

# AN OVERVIEW OF PBS'S COMPLIANCE CONSULTING SERVICES

Professional Bank Services, Inc. (PBS) is a nationally recognized provider of consulting and training services for financial institutions, specializing in issues relating to compliance with federal lending regulations. Founded in 1978, PBS has presented seminars for more than 25 state banking associations and several state banking departments. Past clients include the Federal Deposit Insurance Corporation (FDIC) and the Office of Thrift Supervision (OTS).

**INHOUSE TRAINING** – PBS has an impressive menu of educational programs designed to keep staff members up-to-date on the rules and regulations which govern their institution. Every program we offer in a traditional seminar environment can also be presented in-house to your staff. Whether it's addressing deficiencies cited in regulatory or internal reviews or clarifying areas of compliance that consistently garner the questions from your staff...PBS will deliver a program that addresses the concerns that are uniquely yours.

**COMPLIANCE REVIEWS** – These reviews are designed to evaluate an institution's overall compliance program. Following an approach similar to regulatory agencies, our consultants conduct a risk assessment, then sample actual transactions. The broad scope review covers topics included in a regulatory compliance examination. If requested, reviews can be focused on specific topics.

**INDEPENDENT BSA/AML EVALUATIONS** – This service is designed to satisfy regulatory expectations that an institution conduct an annual, independent evaluation of its BSA/AML program. We review and assess the institution's written BSA policies and procedures, and monitor compliance with: recordkeeping requirements of 31 CFR 1000; exemption procedures; Customer Identification Programs; and Office of Foreign Assets Control (OFAC). Most importantly, this engagement evaluates the institution's ability to detect reportable currency transactions and suspicious activity.

## **VALIDATION AND OPTIMIZATION SERVICES FOR BSA TRANSACTION MONITORING SYSTEMS**

Automated transaction monitoring is essential in managing money laundering and terrorist financing risks. Institutions using these systems must ensure that they are reliable. As cited in the FFIEC BSA/AML Manual, independent validation of an automated monitoring system's programming methodology and effectiveness is a regulatory expectation. PBS can evaluate the validity and reliability of your institution's monitoring system. Our experience with rule-based and intelligent systems allows our reviews to be

customized to the client's risk profile. Consultants validate data mapping and extraction processes, as well as test the system's programming processes to ensure parameters and filtering criteria encompass key BSA/AML risks and that data output is reliable.

**POLICIES AND PROCEDURES** – Regulatory agencies expect institutions to develop comprehensive compliance programs that include written policies. We evaluate existing policies, and if needed, offer recommendations and assistance in preparing compliance policy manuals.

**NON-DISCRIMINATION ANALYSIS** – We conduct engagements designed to evaluate an institution's fair lending procedures. We review policies and interview personnel to identify potential discriminatory treatment or "Effects Tests" concerns. We then conduct "side-by-side" comparative file analysis, following interagency examination guidelines, focusing either on underwriting or terms and conditions. At the conclusion of these engagements, we offer recommendations and solutions designed to strengthen the institution's fair lending program.

**RESPONSES TO ENFORCEMENT ACTIONS** – A financial institution's response must be immediate and appropriate when regulatory criticisms reach the level of a formal enforcement action. Our experience in working with clients in similar circumstances assures effective allocation of time and resources to respond to regulatory agreements.

**RESTITUTION** – Truth-in-Lending disclosures, RESPA tolerance exceptions, or adjustable rate mortgage servicing errors can create reimbursable violations. Our consultants are experienced in overseeing reimbursement efforts with the joint purposes of complying with regulatory requirements while minimizing the cost to the institution.

**PBS PERSONNEL** – Our consultants possess a variety of banking, legal, regulatory, and training backgrounds. They have two common traits: excellent knowledge of regulatory requirements and a comprehensive understanding of the financial industry. This combination yields practical advice our clients can use to manage the compliance function.

We can provide the compliance expertise you are looking for. If you would like to discuss these or other PBS services, please contact Martin (Marty) Mitchell at 800/523-4778, extension 258, or complete the information card on the reverse side of this page and fax or mail it to PBS.



Professional**Bank**Services

*For more information on compliance consulting services, complete the information card below and return to PBS.*

## Compliance Consulting Services

We appreciate your interest in our company and its services. If you would like additional information, please complete the following and fax or mail it to us at the appropriate number or address listed below.

**Professional Bank Services, Inc.**  
**ATTN: Martin (Marty) Mitchell, CRCM**  
**6200 Dutchman's Lane, Suite 305**  
**Louisville, Kentucky 40205**  
**www.probank.com**  
**800/523-4778, ext. 258 (Phone)**  
**502/451-6755 (Fax)**

I would like information on the following:

- Inhouse Training
- Regulatory Compliance Reviews
- Independent BSA/AML Evaluations
- Validation Services BSA Transaction Monitoring Systems
- Policies and Procedures Development
- Fair Lending/Non-Discrimination Analysis
- Community Reinvestment Act Evaluations
- Enforcement Actions/Restitution
- Information Security Audits
- ACH Self Audits
- Other \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Institution \_\_\_\_\_

MICR Number \_\_\_\_\_ (Financial Institutions Only)

Address \_\_\_\_\_

City \_\_\_\_\_

State Zip \_\_\_\_\_

Phone Number \_\_\_\_\_

Fax Number \_\_\_\_\_

Email \_\_\_\_\_

The best time to reach me is \_\_\_\_\_.