

100% Money Back
Guarantee

Vendor:American Bankers Association

Exam Code:CRCM

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QUESTION 1

How must most banks submit loan application registers to their federal supervisory agencies?

- A. In machine-readable format
- B. On the standard LAR form
- C. In three copies with the required transmittal
- D. In a separate package for each branch loan application

Correct Answer: A

QUESTION 2

Non public personal information under Regulation P includes:

- A. Personally unidentifiable financial information
- B. Any list or grouping of consumers that is derived using personally identifiable financial information that is not publicly available
- C. Federal state and local government records
- D. Both B and C

Correct Answer: D

QUESTION 3

The institution need not provisionally credit the consumer's account if it requires but does not receive written confirmation of oral notice of error or if the error involves an account subject to the margin requirements of .

- A. Regulation T
- B. Regulation X
- C. Regulation Z
- D. Regulation E

Correct Answer: A

QUESTION 4

Martha Smith of First National Bank is attempting to close a large commercial loan to a manufacturing equipment

company. In negotiating the interest rate on the loan Martha states that if the company will move some of its demand accounts to the bank, it could get a lower interest rate.

Is this wrong?

- A. Yes. It violates the anti-tying provisions.
- B. Yes. It is a restraint of trade.
- C. No, unless moving the accounts is a condition of the loan..
- D. No. The bank may condition the loan on the customer placing a deposit in the bank.

Correct Answer: D

QUESTION 5

Regulation O both restricts lending to insiders and requires that certain loans to insiders be disclosed. Each banking agency has adopted the provisions of Regulation O for administrative enforcement purposes. These were not found to be useful in preventing insider lending abuse. Regulation O governs which of the following areas major areas:

- A. Lending to insiders
- B. Disclosures of loans made to insiders
- C. Both of these
- D. None of these

Correct Answer: C

QUESTION 6

Of the following actions, which one is NOT recommended by the OCC's advisory letter as a necessary tool of management oversight of insurance and annuity sales?

- A. Hiring competent personnel
- B. Establishing a separate insurance agency
- C. Auditing systems and controls
- D. Requiring a member of management to actively oversee this function

Correct Answer: B

QUESTION 7

Hector Martinez is a loan officer in a non-community property state. He receives a verbal request for a small business

working capital loan from Leon Rogers for his technology consulting business. The business is a sole proprietorship. Mr. Rogers gives Hector a written business plan for his business, a financial statement for the business for the past two years, and a personal financial statement that includes information on himself and his wife. Can Hector assume that the application is a joint application from Mr. Rogers and his wife?

- A. Yes. Because the financial statement is signed by both Mr. and Mrs. Rogers and includes joint information, the application can be considered to be from both spouses.
- B. Yes. Because the business is a sole proprietorship, the spouse's financial information is important.
- C. No. The bank cannot assume the application is a joint one simply on the basis of submission of joint financial information.
- D. No. Because the business is a sole proprietorship, the bank should assume the application is for individual credit.

Correct Answer: C

QUESTION 8

By which date must an interest reporting statement be sent to the borrower's last known address?

- A. January 15 of the year following the year the interest is paid
- B. January 31 of the year following the year the interest is paid
- C. February 28 of the year following the year the interest is paid
- D. March 1 of the year following the year the interest is paid

Correct Answer: B

QUESTION 9

Under the Interagency Statement on Retail Sales of Nondeposit Investment Products what disclosure must the bank's investment sales representative make to the customer?

- A. The bank's regulatory agency
- B. The sales commission resulting from the investment purchase
- C. That the investment product is not guaranteed by the bank
- D. The arbitration procedure for resolving disputes over investment advice

Correct Answer: C

QUESTION 10

They also embrace the concept of risk-based compliance management. They expect compliance management to be

tailored to the bank, be it large or small, offering standard or specialty financial services, simple or complex products lines, and adjusted as appropriate for the customer base as that issued for the Bank Secrecy Act, also establishes their expectations that a bank's program be risk based. Who are they?

- A. Outsourcing firms
- B. Foreign financial service providers
- C. Bank regulatory agencies
- D. Risk management organizations

Correct Answer: C

QUESTION 11

Supervisory review should also be the part of Subprime Mortgage Lending. It should review:

- A. Regulatory agencies will continue to focus on risk management review and consumer compliance processes
- B. Hiring and Training of personnel
- C. Agencies will continue to take action against institutions that violate consumer protection laws or fair lending laws or that engages in unfair or deceptive acts or practices or in unsafe or unsound lending practices
- D. Applicability of prepayment penalties

Correct Answer: AC

QUESTION 12

When all the required information is NOT provided by a person purchasing a cashier's check with \$8,000 in currency, what should the bank do?

- A. Refuse the transaction
- B. Complete the transaction and record available information
- C. Complete the transaction and file a SAR
- D. Complete the transaction and insist that the customer return with the required information

Correct Answer: A