

# Compliance Audit I: Lending Regulations

*Triac Compliance, LLC.*

## *Schedule*

Although this review may be conducted at any point during the year, it is frequently conducted during the first quarter in connection with an institution's preparation of the HMDA submission.

## *Area(s) of Review*

This review emphasizes the following credit regulations, as applicable:

1. *Truth in Lending Act - Regulation Z*
2. *Equal Credit Opportunity - Regulation B*
3. *Fair Credit Reporting*
4. *Credit Practices Rule - Regulation AA*
5. *Consumer Leasing - Regulation M*
6. *Home Mortgage Disclosure Act (HMDA)- Regulation C*
7. *Flood Disaster Protection Act*
8. *Real Estate Settlement Procedures Act*

## *Scope of Review*

The scope of the review is tailored to meet the needs of each client. Typically, however, it includes the following:

- Review of applicable lending policies.
- Review and evaluation of training.
- Review of blank disclosures applicable to lending compliance.
- Review of lending advertisements.
- Review of lobby disclosures/posters of loan products.
- Review of loan tracking system to ensure compliance with timing elements involving disclosure regulations (e.g., flood, ECOA, TILA, RESPA, etc.)
- Review of the bank's prepared HMDA disclosure.

- Review of handling of billing errors.
- Sampling of loans in each major lending category (residential mortgage lending for both open and closed-end including construction lending, consumer installment lending, small business lending, small farm lending, commercial real estate lending). The review concentrates on high-risk areas as indicated by our experience and the bank's input.
- Sampling of declines in each major lending category.
- Interviews of appropriate personnel involving the above items to ensure comprehension of relevant regulatory requirements.

## *Fee*

Depending on the needs of the institution, this review typically requires three to four days.

For a specific fee proposal for your institution, please contact Frank Young, Partner/Chief Auditor, at 888-388-7422 or [frankyoung@triacompliance.com](mailto:frankyoung@triacompliance.com).

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