



KirkpatrickPrice

## CFPB Readiness Series: Policy & Procedure Drafting 101

# Who is KirkpatrickPrice?

KirkpatrickPrice is a licensed CPA firm, providing assurance services to over 200 clients in more than 40 states, Canada, Asia and Europe. The firm has over 10 years of experience in information assurance by performing assessments, audits, and tests that strengthen information security, and compliance controls.



# Welcome

Todd Stephenson is an Information Security Specialist helping collection agencies and law firms prepare for a CFPB examination.

- Certified Information Systems Auditor (CISA)
- Information Security Specialist
- Over four years working with the ARM industry



# Policies & Procedures

In today's regulatory environment it is not uncommon to hear *"If it's not written down, you are not doing it."* Properly written and managed policies and procedures have become a business critical component.



# Why are they needed?

- Meet CFPB requirements
- Satisfy client requirements
- Establish the “Tone at the Top” and guide management decision making
- Effective communication with employees



# Policies & Procedures Needed for Legal and Collections Firms

- Compliance Management System Overview
- Risk Assessment
- Compliance with & Training Efforts covering: FDCPA, FCRA, SCRA, GLB, TCPA, EFTA, etc.
- Policy and Procedure for creating Policies & Procedures
- Internal Audit
- Monitoring Procedures
- Vendor Compliance Management



# Policies & Procedures Needed for Legal and Collections Firms

- Human Resources: Background Checking, Employee Handbook
- Information Technology: Information Security, Business Continuity, Change Management, Incident Response
- Business Development: Acquisition requirements and due diligence
- Operations: Settlement, Complaints, Disputes, Credit Bureau Reporting, Dialer Controls, Statute of Limitations, QA and Enforcement, Hardship, Marketing, and Lettering



# Welcome

Jessie Skibbe is a former Chief Compliance Officer with 10 years of ARM industry experience. As Director of Compliance Services for KirkpatrickPrice, she is focused on assisting clients in meeting regulatory compliance & information security objectives.

- ACA Certified Credit & Collections Compliance Officer (CCCO)
- ISC2 Certified Information Systems Security Professional (CISSP)
- DBA Certified Receivables Compliance Professional (CRCP)
- PCI SSC Qualified Security Assessor (QSA)



KirkpatrickPrice



# Definition of a Policy

What are policies?

How do they differ from procedures  
and guidelines?



KirkpatrickPrice

# Definition

Policies, procedures, work instructions, and guidelines.  
How do they differ?

- Policies
  - Establish directives for compliance with regulatory requirements as well as and executive leadership objectives
  - Communication of mandatory requirements and enforcement actions
  - Serves as a guide for management decision making
  - Establishes the “Tone at the Top” and sets the stage for the overall compliance culture within the organization



KirkpatrickPrice

# Definition

Policies, procedures, work instructions, and guidelines. How do they differ?

- Procedures
  - Establishes responsibility for carrying out directives established within the organizations policies.
  - Provides a greater level of detail and process flow
- Work Instructions
  - Detailed step by step instructions (ie. Instructions for Collection Software Use)



# Examples

Collectors must honor discounts offered in active letters.

## **Policy**

To obtain read/write access to a public drive, locate the authorization form on the intranet; submit completed form to HelpDesk.

## **Procedure**



# Document Components

- Approval & Change Control Log
- Purpose
- Scope
- Definitions
- Policy Statements
- References



# Approval

## Document Approval

---

Name	
Title	
Effective Date	
Next Review Date	
Records Location	



KirkpatrickPrice

# Purpose

## *Compliance Management System Policy*

### **Purpose**

It is the policy of *CompanyName* to maintain a fully functional Compliance Management System. The purpose of this policy is to establish requirements for maintaining an effective Compliance Management System incorporating the elements as described herein to ensure compliance with applicable consumer financial protection laws, including, but not limited to FDCPA, FCRA, GLBA, EFTA, ECOA & UDAAP concerns therefore resulting in the prevention of unnecessary consumers harm.



# Scope

## Scope

The scope of this policy covers the following areas:

- Chief Compliance Officer designation & responsibilities;
- Board of Directors and management oversight; and
- Internal Management Structure.





# Responsibility

## Responsibility

Responsibility for this policies contained in this manual are as follows:

- The *CompanyName* Board of Directors is ultimately responsible for this policy and its approval.
- The Chief Compliance Officer will inform all staff members of this policy upon initial approval as well as upon revision.
- All employees are responsible for reporting any violation of this policy to the Chief Compliance Officer.
- All members of management are responsible for the enforcement of this policy
- All *CompanyName* employees are responsible for adherence to this policies contained within this manual.



# Definitions

## Definitions

**FDCPA:** The Fair Debt Collections Practices Act governs collection activities and prohibits deceptive, unfair, and abusive collection practices.

**FCRA:** The Fair Credit Reporting Act and its implementing regulation, Regulation V, require that furnishers of information to consumer reporting agencies follow reasonable policies and procedures regarding the accuracy and integrity of data they place in the consumer reporting system.

**GLBA:** The Gramm-Leach-Bliley Act and its implementing regulation, Regulation P, impose limitations on when financial institutions can share nonpublic personal information with third parties. Etc....



# Policy

## Policy

### ***Chief Compliance Officer Designation & Responsibilities***

*CompanyName* has appointed *NameHere* as a fully qualified and experienced Chief Compliance Officer and has extended authority and accountability for the management of the Compliance Management System herein.

The duties of Chief Compliance Officer include:

- Primary responsibility for maintaining the overall Compliance Management System;
- Distribution of this Compliance Policy Manual and applicable procedures to employees annually and upon significant changes;
- Providing a report of compliance including a summary of consumer complaints quarterly to the board of directors;



KirkpatrickPrice

# Policy

## Policy

### ***Board of Directors & Management Oversight***

Management Oversight of the Compliance Management System to include documented quarterly reviews of general compliance matters including a review of consumer complaints as well as other key risk focused compliance issues. *CompanyName* has formed a Compliance Committee consisting of the following board members:

- *NameHere*



# Reference

## **Reference**

*Management Review & Reporting Procedure*

*Regulatory Compliance Monitoring Procedure*



# Procedure

## *Management Review & Reporting Procedure*

### **Procedure**

- The Chief Compliance Officer will:
  - Approve this procedure as well as any revisions
  - Review this procedure at minimum annually
  - Coordinate a management review meeting at minimum quarterly with:
    - Compliance Committee
    - Compliance Department
- The Compliance Department will:



KirkpatrickPrice

# Procedure

## *Management Review & Reporting Procedure*

- Prepare Management Review Reports containing the following for review at the quarterly management meetings, as applicable:
  - Consumer complaint trend analysis measuring the following:
    - Total number of complaints
    - Source of complaints
    - Nature of complaints
  - Third party call monitoring results



KirkpatrickPrice

# Thank you for attending our Webinar

## Q & A

For further information contact:

Todd Stephenson

[t.stephenson@kirkpatrickprice.com](mailto:t.stephenson@kirkpatrickprice.com)

800.977.3154 Ext. 202

Or Jessie Skibbe

[j.skibbe@kirkpatrickprice.com](mailto:j.skibbe@kirkpatrickprice.com)

800.977.3154 Ext. 103



KirkpatrickPrice



# Coming up Next

CFPB Readiness Series: *Consumer Complaint Resolution and Tracking*

Learn the importance of effectively collecting and responding to consumer complaints



KirkpatrickPrice