

8 Military Payday Loans: The Impact on Lending Operations

BY CARL G. PRY, CRCM

On October 26, 2006, President George W. Bush signed into law the John Warner National Defense Authorization Act for Fiscal Year 2007. The primary purpose of this legislation is to fund national defense and various domestic and international construction initiatives, but included is Section 670, titled "Limitations on Terms of Consumer Credit Extended to Service Members and Dependents," also called the payday lending law. Included in the act in response to a Department of Defense (DOD) study, this provision is intended to remedy abusive practices associated with payday lending to military personnel. The application of the statute and coming regulations may be far broader than you thought and have unintended consequences.



18 Think Broadly: An Enterprise-Wide Approach to Compliance and Risk Management

BY CATHERINE BROWN, ESQ., PAUL OSBORNE, CPA, CPO,
AND TODD RICHARDS, CPA

Business strategy, brand identity, and company reputation: What do these concepts have in common? These elements are not confined to any particular function or department. Few financial institution presidents, for example, would try to strengthen a company's reputation or brand by focusing on a single department, whether it be trust, loan, or deposit operations. Strategy, brand, and reputation all require an enterprise-wide approach. Similarly, regulatory compliance and risk management achieve stronger results with a comprehensive approach.

26 10 Ways to Prepare for Your Next BSA Exam

BY KATHLYN L. FARRELL, CRCM

The specter of an approaching Bank Secrecy Act (BSA) examination is enough to make a BSA officer think of changing careers. Stories of BSA/Anti-Money Laundering (AML) civil money penalties and enforcement actions are now legend in the banking community. While BSA compliance will continue to represent a high level of risk for most institutions, with good compliance programs, the risk is manageable. This article highlights 10 things a BSA officer should do after learning that his or her bank will be having a BSA examination.

32 Not If, but When: Responding to Security Breaches

BY KEITH E. MONSON, CRCM

Compliance officers have traditionally thought of a data compromise as an information technology (IT) issue but that's not the case. Though IT is a major variable to consider while adopting and maintaining an effective customer information security program, bankers need to also consider non-electronic variables such as computer-generated paper reports and information maintained by an institution's service provider. The federal financial regulatory agencies issued a joint interpretive guidance in 2005 that directs banks to implement a response program designed to address breaches. This article examines how to set up a proper program.

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