

Meeting Dodd-Frank Qualified Mortgage Compliance Requirements

The Challenge

The Capital Markets division of a large bank needed to address the new provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (aka Dodd-Frank). Dodd-Frank implemented broad changes that affect the oversight and supervision of financial institutions, creates a new agency, the Consumer Financial Protection Bureau (CFPB), responsible for implementing and enforcing compliance with consumer financial laws, and effects significant changes in the securitization market, among its many provisions.

The Dodd-Frank Act includes provisions that govern activity concerning highly qualified mortgages. It prohibits the change of certain material data elements after a mortgage has been designated as 'highly qualified'. Based on the bank's broad range of personnel and software applications that interact with mortgage data, the cost and effort of implementing an internally developed Dodd-Frank solution looked daunting. The bank needed a comprehensive solution that could meet the regulatory mandates, and be implemented quickly and at a reasonable cost.

The Solution

The bank chose Teleran's Data Protection and Compliance solution to address their Dodd-Frank compliance requirements. It offered a comprehensive solution that automatically captures and analyzes every change made to mortgage data, confirms the status of the mortgage, and reports on all material mortgage data access activity. Specifically the Teleran system monitors and reports on:

- Each individual mortgage data element that is being changed
- The user initiating the change
- The date and time of the change
- The software application used to make the change
- The office and location of the change
- Other information related to that transaction

This information enables compliance staff to investigate and resolve activities that fall outside of regulatory guidelines. It also provides comprehensive and efficient compliance reporting to internal auditors and CFPB regulators. To

BENEFITS DELIVERED

Met strict Dodd-Frank regulatory compliance requirements

Automated compliance monitoring, reporting and data protection

Minimized compliance violation risks and audit costs

Implemented quickly requiring no costly modifications to applications or databases

Captured mortgage data changes with no impact to database performance

meet Dodd-Frank requirements to prevent any changes to highly qualified mortgages, the Teleran solution 'locks down' highly qualified mortgage data by preventing any transactions that attempt to update, change or delete mortgage data. Any attempts to change the data, whether it is inadvertent or potentially malicious, are tracked, investigated, and reported on as well.

Key Benefits Delivered

Teleran's Data Protection and Compliance solution provided the following benefits and advantages over competitive products. These included:

- Meeting strict compliance with Dodd-Frank regulatory statutes
- Quickly implementing the solution without requiring any costly changes or modifications to existing applications and databases
- Cost effectively automating Dodd-Frank compliance requirements, minimizing compliance violation risks, and reducing the cost and effort of internal and external audits
- Capturing mortgage change transactions with no impact to application or database performance

For more information on Teleran's Data Protection and Compliance Solution visit www.teleran.com or call +1.973.439.1820.