Entity Name: Prepared by:

NMLS/License Number:       Date:

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Examiners should use this template to evaluate the entity’s compliance management system. The review should cover the items listed below (and detailed on the following pages) that are the common elements of an effective compliance management program.

[I. Compliance Program [#]](#_Toc322683954)

[A. Monitoring and Corrective Action [#]](#_Toc322683954)

[A-1. Exam report comment [#]](#_Toc322683954)

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| Examination Procedures – Compliance Program | |
| Examination Procedures – Monitoring and Corrective Action | |
| ***To evaluation whether monitoring and audit programs are adequate and comprehensive, examiners should:*** | ***Comments*** |
| 1. Determine the chief compliance officer’s role in the compliance monitoring element of the compliance program. | [Click&type] |
| 1. Request and review the monitoring and testing schedule for the current year or next 12 months and review the currency of reviews in process against the current schedule. | [Click&type] |
| 1. Request and review the risk assessments or other documents that led to the monitoring and testing program plan. | [Click&type] |
| 1. Discuss with the compliance officer or monitoring manager the coverage of service providers that have contact with consumers. | [Click&type] |
| 1. Determine whether and to what extent monitoring includes calculation tools, the content of consumer disclosures and notices, marketing materials, and scripts or guides for employee contacts with consumers. | [Click&type] |
| 1. Request and review all compliance monitoring, testing, and corrective action reports completed during a specific period of time. | [Click&type] |
| 1. Review reports for indications of systemic weaknesses, repeat violations of law and resulting risks or harms to consumers, or other matters of significant concern such as potential discriminatory effects of policies or procedures or particular business units with continuing or high levels of non-compliance. | [Click&type] |
| 1. Review a sample of reports and supporting documents covering potential unfair, deceptive, or discriminatory practices or related matters that pose heightened risks to consumers for thoroughness of review, accuracy of findings, and appropriateness of recommendations. | [Click&type] |
| 1. Determine whether monitoring results in corrective action that is timely and appropriate in size and scope. | [Click&type] |
| **Conclusions – Monitoring and Corrective Action** | |
| Draw a preliminary conclusion regarding the strength, adequacy, or weakness of the compliance monitoring and corrective action program. Consider whether:   1. Monitoring is scheduled and completed and leads to timely corrective actions where appropriate; 2. Monitoring confirms that transactions and other consumer contacts are handled according to the entity’s policies and procedures; 3. Monitoring and testing consider the results of risk assessments or other guides for prioritizing reviews; 4. Monitoring addresses deficiencies identified in internal or external audits and the board’s or management’s directives on resolving the deficiencies; and 5. Findings are escalated to management and to the board of directors if appropriate.   Confirm the preliminary conclusions by selecting areas for further review either because of lack of coverage by the monitoring program or to confirm monitoring or corrective action findings. | |
| [Click&type]  **INSERT COMMENTS FOR USE IN THE EXAMINTION REPORT. COMMENTS SHOULD INCLUDE ANY REQUIRED CORRECTIVE ACTIONS IF DEFICIENCIES ARE FOUND.**  When drafting these comments, use Times New Roman, 12 pt font and justify the right margin. | |