

# ABA Bank Compliance

FEATURES

Volume 30, No.4

## 8 A Delicate Balance: Managing CRA in the Current Economic Climate

BY KAREN TUCKER, NBE, AND CALVIN R. HAGINS, CRCM, CRP, AMLP

According to news reports, the economy is in recession, foreclosures are up, and business results are down. And yet, in the midst of the current economic climate, regulators continue to expect banks to comply with the Community Reinvestment Act (CRA). Why? CRA is a fundamental aspect of banking. Banks continue to have an obligation to help meet the credit needs of their communities, consistent with safe and sound banking practices.

## 16 Risk Management for Community Banks

BY WYLLI FOOTE, CRCM

The scope and complexity of enterprise-wide risk management depends today on the size of your bank. If, for example, you work for a large bank—\$2 billion or more in assets—you almost by definition have developed some level of enterprise-wide risk program. You probably also provide some level of reporting to the board (or a designated board committee) of key areas of risk. Most often, color or other coding is used to visually represent the level (high, moderate, or low) and direction (increasing, decreasing, or stable) of risk in each risk area.

## 20 Compliance Due Diligence for Mergers and Acquisitions

BY CARL G. PRY, CRCM

Recently there has not been a lot of merger and acquisition (M&A) activity in the banking world. The difficult economy has been an equal opportunity offender, affecting almost all banks in the country. There have been several large bank acquisitions, and some FDIC-assisted transactions involving distressed institutions, but normal M&A activity has been mostly quiet. That may change as things begin to pick up. What happens if you're assigned to evaluate a potential acquisition for compliance concerns? Would you know where to start?

## 28 Survey Reveals Expanded, Stressful Role for Compliance Officers

BY JOSEPH M. KELLY, SENIOR EDITOR

The American Bankers Association's Center for Regulatory Compliance conducts a comprehensive survey every two years. The 2009 survey revealed some interesting highlights about the expanding role of compliance officers. This article takes a look at the changes and what they mean to the industry.

## 34 Internet Gambling Regulation Compliance: Four Focus Points for Banks

BY STEPHEN KENNEALLY

The Unlawful Internet Gambling Enforcement Act (UIGEA) aims to limit online wagering by placing new prohibitions on banks making payments to Internet gambling businesses. The agencies responsible for writing the regulation and enforcing this broadly worded law, the Board of Governors of the Federal Reserve System and the Department of the Treasury, realized that a loose interpretation of the legislation enforced through its regulation would grind the payments system to a halt if each check, wire, ACH, and card transaction had to be validated as a lawful payment. Compounding this hurdle, the UIGEA did not define "unlawful Internet gambling," leaving it to a patchwork of state and tribal laws.

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Institute of Certified Bankers

A Subsidiary of the American Bankers Association

ABA Bank Compliance JULY | AUGUST 2009 1

# ABA Bank Compliance

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and other correspondence  
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## REPRINTS

Article reprints are available in  
quantities of 25 or more. For more  
information, contact Ashley Zander  
at The YGS Group at (800) 494-9051, 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.

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