

Confidential Supervisory Information
Payment Processing Review

Entity Name:

Prepared by:

NMLS/License Number:

Date:

Examiners should use this template to evaluate the entity's payment processing. The review should cover how payments are applied, account maintenance issues, including those associated with electronic fund transfers.

- I. Payment Processing [#]

 - A. State specific subset..... [#]
 - B. Transaction remittance analysis spreadsheet [#]

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I. Examination Procedures – Payment Processing	
<i>To evaluate the entity's policies, procedures, and practices regarding payment processing.</i>	<i>Comments</i>
<i>Complete the Transaction Remittance Analysis Spreadsheet (TRAS)</i>	<i>Insert Hyperlink to TRAS</i>
1. Determine if payments are applied on the date received. (is there a delay in applying the payment). Refer to state specific subset.	[Click&type]
2. Determine whether all payments are applied as instructed by the consumer; and where no instruction is given, payments applied to only undisputed debts.	[Click&type]
3. Determine whether the payment amount includes interest, late fees, service charges, collection charges, attorney fees, or court costs that are not expressly authorized by the agreement creating the debt or permitted by law.	[Click&type]
4. Determine if collected funds are deposited into a trust account. Refer to state specific subset.	[Click&type]
5. Determine if client remittances are timely. Refer to state specific subset.	[Click&type]
6. Determine if the creditor was paid all amounts due to them.	[Click&type]
7. Determine if client remittances have cleared the licensee's bank.	[Click&type]
8. Determine if the debt collector accepts or solicits postdated checks. Refer to state specific subset.	[Click&type]
9. Determine if an appropriate process is in place when an overpayment is received from a consumer.	[Click&type]
10. Determine if an appropriate process is in place for unidentified payments.	[Click&type]

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11. Determine if the Licensee accepts recurring electronic payments. If so, are the payments processed according to Regulation E?	[Click&type]
12. Determine if payment/remittance records are retained? If so, what is the retention period? Refer to state specific subset.	[Click&type]
13. Review Licensee website for collection activity such as allowing online payments.	[Click&type]

Trust Account	
A. State specific subset	
<i>To determine compliance with state specific requirements relating to payment processing.</i>	<i>Comments</i>
1. Arizona (anything specific)? a. Collected funds must be deposited within XX . b. Client remittance time frame XX . c. Record retention is XX .	[Click&type]
2. Connecticut (anything specific)? a. Collected funds must be deposited within XX . b. Client remittance time frame XX . c. Record retention is XX .	[Click&type]
3. Idaho (anything specific)? a. Collected funds must be deposited within XX . b. Record retention is XX .	[Click&type]
4. Maine a. If the trust account is not maintained specifically for the licensee's Maine clients, has the company received	[Click&type]

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<p>approval from the Bureau to utilize a consolidated trust account?</p> <p>b. Are commissions withdrawn on one specific day of the licensee's choosing and the same day each succeeding month?</p> <p>c. Are commissions being withdrawn on the same date as noted above?</p> <p>d. Collected funds must be deposited within XX.</p> <p>e. Client remittance time frame XX.</p> <p>f. Record retention is XX.</p>	
<p>5. Massachusetts (anything specific)?</p> <p>a. Collected funds must be deposited within XX.</p> <p>b. Client remittance time frame XX.</p> <p>c. Record retention period is XX.</p> <p>d. Post-dated checks prohibited</p>	[Click&type]
<p>6. North Dakota</p> <p>a. Collected funds must be deposited within 48 hours.</p> <p>b. Client remittances must be within XXXXX</p> <p>c. Record retention period is six years.</p>	[Click&type]
<p>7. Wisconsin</p> <p>a. Electronic payments must be posted the date the payment is accepted by the licensee. (An agency cannot wait until the monies are received from the processor to post the payment).</p> <p>b. Third party processors are prohibited from withdrawal access to trust bank account(s).</p> <p>c. Deposits in transit from a third party are not considered</p>	[Click&type]

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<p>trust monies when determining whether sufficient funds are available for client remittances.</p> <ul style="list-style-type: none">d. Collected funds must be deposited the day following receipt.e. Client remittance time frame is 30 days from the end of the month in which payment is received.f. Record retention period is six years.	
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