

To the Point:

Compliance Management Systems



insideARM.com
accounts receivable management

← Backspace



Compliance

↑ Shift

Complimentary
Preview

Copyright © 2014 insideARM.com. All rights reserved.

NOTICE:

This transcript is offered for sale by insideARM.com. Purchase of this transcript entitles the buyer to share this information only among his or her immediate management team of up to five individuals.

Site licenses or multiple copy discounts are available.

insideARM.com

Phone: 240.499.3834

E-mail: editor@insideARM.com | Website: www.insideARM.com

Legal Disclaimer

This information contained in this report is not intended to be legal advice and may not be used as legal advice. Legal advice must be tailored to the specific circumstances of each case. Every effort has been made to assure this information is up-to-date. It is not intended to be a full and exhaustive explanation of the law in any area, however, nor should it be used to replace the advice of your own legal counsel.

Complimentary
Preview

Table of Contents

Contributors	4
Introduction: Rethinking CMS.....	5
The CFPB’s Take on CMS	6
Board and Management Oversight.....	6
Compliance Program.....	7
Consumer Complaints.....	8
Compliance Audit.....	9
Operational Must-Haves in a CMS.....	10
Appendix.....	13
CFPB Examination Procedures – Debt Collection	

Contributors



Rozanne Andersen is the Chief Compliance Officer at Ontario Systems. She has more than 15 years of experience as General Counsel, Chief Lobbyist, Executive Vice President and CEO of ACA International –The Association of Credit and Collection Professionals – as well as 14 years as a practicing attorney specializing in banking and financial services. She is a national speaker for the ARM industry, an industry advocate before both state and federal regulatory bodies and oversees the corporate and regulatory compliance work of Ontario Systems. She is also the visionary and driver behind the suite of Ontario Systems compliance solutions for the ARM industry.



Wendy Badger currently serves as Vice President, Corporate Compliance and Chief Compliance Officer for ECMC Group where she oversees the organization's corporate and regulatory compliance efforts and ethics program. She is responsible for promoting an organizational culture that encourages ethical conduct and a commitment to compliance. Wendy has nearly 15 years of credit and collection compliance experience. She served as Associate Corporate Counsel and Director of the Members' Attorney Program (MAP) at ACA International. As General Counsel for a multi-site accounts receivable management company, she oversaw compliance, litigation management, human resources, training, auditing and licensing.

Introduction: Rethinking CMS

A compliance management system (CMS) isn't a product; it's a process.

Historically, collection agencies have viewed compliance as a reactionary, standalone department. Now, there's an active shift to view compliance as a proactive process that requires full participation and collaboration across all agency departments. While the compliance department should still exist and is a factor within a compliance management system, it no longer stands on its own.

The transition to a company-wide culture of compliance applies to collection agencies of every size. The CFPB has been very clear that organizations can build and scale a CMS that matches the size and complexity of their organization, while addressing the unique risks inherent to the company's collections or services. A small company's CMS does not have to be identical to that of a large-market participant. The goal is to get to the same end-point: Follow all the necessary regulations to a T, and treat consumers with respect.

Here's a Tip:

"What I always like to remind all organizations, particularly those who may not necessarily fall into the larger market participant category, of which the CFPB estimates there are 175 such collection organizations, to remember is that the CFPB can exercise its supervisory authority over any agency that it believes is causing -- or allegedly causing -- consumer harm. The need to have a CMS applies to everyone, not just the larger market participants. Consider it an opportunity. If you delve into this, if you embrace the CMS concept and culture, it will help you remain competitive in this marketplace. It will actually help your survival."

Rozanne Andersen

Chief Compliance Officer, Ontario Systems

In addition to its supervisory authority, keep in mind the fact that the CFPB also has investigation, enforcement and rulemaking authority. This means that the Bureau's power works in a bit of a continuous loop for the industry: The CFPB supervises the debt collection industry; if the Bureau thinks a company is doing something wrong, it can launch its own investigation and hand down its own enforcement actions in the form of fines and other penalties; and, if the CFPB sees a widespread industry activity it wants to correct, it can create its own new rules and regulations, which it will then begin to monitor for in its supervisory and investigative roles. Those other components of their authority apply across the board, regardless of whether or not you are a large market participant.