

Structured Interview Questions for Compliance Managers

In order to build its knowledge base on compliance costs and other effects of existing and potential proposed regulations, it is necessary for the CFPB to understand an institution's regulatory compliance activities for its non-commercial retail lending and deposits business lines. We begin by identifying an institution's compliance manager or manager of compliance officers as the target respondent. We will ask questions to gauge their understanding of the institutional compliance management program, their own responsibilities, the responsibilities of their staffs, and how these functions support the bank's compliance program and the bank's overall compliance management system.¹ This understanding is especially important if labor is a major component of compliance costs.

Throughout this questionnaire, we ask that the respondent please consider their day-to-day compliance responsibilities, as well as other unique tasks they perform, and how the roles of compliance manager and officers interact with the overall bank's compliance management program. We should note that we are interested in learning about the responsibilities of a compliance manager and officers as they relate to regulatory compliance, and not to compliance with any internal policies.

As required by federal law, the Office of Management of Budget has approved these questions under the Paperwork Reduction Act. The OMB Control Number for this study is 3170-xxxx and it expires on XX/XX/XXXX. Also, a federal law called the Privacy Act directs how the federal government treats the personally identifiable information contained in your answers to these questions. To understand how and when your personally identifiable information may be shared, you can read the Privacy Act Statement on the CFPB's website at www.consumerfinance.gov and search for CFPB.013-CFPB External Contact Systems of Record Notice. Additionally, the Bureau will treat the information received from you consistent with our confidentiality regulations at 12 C.F.R. Part 1070, *et seq.* We anticipate this survey taking up to 90 minutes of your time.

I. Compliance at Your Organization

(1) What types of work do you consider to be directly related to regulatory compliance at your institution?

¹ The CFPB *Supervision and Examination Manual* (October 2011) describes a "compliance management system" as how a supervised entity:

- Establishes its compliance responsibilities;
- Communicates those responsibilities to employees;
- Ensures that responsibilities for meeting legal requirements and internal policies are incorporated into business processes;
- Reviews operations to ensure responsibilities are carried out and legal requirements are met; and
- Takes corrective action and updates tools, systems, and materials as necessary.

Further, the *Manual* explains that "[a]n effective compliance management system commonly has four interdependent control components:

- Board and management oversight;
- Compliance program;
- Response to consumer complaints; and
- Compliance audit

When all of these four control components are strong and well-coordinated, a supervised entity should be successful at management its compliance responsibilities and risks."

(2) What is your specific role within this Compliance Management Program? What are the (full- and part-time) roles played by other members of the compliance staff?

(3) *In fulfilling existing financial regulatory requirements*, what are the offices/departments and types of employees from your institution that need to be involved?

(4) *When a new regulatory requirement needs to be implemented at your organization*, what are the offices/departments and types of employees from your institution that need to be involved?

(5) Are there parts of the day-to-day compliance function for existing regulations are executed by staff outside of the compliance department? If so, which ones?

II. Daily Responsibilities and Activities of Regulatory Compliance

(6) What do you consider to be your key day-to-day activities of regulatory compliance at your organization? What are your occasional activities of regulatory compliance?

(7) How have your day-to-day and occasional activities of regulatory compliance changed in the last 5 years? In the last 10 years?

(8) In your experience, what aspects of your job require the most time to execute and accomplish?

(9) ***[Interviewer Follow-up/Prompt for Q8 above]*** Approximately how much time during the day or week (in hours or percentage of total time) do you spend:

- (a) Monitoring and testing the institution's compliance systems?
- (b) Updating plans and policies for compliance with regulatory requirements?
- (c) Preparing for examinations?
- (d) Responding to examinations?
- (e) Figuring out what the regulations require?
- (f) Reviewing and discussing plans of non-commercial business lines (e.g. how to integrate compliance activities with business activities)?
- (g) Other? (Please specify: _____)

III. Tools and Resources

(10) With regards to compliance activities for non-commercial retail lending and deposits, how often do you interact with trade associations, other banks, and third party compliance service providers (e.g., consultants, law offices, dedicated compliance teams, or IT service providers)? For what purpose?

(11) How do you usually find out about new regulatory and compliance developments?

(12) How do you get answers to your questions about regulatory requirements?

[Interviewer Follow-up/Prompt] Distinguish between Safety & Soundness regs and Consumer Financial Protection regs, if possible.

(13) How do you get answers to your questions about compliance policies, procedures, and/or systems that are expected by the supervising regulatory agency?

[Interviewer Follow-up/Prompt] Distinguish among different prudential regulators, if possible.

(14) In your opinion, how can the Bureau can make compliance easier for you, your staff, or your entire institution?

[Interviewer Follow-up/Prompt] Please try to think about any new tools or resources or any enhancements to resources currently available on the market that you would find helpful in executing your responsibilities as a compliance manager.