Compliance. *ABA Bank Compliance* is published bimonthly.