

# Compliance Review

## The Need

First it was the Dodd-Frank Act and the prohibition of UDAAPs. Then the Consumer Financial Protection Bureau (CFPB) was created providing broad powers to mandate adherence to consumer lending regulations. The CFPB has the authority to impose significant penalties for violations of federal and state lending laws.

CFPB recommends periodic independent calculation validation to assure regulatory compliance and alignment between the contract language, the loan origination system, and the servicing system to avoid potential UDAAP violations.

## The Solution

Carleton AUDIT services provide a credible independent validation and audit review of consumer loan calculations as recommended by CFPB. Carleton AUDIT Loan Suite of Software and compliance solutions used by lenders nationwide. Carleton AUDIT provides the proper auditing controls necessary to make sure your loan origination and servicing software, provided by third-party vendors or developed internally, are fully compliant with all applicable federal and state regulations. These services can also be used to verify calculation compliance when purchasing loan portfolios.

The loan calculation compliance review includes the following audits:

- Regulatory maximum charge validation
- Truth-In-Lending Act (TILA) Annual Percentage Rate (APR) validation
- Federal disclosures (Fed Box) validation
- Loan balancing validation
- Loan fee(s) validation
- Loan servicing validation

## The Guarantee

- **Accuracy:** Our research associates will provide consulting services to address any question related to the "Basis of Computations" and the analysis provided in the review.
- **Confidentiality:** We absolutely guarantee confidentiality related to all loan transaction data and the contents of the Compliance Review Report.

To learn more about CarletonConnect, please contact Pete Radike, Director of Client & Channel Engagement at 800-433-0090 Ext. 245 or [PRadike@carletoninc.com](mailto:PRadike@carletoninc.com).