



# Leveraging RegTech to Navigate Compliance Pain Points

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# Agenda



- ❖ Overview
- ❖ RechTech Benefits
- ❖ RegTech Application Examples
- ❖ Critical Considerations
- ❖ Resources

# Poll Questions

- Who is in the room?
- Biggest compliance pain points?
- Using RegTech today?

# Overview

- RegTech is often referred to as a subset of fintech. It uses technology to facilitate and manage regulatory requirements more efficiently than existing practices.
  - Solves compliance challenges through technology driven automation
- Purpose: address the rising costs of compliance and the increasing risks of noncompliance.

# RegTech Benefits – Addressing Pain Points

- Resources
  - Automation, efficiency and staff turnover
- Limit errors
  - Transparency, audit tracking
- Manage Compliance Risk
  - One of seven risk categories identified by NCUA
- Strategic Preparation
  - Prepares compliance program for growth while meeting examiner expectations



# RegTech Example: Compliance Management System (Framework)

An effective CMS has two core components

1. Board and management oversight
2. Compliance program



The larger the asset size the greater the expectation to use RegTech to support and execute a CMS

## Compliance Management System Cont.

- Establishes the credit union's compliance responsibilities
- Ensures regulatory compliance requirements and internal policies/ processes are met and incorporated into business practices
- Reviews operations to ensure responsibilities are carried out and legal requirements are met; and
- Takes corrective action and updates tools and systems as necessary



CFPB Compliance Management Review Exam  
Procedures

# RegTech Example: Managing Changes

- New Rules
  - Cyber incident reporting
  - Data collection for small business loans
- Risks
  - Overdraft



# RegTech Example: Complaint Management System

- Aggregating data
- Allows for gap identification
- Reduces and prevents compliance risk
- Documents and stores resolutions



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# RegTech Example: Changing Compliance Requirements

- Regulations
  - Cyber incident reporting
  - Data collection for small business loans
- Risks
  - Consumer complaints, overdraft



Credit unions should document how they monitor compliance changes

# RegTech Considerations

- Vendor due diligence
- Testing parameters and controls, set-up is critical
- Quality of data and compliance processes
- Growth over time



# Resources

*ViClarity Software:*  
[www.ViClarityUS.com](http://www.ViClarityUS.com)

*OCUL Membership Compliance Services:*

- 844.731.6073
- [OCULCompliance@viclarityus.com](mailto:OCULCompliance@viclarityus.com)

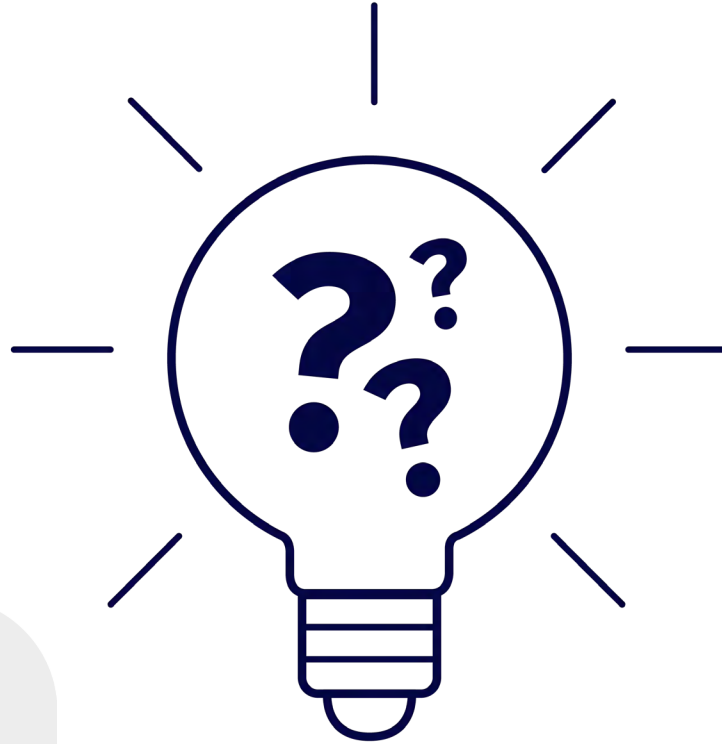
*NCUA:*

- *Office of Financial Technology and Access*
- *Proposed Rule: Financial Innovation*  
<https://www.regulations.gov/document/NCUA-2022-0185-0001>



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# Questions?



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