

Core Systems - Helping with Regulatory Issues & Compliance Pressures

The regulatory environment is challenging, but we see not only a solution for complying with current and future regulations, but also opportunities tied to the regulatory challenges.

First, we believe technology is the best way to manage ever-changing regulations, because companies like Open Solutions can devote considerable resources to addressing compliance issues. Those solutions are more reliable and more affordable to our clients than the human resources a credit union might expend to achieve the same results. And this is also where we see opportunity: Upgrading from legacy technologies to newer technologies in order to manage new regulations will provide additional benefits to credit unions, such as streamlined processes, more flexibility and improved productivity.

Another opportunity we see is in the increasingly public nature of regulations. With the focus on the consumer, more people are paying attention to the way they're treated by their institutions and becoming more knowledgeable about their options, and we believe they'll elect to do business with community-minded institutions like credit unions. Couple this with state-of-the-art technology that allows you to focus on your members and you can deliver on your brand promise of community first.

The unique foundation on which we built our core system, named DNA, has allowed us to support some of the deposit-related regulatory changes well in advance of the mandatory compliance dates. Regulation E was a good example of this. Since our relational database supports unlimited user-defined fields, our clients were able to begin soliciting their members immediately for opt-in requirements regarding overdraft services. Once we developed notices and modified the processes related to payment of one-time debit card and ATM transactions, the information stored in the user field was migrated to the permanent place in the database. On the loan side, the majority of the changes required by Regulation Z centered around statement/bill disclosures and new formatting. Due to the flexibility of our product, offering both system-generated statements/bills and an extract that allows our clients the ability to customize their statements/bills, we produced the majority of the changes required 45 days prior to the July 1 deadline. Our world-class development team really stepped up to get these projects completed and delivered in the timeframe required.

DNA features wizards, which guide staff through all the steps needed to open new memberships and accounts. DNA's wizards include visual indicators and what we call "validation rules" to guide credit union staff through Know Your Member and other member information program requirements. This information is then stored in the database and is available for any reporting required. In addition, through wide-ranging relationships with our business partners, we offer many products to assist credit unions in areas such as data and transaction fraud detection, enterprise and credit risk management, and BSA/AML including OFAC, to name a few. These powerful products are fully integrated with DNA and all the information required for the extracts is stored within our database.

In terms of helping credit unions meet their compliance challenges, again we can use Regulation E as an example. As early as February, we began notifying our clients of their ability to add temporary input fields in order to track members' opt-in choices. Then in May we delivered a permanent system update that worked off the data already in the temporary fields that generates a customizable confirmation notice for the member. We've always built flexibility into our systems for just such purposes.



David Mitchell
SVP & CMO



Contact Info

www.opensolutions.com

David Mitchell is Senior Vice President & Chief Marketing Officer for Open Solutions Inc. and is responsible for strategically directing Open Solutions' global product management, domestic and international alliances, and all corporate and product marketing efforts. Mr. Mitchell received a Bachelor of Science degree in marketing from Central Connecticut State University and earned his certificate of Special Studies in Administration and Management from Harvard University. Open Solutions' full suite of products and services is designed to allow credit unions to better compete in today's aggressive financial services marketplace, expand and tap their trusted financial relationships, member affinity, community presence and personalized service.