

How to Use This Guide

Pratt's Regulatory Compliance Guide for Bankers is a regulatory compliance guide written for compliance officers and other senior level bank officers, bank attorneys, and others whose responsibilities include making sure their bank complies with consumer regulations and other regulatory requirements that the regulatory agencies consider during a compliance examination.

Federal regulations are complex. Compounding this complexity, many bankers find it difficult to quickly sort out the requirements that apply to each and every bank function and bank product and service. And although the federal regulators issue commentaries, questions and answers, and interpretations to help explain the meanings of regulatory provisions, many of them are not readily accessible.

Pratt's Regulatory Compliance Guide for Bankers is your answer to these dilemmas. The guide is organized by regulation (or law, in cases of nonregulatory statutes), including all the laws and regulations your examiners will consider when they conduct your compliance examination. (In practically all cases, the Federal Reserve's regulations apply to your bank. In a few instances, the agencies have adopted separate but almost identical regulations. In this guide, we refer only to the Federal Reserve regulations.) Each chapter gives you helpful information in a consistent order, to make it easy for you to find the information you seek.

How the Guide Is Organized

The text in each chapter is arranged in a logical sequence. Each chapter begins with summary and background information. This includes a short history of the law and regulation, their scope and applicability, the specific penalties that apply if a bank is found to have violated the law or regulation, an analysis of key definitions that apply throughout the chapter, and any specific record retention rules that apply. The balance of each chapter covers the compliance requirements of the law and regulation, separated into the following categories:

- *Operations and Procedures.* This section of the chapter describes the requirements that are operational or procedural in nature (the types of requirements for which an operations officer of the bank typically may be responsible).
- *Disclosures and Notices.* This section describes any disclosures and notices the law and regulation requires. These requirements usually are the responsibility of both marketing and operations officers. A subsection of this part separately describes any posted notice requirements that the law may require.
- *Marketing and Advertising Rules.* This section of each chapter describes any specific rules in the law and regulation that apply to the marketing or advertising of bank products and services, rules for which the marketing officer of a bank generally has primary responsibility.
- *Compliance Checklists.* The last section of each chapter provides checklists used by the Federal Reserve System's (the Fed's) examiners in the course of consumer compliance examinations. These checklists, which are reproduced from the Federal Reserve System's *Consumer Compliance Handbook*, provide an excellent synopsis of all the points that bankers must consider regarding compliance with the law and regulations covered in the chapter. The checklists should

be helpful to both the bank's compliance officer and any internal auditors as a means of self-determining the bank's success in compliance matters.

Although the Federal Reserve checklists are used by the Fed's own examiners, the checklists are no less detailed than any that are used by examiners from other federal agencies, and thus will benefit all banks, including those examined by the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Office of Thrift Supervision (OTS).

Exhibits at the end of each chapter include such useful tools as regulatory model forms, as well as our own lists and tables that supply you with compliance-at-a-glance summaries of important information. For example, you will find a summary of the types of charges that must be included in your Regulation DD disclosures and the ones that are not required.

The guide is divided into five parts:

Part I — Deposit Regulations

Part II — Fair Lending and Real Estate Lending Regulations

Part III — Consumer Credit and Leasing Regulations

Part IV — Recordkeeping Regulations

Part V — General Applicability

The parts are broken down into the following chapters:

Part I — Deposit Regulations

Chapter 1: Federal Reserve Act, Section 19 — Regulation D, 12 CFR 204; Regulation Q, 12 CFR 217; FDIC Regulation, 12 CFR 329

Chapter 2: Electronic Fund Transfer Act — Regulation E, 12 CFR 205

Chapter 3: Expedited Funds Availability Act — Regulation CC, 12 CFR 229

Chapter 4: Truth-in-Savings Act — Regulation DD, 12 CFR 230

Chapter 5: Federal Deposit Insurance Act — FDIC Regulations, FDIC 328, FDIC 330, 12 CFR 328, 12 CFR 330

Part II — Fair Lending and Real Estate Lending Regulations

Chapter 6: Community Reinvestment Act — Regulation BB, 12 CFR 228

Chapter 7: Home Mortgage Disclosure Act — 12 USC 2801 et seq., Regulation C, 12 CFR 203

Chapter 8: Equal Credit Opportunity Act 15 USC 1691 — Regulation B, 12 CFR 202

Chapter 9: Fair Housing Act — HUD Fair Housing Advertising Regulation, 24 CFR 109

Chapter 10: Real Estate Settlement Procedures Act — HUD Regulation X, 24 CFR 3500

Chapter 11: National Flood Insurance Act — Flood Insurance Regulations and Regulation H, 12 CFR 208

Part III — Consumer Credit and Leasing Regulations

Chapter 12: Open-End Credit Truth-in-Lending Act — Regulation Z, 12 CFR 226

Chapter 13: Closed-End Credit Truth-in-Lending Act — Regulation Z, 12 CFR 226

Chapter 14: Federal Trade Commission Act — Regulation AA, 12 CFR 227

Chapter 15: Consumer Leasing Act — Regulation M, 12 CFR 213

Chapter 16: Fair Credit Reporting Act, 15 USC 1681

Chapter 17: Fair Debt Collection Practices Act, 15 USC 1692 — Consumer Credit Protection Act

Part IV — Recordkeeping Regulations

Chapter 18: Bank Secrecy Act — Treasury Regulations, 31 CFR 103

Chapter 19: Privacy of Consumer Financial Information

Part V — General Applicability

Chapter 20: FTC Telemarketing Rules; Guidance on Overdraft Protection Programs

The guide is provided in looseleaf format to facilitate filing updates that will be supplied to you on a regular basis. Every new page will be dated, so you will be able to tell at a glance whether your manual has already been updated with any recent regulatory changes. In addition, appendixes to the book will contain any proposed changes to the regulations, so you will also know what might be coming in the near future.