

ABA Bank Compliance

FEATURES

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8 E-SIGN and E-Statements: Compliance Challenges on the Electronic Frontier

BY JIM BEDSOLE, CRCM, CBA, CFSA

To get a customer to tell you “Yes, please do send my statements electronically,” isn’t as easy as it sounds. The snag comes because for many consumers, deposit account statements contain disclosure elements that are required by Regulation E and Regulation DD. And those two regulations require that disclosures provided to comply with the regulations be provided “in writing, in a form the consumer can keep.” So how can your “electronic” statement accomplish this? The answers lies in a law passed a few years ago called the Electronic Signatures in Global and National Commerce Act (Pub. Law 106-229), E-SIGN for short.



18 Turbulence Between Banks and Money Transmitters: Can We Meet on Common Ground?

BY ADRIENNE A. CUSTER, ESQ.

Following the events of September 11, 2001, both state and federal legislative bodies strengthened laws and regulations directed at both bank and nonbank financial institutions to aid in the prevention of money laundering and terrorist financing activities. Nonbank financial institutions, specifically money services business (MSB) entities offering money transmitter services have been linked to a number of schemes involving money laundering and terrorist financing, causing banks to view these customers in a different light. The banking and money transmitter industries have since encountered a number of regulatory hurdles, resulting in costly enhancements to compliance functions and strained business relationships. This article provides a framework under which money transmitters and banks can successfully work together.

24 Data and Compliance: A Dangerous Intersection

BY MATT SCHRINER AND FIONA McNEILL

As banking regulations increase, useful, clean, searchable, and secure data becomes a critical necessity for compliance officers. It can mean the difference between fines or successful mergers, public humiliation, or public relations victories. Unfortunately, many compliance officers view data as a necessary evil—something they end up defending rather than something that can head off a crisis and even help build market credibility and profitability for their institution. The regulatory environment is in constant flux, but one thing is certain—regulators are ratcheting up the stakes. This article examines tackles data issues looking into the future.

24 Examiner Explores Debt Collection Practices

BY ROBERT L. BOWLES, CRCM

For many years, aggressive debt collection tactics were commonplace, but in March of 1978, the Fair Debt Collection Practices Act (FDCPA) was enacted to end such practices. Specifically, the act was “designed to eliminate abusive and deceptive debt collection practices and to ensure that reputable debt collectors were not placed at a competitive disadvantage.” This applies to bank compliance because banks are creditors under the FDCPA definition. Robert L. Bowles, CRCM, a regulatory compliance examiner from the Federal Reserve Bank of Richmond delves into common violations and how to avoid them.

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