

# ACUARP Webinar

The Power of Full Population Testing

Presented by Rohin Tagra, Founder & CEO, Azimuth  
February 7, 2024



# Today's Agenda

Full Population Testing



Handling Shortfalls & Violations

Benefits for NCUA Exams



Q&A

Reducing External Audit Costs



Importance for Credit Unions





Our mission is to transform the way every industry manages regulatory compliance and provide a fair and equitable experience for every customer.

## Rohin Tagra, Founder & CEO

- Former Managing Director JP Morgan Chase – Mortgage and Oversight & Controls Division
- Former SVP Bank of America and LPS (Black Knight) – Compliance, Operations, Technology





# Full-Population Testing is Inevitable

- Increased Coverage
- More Frequent Testing
- Improved Efficiency





How much of your current testing is automated?

a. < 10%

b. Between 10% and 50%

c. Between 50% and 75%

d. > 75%



# Benefits for NCUA Exams

Full population testing simplifies the examination process providing necessary data and information upfront.

- Enhanced Accuracy
- Time Efficiency
- Consistency
- Predictive Insights
- Reduced Costs



# Benefits for NCUA Exams

- Improved Risk Management
- Transparency
- Data-Driven Decisions
- Regulatory Confidence





What are your top 2 biggest areas of regulatory focus?

1. Fees / Junk Fees
2. Fair Credit / Equal Credit Opportunity Act
3. Home Mortgage Disclosure Act
4. Payments / Reg E
5. Truth in Lending / Reg Z

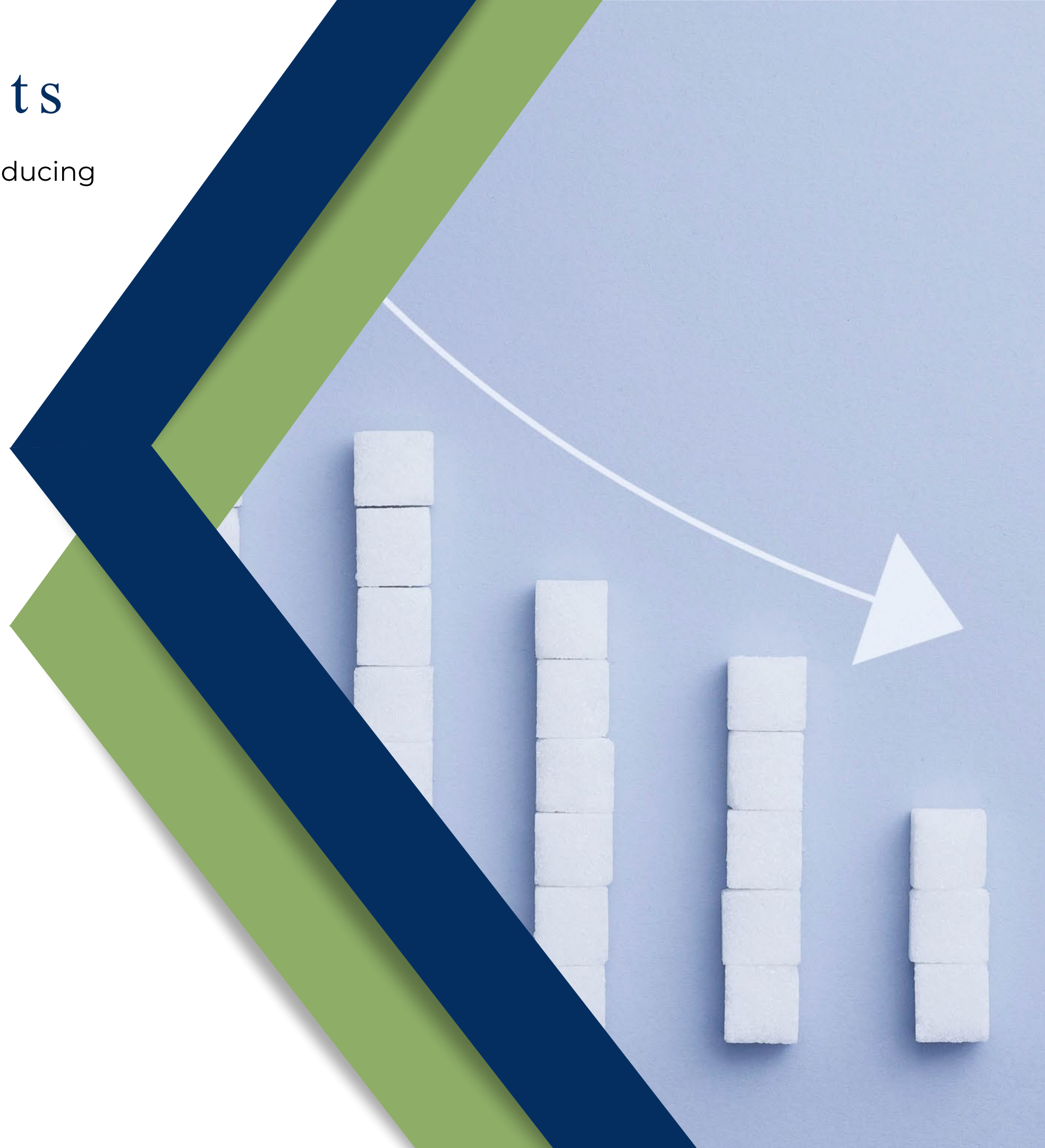









# Reducing External Audit Costs

With automated full-population compliance testing, institutions are reducing the cost of maintaining regulatory compliance while also expanding coverage.

- Expand coverage and frequency of testing by operations team
- Enable self identification
- Continuous monitoring
- Prioritize areas for targeted reviews
- Reduced findings and remediation
- Reduction in Labor Costs



# Reducing External Audit Costs

|            |   | Manual                       | Automated                              |                       |
|------------|---|------------------------------|--|-----------------------|
| Population |    | Sample Size:<br>30           | Full-Population:<br>5,000,000          | Increased Coverage    |
| Coverage   |    | Limited Scope                | ALL State & Federal Laws & Regulations |                       |
| Time       |  | Days or Weeks                | Minutes                                | Improved Efficiency   |
| Capacity   |  | 2 - 3 Resources              | Computer Processing                    |                       |
| Frequency  |  | Monthly, Quarterly or Annual | Daily                                  | More Frequent Testing |



Who performs your testing?

a. Operations teams

b. Compliance teams

c. External audit or consultants

d. a and b

e. All of the above



# Handling Shortfalls and Violations

Strategies for credit unions upon discovering issues.

- Immediate Response
- Root Cause Analysis
- Remediation Planning
- Internal Controls Review





# Handling Shortfalls and Violations

- Staff Training and Awareness
- Documentation and Tracking
- Ongoing Monitoring
- Policy and Procedure Updates



# Q & A





# Full-Population Testing is Inevitable

## DAILY NEWS

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### OCC ASSESSES \$65 MILLION PENALTY AGAINST CITY NATIONAL BANK

WASHINGTON, D.C. — The Office of the Comptroller of the Currency (OCC) today assessed a \$65 million civil money penalty against City National Bank, of Los Angeles, California, related to systemic deficiencies in the Bank's risk management and internal controls.

## DAILY NEWS

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### RECENT CRACKDOWN ON JUNK FEES: FEDERAL, STATE, AND PRIVATE ACTIONS

"Junk fees" refer to the broad swath of fees and charges, often mandatory, that are not included in the initial offered price of a good or service. Common examples include mandatory fees charged by hotels, restaurants, concert venues, and financial institutions.

## DAILY NEWS

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### CNN FINDS RACIAL DISPARITY IN NAVY FEDERAL MORTGAGES

A CNN analysis found Navy Federal Credit Union had the widest racial disparity in approval rates among the nation's 50 largest mortgage originators in 2022.

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### ATLANTIC UNION BANK FINED \$6.2 MILLION BY CFPB FOR ILLEGAL OVERDRAFT FEE HARVESTING

The Consumer Financial Protection Bureau fined Atlantic Union Bank \$6.2 million after it found the bank illegally enrolled thousands of customers in checking account overdraft programs, the regulator said Thursday.

# Full-Population Testing is Inevitable

- Comprehensive Compliance
- Proactive Problem-Solving
- Cost-Efficiency
- Strategic Remediation
- Long-Term Resilience





# Contact Us

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