

Core Systems - Helping with Regulatory Issues & Compliance Pressures

Today, regulatory change is the new "normal" for financial institutions nationwide. From Regulation E to Regulation Z, thousands of pages of new requirements are changing the way that financial institutions do business - and the trend shows no sign of slowing. Proposed legislation for the Registration of Mortgage Loan Originators and new disclosures for Closed-End Mortgages and Home Equity Lines of Credit are on the table, with others awaiting discussion in Congress. Although it's easy to be shell-shocked by the sheer volume of pages associated with these regulations, for any financial institution, staying aware and on top of what's coming down the pike is key to survival.

The good news is that Harland Financial Solutions takes these regulations very seriously. We have a full team of legal and compliance experts who monitor and interpret pending regulations with the goal of keeping our software compliant. These experts work in conjunction with our product development and management teams, as well as client services, to ensure we align our development calendar with capacity included for regulatory and mandate-related support.

In addition to providing timely software updates, Harland Financial Solutions also puts together webinars and client communications that explain the impact of these regulations - both in terms of system changes being made by us and rules that affect other aspects of the credit union's processes.

As an example, when the Federal Reserve Board came out with Regulation Z - a part of which mandated that financial institutions had to mail periodic statements at least 21 days before the credit card payment due date to be able to assess fees for late payments - Harland Financial Solutions created a multi-layer response. We first organized a focus group to create the right solution, reached out to our clients through newsletters, e-mails and webinars; and created several programs to address the 21-day notice requirements, including a tool to help the credit union plan and prepare for their upgrade, and then a conversion program that moved all payment frequencies to monthly. For Regulation DD, we added grid lines to the periodic statement to comply with the new regulations and communicated these changes through a series of e-mail blasts and face-to-face interactions. The point is, every regulation is addressed and communicated, including those that don't require an operational change.

Credit unions should be able to leverage their core systems as tools to lessen the financial impact of some of these regulations. For example, with Regulation E and the constraint it imposes on prohibiting charging fees for paying overdrafts on ATM and one-time debit card transactions, one credit union utilized the reporting capabilities of UltraData® Enterprise to identify target members who use the overdraft protection so they could focus more aggressively on those members first to opt-in. Another credit union used UltraData Enterprise CRM to "remind" tellers and call center operators to ask appropriate members about opting in. Others took advantage of Harland Clarke's full Regulation E Communication and Solution Strategy that included a complete portfolio of credit union-to-member communications and marketing materials, as well as a web-based opt-in collection service and call center support.

The fact is, regulatory changes and compliance issues impact financial institutions and service providers alike. The way to deal with the change is to work together as partners. Read the notices, attend the webinars and do what you can to stay on top of the latest compliance issues. Harland Financial Solutions is committed to partnering with you to succeed.



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Jennifer Roberts holds an MBA in Marketing and has spent 15 years working in various Product Management roles. She has specialized in product concept development, as well as working on product growth and development of marketing program strategies. Jennifer joined Harland Financial Solutions in 2008 and she, along with her team of experts, directs the roadmap development efforts for UltraData Enterprise, including Regulatory and Compliance initiatives. Harland Financial Solutions is a leader in core systems, item processing, enterprise content management, branch automation, CRM, BI, origination and document solutions, risk management, compliance training, financial accounting, open documents, mortgage solutions, card programs, EFT, fraud prevention, self service solutions and performance advisory services.