



2021 Midwest Road Suite 200
Oak Brook, Illinois 60523
800-934-REGS
tcaregs.com

TCA: Your Best Compliance Friend

TCA®, the Thomas Compliance Associates, Inc., was born in 1991 when founder Tom Thomas became one of the first in banking to understand that banks needed access to high quality, affordable compliance support if they were to cope with what today has become a torrent of new compliance requirements.

Mr. Thomas created a bank compliance company that now is in its second generation of leadership...serves nearly 300 banks nationwide...has a professional staff of 20 bank compliance experts...and has developed a business solutions approach to regulatory compliance.

One reason TCA is successful is that we stick to our knitting: Compliance is TCA's sole service. Unlike some providers, we do not use compliance as a loss leader for other services, and we have no conflicts of interest when we make compliance management suggestions.

Although TCA's primary purpose is to keep client banks within the required guidelines, especially in the threatening Dodd-Frank environment, we do so in a manner that places compliance in the context of related business activities-the most cost-effective way to manage compliance.

Bank compliance has changed since 1991 -and, in fact, since the near financial collapse of 2008. TCA and its services have changed, too. Our Dodd-Frank era compliance support services include:

- Both on-site and secure off-site reviews of bank compliance programs from BSA/AML and its many cousins to CRA, Fair Lending, staff and director training, compliance structure and fraud alerts.
- TCA's Virtual Compliance Manager - a qualified CRCM assigned to your institution to help compliance officers (and bank management) deal with specific compliance issues.
- Customized Training - We can provide training on one topic or several for any number of people both on-site or off-site.

One of our most popular services is one of our oldest: TCA's e-newsletters – *Compliance IQ* that are published to client banks monthly. Our newsletters provide quick updates on federal compliance changes and other happenings and, of particular value, in-depth analysis and perspective on compliance trends and management issues that can come only from the TCA professional staff.

TCA has answered more than 150,000 bank compliance questions, written hundreds of publications over the last 19-plus years, and, since 1991, conducted almost 6,000 combined BSA/AML and general compliance reviews.

Working with banks under enforcement actions invoked by the FDIC and other regulators has added to the depth of TCA's capabilities, too, because we know what gets banks into trouble, and we share that information with our clients.

A Regulatory Risk Assessment, conducted on-site by TCA staff, normally begins a new TCA-bank relationship. TCA can provide the expertise and resources to perform or validate the risk assessments that examiners expect to be completed, including Fair Lending and BSA/AML.

The Regulatory Risk Assessment is important for several reasons:

- As noted, but in today's climate especially important: Federal examiners expect to see risk assessments.
- TCA Risk Assessments are an indication to examiners that senior management - including the Board of Directors - is serious about its need to meet compliance requirements. With the regulatory "top down" approach to bank compliance management solidly in place, TCA's Regulatory Risk Assessment is positive proof the bank is committed to effective compliance management.
- Equally important, TCA's Regulatory Risk Assessments help management determine the institution's compliance strengths and vulnerabilities. Together we can then determine the most effective compliance strategy.

We connect well in Illinois. TCA's Illinois Team is well diversified with former compliance officers, and auditors. More important the Team has years of banking experience, so our solutions are based on banking principles. They are good people to talk with about regulatory issues.

Your institution can connect with TCA in several ways. One way, of course, is to chat with us at this Compliance School. Another is to contact TCA's Managing Partners and Co-Presidents, Brian Crow & Michelle Strickland directly at 800-934-7347, b_crow@tcaregs.com & m_strickland@tcaregs.com.

Contact us today...or whenever you and your bank needs compliance help. TCA will be your best compliance friend!



800-934-7347
tcaregs.com

Brian J. Crow, CAMS

Managing Partner / Co-President



Brian Crow is a nationally recognized BSA/AML expert with a strong bank compliance management background and a welcome ability to provide focused educational support to TCA client banks.

Mr. Crow most recently was BSA Administrator for a suburban Chicago bank, where his responsibilities included the bank's annual assessment and audit documentation. Earlier, as Operations Officer at the same bank, Mr. Crow monitored AML activity and helped install automated AML software that allowed the bank to transition from paper to electronic CTRs. His activities were responsible for reducing debit card fraud by 95 percent at the bank.

Mr. Crow has been, and continues to be, an education consultant for the Glia Group BOL Learning Connect program, conducting webinars that have covered VISA/MasterCard chargebacks, debit card compliance and fraud prevention for hundreds of banks. It was in this role that Mr. Crow was recognized as a Bankers Online Guru in 2011.

Like many of us, Mr. Crow began his banking career as a teller, working his way up to head teller and then branch management responsibilities. He earned a B.A. degree from Concordia University, River Forest, Illinois.



800-934-7347

tcaregs.com

Margaret F. Dolinger, CRCM

Compliance Consultant & Fair Lending Specialist



A veteran Virginia banker whose compliance focus centers on the loan side and the many components of Fair Lending, Margaret Dolinger's ability to analyze credit data, operational processes, branch performance and support fraud investigation research positions her strategically well in the TCA compliance support spectrum.

Assigned to TCA's East Coast regional office in Sykesville, MD but operating from Charlottesville, VA, Dolinger primarily assists TCA client banks in the Mid-Atlantic states, although her extensive banking credentials have led to TCA compliance assignments throughout the country.

Prior to joining TCA in 2015, Ms. Dolinger was a Senior Auditor I at Union Bank & Trust, in Ruther Glen, VA. Earlier she held a similar position at Virginia Financial Group, which became StellarOne Bank and was acquired in 2014 by Union Bankshares Corp., the Richmond, VA-based holding company for Union Bank & Trust.

Ms. Dolinger also has held credit analyst, mortgage quality control and escrow positions – all with a Fair Lending overtone – at banks, mortgage companies and title companies in Virginia.

Ms. Dolinger received her CRCM (Certified Regulatory Compliance Manager) certification in 2014.

Subject matter expert in Fair Lending laws and Community Reinvestment Act, Ms. Dolinger enjoys assisting banks in seeking opportunities in outreach efforts to fulfill community credit needs.

Outside of work, Ms. Dolinger is heavily involved in the soccer community with focus on young and special needs soccer players. Other interests include cooking and park adventures. Finally, Ms. Dolinger is a Star Wars and Marvel geek.



800-934-7347
tcaregs.com

Michelle M. Strickland, CRCM

Managing Partner / Co-President



Michelle Strickland brings a wealth of commercial, consumer and residential loan compliance to her position at TCA, Thomas Compliance Associates, Inc.

Like many now senior compliance officers, Ms. Strickland began her banking career on the teller line, but her early career also included consumer, residential and secondary market loan processing. Her next step up was as a systems administrator for six bank branches; Ms. Strickland's responsibilities included customizing the bank's loan origination systems.

Ms. Strickland's most recent experience, at a large Indiana bank, included responsibility for three operational areas: loan servicing; commercial loan processing and documentation; and residential and consumer loan processing and documentation. Her duties included the preparation of Risk Assessments on loan operations functional areas, vendor relationships, pipeline reports and, of course, regulatory compliance.

Ms. Strickland joined TCA in early 2014.



800-934-7347
tcaregs.com

Monique Reyna, CRCM

Compliance Consultant



Monique Reyna brings a wealth of knowledge and experience to TCA's impressive team of compliance professionals. Along with over 25 years of experience in lending operations, she has earned both a bachelor's degree in Organizational Management and a Master's in Business Administration.

Ms. Reyna's experience in virtually every aspect of lending uniquely qualifies her in her role with TCA. She began her career at Freddie Mac as an administrative assistant, and shortly thereafter began working on seller/servicer audits. During her early career, she held positions in every area of lending including processing, underwriting, closing, post-closing and servicing.

For 14 years prior to joining TCA, she served as both a Vice President and Senior Vice President of Lending, supervising both loan origination and servicing. Ms. Reyna was responsible for regulatory compliance within the lending department. In this capacity, she developed bank policies and procedures, conducted internal compliance reviews for new loan originations and loan servicing, reviewed the year-end HMDA LAR for accuracy, and provided staff training.

Ms. Reyna joined TCA in May 2016.

TCA, Inc.

GLOSSARY OF COMPLIANCE TERMS

Adverse Action Notice

A notice required by the Equal Credit Opportunity Act informing loan applicants either that their loan was been denied or that the terms offered are different from those requested. The bank must provide this notice within 30 days of receiving the completed application for consumer credit.

Annual Percentage Rate (APR)

A Truth in Lending term that denotes a loan's cost expressed as an annualized percentage rate pursuant to Regulation Z. The APR reflects interest and other finance charges.

Annual Percentage Yield (APY)

An expression of the yield paid on a deposit account required by Truth in Savings. The proper APY calculation method is prescribed in Regulation DD and reflects interest paid and the effects of compounding and the effects of compounding.

B Notice

The notice received from the IRS telling the bank that a customer has not provided a correct taxpayer identification number for a deposit account. Unless the bank receives a correct number, it must begin withholding taxes on the account.

Bank Holding Company

As set out in the Bank Holding Company Act, Regulation Y, a company (including a bank) that has direct or indirect control of a bank.

CAMELS

The composite rating assigned to banks to measure their performance in six categories: capital, asset quality, management, earnings, liquidity, and sensitivity to market risk. The CAMELS rating is on a 1-to-5 scale, with 1 representing the best rating (lowest supervisory concern) and 5 representing the worst condition (highest supervisory concern).

Closing Disclosure (CD)

Required under Regulation Z for residential mortgage loans secured by real property. The CD, created as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, replaced the HUD-1 Settlement Statement and final Truth-in-Lending Disclosure.

Closed-End Credit

Used in Regulation Z to mean all consumer credit other than open-end credit. (See open-end credit.)

Consumer Credit

Used in various regulations and generally referring to credit, made to a natural person, for personal, family, or household purposes.

Consumer Lease

For purposes of Regulation M and the Consumer Leasing Act, a lease in an amount of \$25,000 or less covering personal property, made with an individual for personal, family, or household purposes.

Cosigner Notice

The notice a bank must provide any cosigner, guarantor, endorser, or third party that pledges collateral against a consumer loan. The notice explains that the bank has remedies against the cosigner (or the property pledged as collateral) if the borrower does not repay the loan. The notice must be given at the time of the loan.

CRA Investment Test

Evaluates a bank's qualified investments under the Community Reinvestment Act that benefit its assessment area(s) or a broader statewide or regional area that includes the assessment area.

CRA Lending Test

Evaluates a bank's lending activities under the Community Reinvestment Act by considering the bank's home mortgage, small-business, small-farm, and community development lending.

CRA Service Test

Analyzes under the Community Reinvestment Act both the availability and effectiveness of a bank's systems for delivering retail banking services and the extent and innovativeness of the bank's community development services.

Currency Transaction Report (CTR)

Required by the Bank Secrecy Act for all currency transactions in excess of \$10,000. Transactions include deposits, withdrawals, currency exchanges (for example, changing \$100 bills for \$20 bills), and loan proceeds or payments. CTRs must list detailed information about the customer conducting the transaction. CTRs must be sent to the IRS within 15 days of the transaction date.

Electronic Fund Transfer (EFT)

A transfer of money initiated through an electronic terminal, telephone, computer, or magnetic tape to authorize a financial institution to debit or credit a consumer deposit account. It includes point-of-sale transfer, automated teller machine (ATM) transfers, and direct deposits or withdrawals.

Federal Financial Institutions Examination Council (FFIEC)

A council consisting of representatives from the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corp., the Federal Reserve System, the Office of Thrift Supervision, and the National Credit Union Administration. Its purpose is to promote uniform supervision of financial institutions.

Good Faith Estimate of Settlement Costs

A disclosure required by the Real Estate Settlement Procedures Act (RESPA). The estimate describes each settlement cost the consumer may be required to pay at closing. While it is only an estimate, the bank is required to list each item it believes, in its experience, the consumer will have to pay. Good faith estimates of the cost of credit (Truth in Lending) must be provided at the same time. The bank also must disclose any relationship it has with a service provider (such as an attorney) whose services the bank requires the consumer to use. Applicable to Reverse Mortgages.

HUD-1 Settlement Statement

Required by the Real Estate Settlement Procedures Act (RESPA) and given to borrowers at the closing of a real estate loan on a form prescribed by the Department of Housing and Urban Development (HUD). It lists each item paid at closing, who paid it, and the person or company receiving the funds. The bank is required to keep a copy of the HUD-1 signed by the borrower in the loan file. Applicable to Reverse Mortgages.

HUD-1A Settlement Statement

May be used by the bank in lieu of a HUD-1 statement for refinancing or subordinate lien transactions. It does not contain references to seller costs. No longer applicable.

Insider

Generally, refers in banking to the insider lending restrictions found in Regulation O. An insider is an executive officer, director, or principal shareholder. All bank officers at the vice-president level and above will be deemed to be executive officers unless the board issues a resolution specifically designating executive officers. Advisory directors are usually not insiders unless they can vote on board issues. A person owning more than 10 percent of the bank stock would be considered a principal shareholder. The term also is used in the insider reporting requirements and insider trading restrictions of federal securities laws.

Loan Application Register (LAR)

Lists basic information that the Home Mortgage Disclosure Act (HMDA) requires banks to collect. The HMDA-LAR contains information on loans and applications such as the amount and type of loan, and property location, as well as the race, gender, and income of the applicant. It also designates the application or loan origination as a home purchase, home improvement, or refinance loan. The disposition of the application (approved, denied, or withdrawn) is also noted on the LAR. Institutions covered by the HMDA send the LAR annually to their regulatory agency.

Loan Estimate (LE)

Required under Regulation Z for residential mortgage loans secured by real property. The LE, created as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, replaced the Good Faith Estimate and initial Truth-in-Lending Disclosure.

Management Official

Used in Regulation L and the Management Interlocks Act to mean a bank employee or officer engaged in a management function, or a director of a bank (including an advisory director).

Member Bank

A term referring to banks that are members of the Federal Reserve system. All national banks are member banks. State banks choose whether to be members.

Metropolitan Statistical Area (MSA)

Defined by the Bureau of the Census and used in the Home Mortgage Disclosure Act (HMDA). An MSA is an urban area with a population of at least 50,000 people and a total metropolitan area with a population of at least 100,000. Banks are subject to the HMDA if they have an office in an MSA and have assets of at least \$150 million adjusted by the change in the Consumer Price Index from 1975.

Open-End Credit

A Truth in Lending term that refers to consumer credit extended under the terms of a plan where repeated transactions are contemplated and the borrower has a principal amount available (less any outstanding balance). Credit card, home equity lines of credit, and overdraft lines of credit are examples of open-end credit.

Periodic Statement

Used in Regulations E, Z, and DD and referring to the statement banks send customers on a periodic basis. For Regulation Z, the statement must be sent only if there is activity on an open-end credit account. Under Regulation E, statements must be provided during any month in which there have been electronic fund transfers, but at least quarterly if no transfer has occurred. Regulation DD does not mandate a periodic statement but requires certain information if one is sent. The periodic statements in Regulation DD and E are generally deposit account statements. In Regulation Z, they could be credit card statements and home equity lines of credit.

Principal Shareholder

For purposes of Regulation O (the insider lending regulation), a principal shareholder is anyone who owns, controls, or has the power to vote, either alone or in conjunction with others, more than 10 percent of the bank's stock.

Prohibited Basis

Refers to personal characteristics (race, gender, etc.) that a bank may not use in making credit decisions. Two laws set out prohibited bases: the Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA). The ECOA applies to all credit transactions and has nine prohibited bases: race, color, national origin, religion, gender, age, marital status, the receipt of public assistance income, and the exercise of rights under the Consumer Credit Protection Act. The Fair Housing Act applies only to housing credit and has seven prohibited bases: race, color, religion, national origin, gender, handicap, and family status.

Regulation B

The Consumer Financial Protection Bureau regulation that implements the Equal Credit Opportunity Act (12 CFR 1002).

Regulation BB

The Federal Reserve Board regulation that implements the Community Reinvestment Act for state member banks (12 CFR 228).

Regulation C

The Consumer Financial Protection Bureau regulation that implements the Home Mortgage Disclosure Act (12 CFR 1003).

Regulation CC

The Federal Reserve Board regulation that implements the Expedited Funds Availability Act (12 CFR 229).

Regulation D (CFPB)

The Consumer Financial Protection Bureau regulation that implements the Alternative Mortgage Transaction Parity Act (12 CFR 1004).

Regulation D (FRB)

The Federal Reserve Board regulation that implements the Federal Reserve Act requirement that banks keep reserves on deposits (12 CFR 204).

Regulation DD

The Consumer Financial Protection Bureau regulation that implements the Truth in Savings Act (12 CFR 1030).

Regulation E

The Consumer Financial Protection Bureau regulation that implements the Electronic Fund Transfer Act (12 CFR 1005).

Regulation G

The Consumer Financial Protection Bureau regulation that implements a portion of the Securities Exchange Act of 1934. It applies margin limits and requirements to lenders of securities credit other than banks, brokers, or dealers (12 CFR 1007).

Regulation L

The Federal Reserve Board regulation that implements the Management Interlocks Act. It generally prohibits a bank official from serving two competing institutions at the same time (12 CFR 212).

Regulation M

The Consumer Financial Protection Bureau regulation that implements the provisions of the Consumer Leasing Act by requiring detailed disclosures of the financial provisions of a consumer lease (12 CFR 1013).

Regulation O

The Federal Reserve Board regulation that implements the portion of the Financial Institutions Regulatory Act governing lending by banks to insiders (12 CFR 215).

Regulation P

The Consumer Financial Protection Bureau regulation that implements the Gramm-Leach-Bliley Act (12 CFR 1016).

Regulation T

The Federal Reserve Board regulation that implements a portion of the Securities Exchange Act of 1934. It applies margin limits and requirements to securities credit by and to brokers and dealers (12 CFR 220).

Regulation U

The Federal Reserve Board regulation that implements a portion of the Securities Exchange Act of 1934. It applies margin limits and requirements to securities credit by banks (12 CFR 221).

Regulation X (FRB)

The Federal Reserve Board regulation that implements a portion of the Securities Exchange Act of 1934. It applies margin requirements to borrowers of securities credit. It limits the margin in securities credit a U.S. person may obtain both inside and outside the United States (12 CFR 224).

Regulation X (CFPB)

The regulation issued by the Department of Housing and Urban Development that implements the Real Estate Settlement Procedures Act (12 CFR 1024).

Regulation Y

The Federal Reserve Board regulation that implements the Bank Holding Company Act. It limits the activities of a bank holding company by prohibiting it from engaging in nonbanking activities and requires notice to and prior approval by the Federal Reserve Board for certain changes in the control of the bank holding company or a bank subsidiary (12 CFR 225).

Regulation Z

The Federal Reserve Board regulation that implements the Truth in Lending Act (12 CFR 226).

Savings Account

As defined in Regulation D, a deposit or account, such as a passbook savings account, a statement savings account, or a money market deposit account (MMDA), limited to no more than six transfers or withdrawals during than six transfers or withdrawals during a calendar month or statement cycle. No more than three of these transactions may be items payable to third parties. Some transfers or withdrawals, such as those made in person or through automated teller machines (ATMs), do not count against the number of allowable transactions.

Special Flood Hazard Areas

A term used in the National Flood Act and the Flood Disaster Protection Act to refer to an area the Federal Emergency Management Agency has deemed susceptible to flooding.

Time Account

A Regulation D term referring to an account in which the depositor cannot withdraw the funds for at least six days after the date of deposit and for which the bank requires at least a seven-day notice of withdrawal. If the funds are withdrawn prior to these limits, the bank charges an early withdrawal penalty.

Transaction Account

A term defined in Regulation D to mean an account from which an individual may, through a check or electronic device, make payments to a third party. Transaction accounts are primarily checking accounts.

Tying

A practice prohibited by the Bank Holding Company Act in which a bank conditions the offer of credit or other products or services upon the customer's agreement to obtain other products or services from the bank's competitors.

For more information go to <http://www.americanbanker.com/glossary/a.html>