

Complying with Applicable Laws

Compliance

- Ensure that a system exists to prevent, monitor and correct violations
 - This should include training and retraining personnel
 - Has a high priority level
 - Requires a familiarity with all applicable laws and regulations
 - Violations are to be corrected as soon as possible

Key Laws

- Section 8 of the FDI Act – Removal and prohibition
- Section 18(k) of the FDI Act – Authority to regulate certain benefits to insiders
- Section 19 of the FDI Act – Penalty for unauthorized participation by convicted individual
- Section 32 of the FDI Act – Agency disapproval of directors and executive officers of troubled banks
- Section 39(c) of the FDI Act – Compensation standards

Key Laws – Continued

- Part 323 FDIC's Rules and Regulations (R&R) – Appraisal guidelines
- Part 348 of the FDIC's R&R – Management interlocks
- Regulation O – Loans to insiders, executive officers, directors and principal shareholders
- Change in Bank Control Act – Stock acquisition
- Part 345 of the FDIC's R&R – Community Reinvestment

Key Laws – Continued

- Part Federal Reserve's Regulation B – Equal Credit Opportunity
- Part 338 of the FDIC's R&R – Fair Housing
- Federal Reserve's Regulation C – Home Mortgage Disclosure

Remember. . .

- Everyone, including executive management, is cognizant of applicable laws and regulations
- A system to prevent, monitor and correct violations is imperative
- Violations will occur, but corrections should be implemented as quickly as possible

