

Servicemembers Civil Relief Act (SCRA) Compliance Services



Benefits

- Flexibly deploy SCRA services for look-back analyses, whether internal or regulatory driven, or for the proactive mining and monitoring of data for compliance
- Reduce time and cost of SCRA compliance initiatives
- Identify hidden and emerging risks to minimize or avoid costly regulatory investigations or litigation
- Accelerate remediation
- Ensure ongoing compliance with current and future SCRA laws

Regulatory scrutiny of bank and lender compliance with the Servicemembers Civil Relief Act (SCRA) has intensified in recent years—single complaints alone to regulatory bodies have triggered massive enforcement actions resulting in hundreds of millions of dollars in fines, legal actions, and reputational damage. With the new 2014 protections for service members, the onus is now on firms to proactively identify and notify active duty service members, simplify the application process, and prepare for audits and regulatory inquiries.

Conduent offers a new approach that helps companies efficiently respond to regulatory requests or investigations, while proactively identifying and enabling mitigation of future risk.

SCRA violations are at an all-time high, and now top the list of complaints reported by consumers to regulatory authorities such as the Consumer Financial Protection Bureau and Office of the Comptroller of the Currency. Unlawful judicial foreclosures, improper legal actions against military customers for delinquent credit card accounts and overdrafts, collection of debts owed and repossessions regarding foreclosures, credit lines, and vehicles, are some of the recent hits to major banks.

Conduent Solutions

Conduent's SCRA compliance solutions help national banks, federal savings associations, state-chartered thrift institutions and other lending firms quickly and cost-effectively respond to regulatory inquiries with look-back loan document reviews in a fraction of the cost and time it would normally take. We also provide proactive monitoring solutions to provide ongoing loan monitoring and auditing to ensure compliance.

Validation and Look-Back Reviews

For firms that have received a Matter Requiring Attention (MRA) from a regulator, are subject to a formal investigation or simply want to conduct a comprehensive look-back internal review to identify potential areas of non-compliance, our SCRA validation and look-back review service quickly pares down hundreds of millions of loan documents, or more, to the relevant set warranting client review or remediation. Our service eliminates costly manual and error-prone processes.

We consolidate and process the entire population of loan documents subject to inquiry, apply search terms and sophisticated algorithms on our big data analytics platform to quickly narrow down the relevant data, and reduce the data collection substantially—by up to 80% or more—for review by our financial services and loan experts, attorney and subject matter reviewers. Based on the review, the subset of documents warranting further attention, typically comprising less than 5% of the starting document population volume, are delivered to the client for a second level review.

Conduent offers end-to-end technology-enabled services, software, analytics and expertise for litigation and investigations.

Services include data collection and forensics, data processing, hosted or on-site review and analysis, managed attorney review, analysis and production services to facilitate a swift and cost-effective resolution.

Proactive Monitoring and Audit Service

Conduent can help banks build, enhance or test their approach to SCRA compliance, including designing and implementing ongoing monitoring program to help proactively identify service members. Our approach goes well beyond typical keyword search or U.S. Department of Defense database searches—a time-consuming and resource-intensive process prone to unnecessary and excessive costs and time.

Features include:

- **Data consolidation and processing:** We are adept at processing every type of loan document: by type (application, statements, credit checks, hardship documentation, and military orders, for example), by format, whether electronic, or hard copy, and new types of forms that need to be examined through process changes, acquisitions or other events.
- **Advanced data analytics:** Our solution goes beyond traditional approaches, such as keyword searches, for identifying relevant records. Used alone, keywords are ineffective in identifying “in scope” documents for SCRA compliance since they typically capture 99% or more of false positives—leading to massive amounts of unnecessary documents that need to be reviewed. Using our proprietary big data analytics platform, we apply customized algorithms to our big data analytics platform to capture loan documents warranting attention.
- **Identification of service member loan data warranting attention:** Our solution identifies, with very high accuracy, military orders, identification with military organizations, requests for SCRA benefits in hardship, and other relevant information that banks need to see.
- **Expert review:** In addition to leveraging analytics to quickly cull documents to the potential relevant sub-set, our in-house team of legal, compliance, and financial services and loan subject matter experts provide review support.
- **Delivery of relevant loan documents to bank:** Based on our analytics and review services, we deliver the small subset of loan documents, in a load file compatible with the review platform of the bank’s preference, to the bank for review and potential remediation.

Additional Bank Review and Compliance Services

Electronic Discovery and Litigation Support

For firms that need to conduct a more thorough investigation into areas of SCRA risk, whether internal or regulatory-driven, Conduent offers end-to-end technology-enabled services, software, analytics and expertise for litigation and investigations. Services include data collection and forensics, data processing, hosted or on-site review and analysis, managed attorney review, analysis and production services to facilitate a swift and cost-effective resolution.

eCommunications Monitoring and Auditing

Conduent also supports banks’ efforts to comply with the myriad other regulatory requirements, from SR-14 to FINRA and Dodd-Frank requirements. In addition to look-back reviews in response to internal or regulatory inquiries, we deliver insights into unstructured data that is generated daily by internal and external sources (through email, chat, social media and other forms of electronic communication) to pinpoint areas of potential regulatory or compliance risk. Our big data analytics service, combined with subject matter experts and attorney reviewers, assess regulations, prepare, model and analyze data, perform expert review and report findings to the client to enable proactive actions.

Conduent helps firms meet these needs by providing engaging, comprehensive learning services that are delivered to employees at the point and time of need, including instructor facilitation, learning administration, learning consulting, content design and curation, strategic sources and managed services.

Learning Services

SCRA requirements require robust training of employees at all levels of the organization. Conduent helps firms meet these needs by providing engaging, comprehensive learning services that are delivered to employees at the point and time of need, including instructor facilitation, learning administration, learning consulting, content design and curation, strategic sources and managed services. Our adaptive training approach tailors the educational material to each person's learning needs and situation, supported by analytics that help legal and compliance teams identify and mitigate future risks.

Case Study

U.S. Bank: Look-Back Review for Servicemembers Civil Relief Act (SCRA) Compliance Accelerates Compliance and Cuts Costs

- Accelerated the launch of the review with only a 60-day solution implementation
- Culled more than 120 million pages of loan documents to just 8 million
- Delivered just 2 million—1.7% of the starting loan document population—to the client for further review
- Reduced project costs by 50%
- Accelerated project timeline and by 1.5 years compared to the client's initial internal work plan

For more information on Conduent Legal and Compliance Solutions, visit us at:
www.conduent.com/legalsolutions, or call 877.273.3887



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