



GENERAL MEETING INFORMATION

| May 2023 |    |    |    |    |    |    |
|----------|----|----|----|----|----|----|
| S        | M  | T  | W  | TH | F  | S  |
|          | 1  | 2  | 3  | 4  | 5  | 6  |
| 7        | 8  | 9  | 10 | 11 | 12 | 13 |
| 14       | 15 | 16 | 17 | 18 | 19 | 20 |
| 21       | 22 | 23 | 24 | 25 | 26 | 27 |
| 28       | 29 | 30 | 31 |    |    |    |

**Topic:** Incorporating Artificial Intelligence into Compliance

**Presenter:** Will Robinson, Encapture

**Date:** May 24, 2023

**Time:** 12:00 noon

**Location:**

The Clubs of Prestonwood  
15909 Preston Road  
Dallas, TX 75248

or

VIRTUAL

[Register Here!](#)

## PRESIDENT'S MESSAGE

BY CHRYSTI PETERSEN, DACA PRESIDENT

Greetings from the DACA Board and myself. I hope this message finds you well and enjoying this wonderful spring weather. I had the opportunity to travel rural roads to one of our branches a few weeks back, and nothing rejuvenates my spirit quite like the beautiful landscape when Texas wildflowers are in bloom.

There is a lot going on in banking right now, from recent bank failures to new rules; everything in between and beyond. Some of my favorite things about DACA are the opportunities we have to come together for top-quality education and discussions through meetings and networking. I value this chance to stay informed on matters that affect us all.

Your DACA Board has been hard at work securing industry experts for our upcoming general meetings and annual conference. I am very excited for this month's presentation on using artificial intelligence (AI) to strengthen our risk and compliance programs. I am thankful we have Will joining us to share his insights in this space. I know we are all trying to do more with less, and to conduct a more comprehensive and thorough analysis these days, so I can't wait to learn some new ways to accomplish these objectives through Will's expertise.

It is so great that we can gather in person for the annual conference this September. Stay tuned for all the details. We will have fantastic presenters on timely and relevant topics. You will not want to miss it! If you are looking to further your professional education, don't forget about the DACA scholarship. Application information is provided later in this newsletter.

As always, thank you for your participation in DACA. It would not be successful without each and every one of you. I look forward to seeing you at the general meeting on May 24, whether in person or via Zoom. Networking and lunch will begin at 11:30 and the presentation will start at noon. See you there!



# MAY GENERAL MEETING

## Artificial Intelligence in Compliance

Presented By: Will Robinson, Encapture

With recent increases in regulatory reporting, how does a compliance team successfully navigate the changes, attract and maintain talent, and ensure data integrity? Many are turning towards artificial intelligence to keep up and minimize risk. Join us in this session to learn how machine learning can help automate fair lending reporting and what to look for when choosing a vendor in this space.

Will Robinson is CEO of Encapture, a document automation platform that improves operational efficiency and reduces costs for financial institutions. Encapture uses machine learning to extract and validate information in documents as part of the compliance reporting process for HMDA, CRA, and upcoming Dodd Frank 1071. Ultimately, it eliminates the need for compliance teams to perform manual data entry and “stare and compare” across multiple systems or documents.

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## RESERVATION REQUEST

MAY GENERAL MEETING – 5/24/2023

MEMBER PRICE – \$25.00

NON-MEMBER OR GUEST PRICE – \$50.00

Reservations and cancellations must be received by Noon 5/17 (the Wednesday prior).

**Online Reservations - <https://dacaonline.org/test-meeting-registration/>**

If you prefer to not use our online system, you may:

- Email your reservation to: [reservations@dacaonline.org](mailto:reservations@dacaonline.org)
- Or, contact VP of Programs, Rhonda Coggins, with your name, company, email address, phone number & meeting date at [rcoggins@smslp.com](mailto:rcoggins@smslp.com).



# DACA MEMBERSHIP

## CORPORATE MEMBERSHIP

A financial institution or industry-related organization must have one **Corporate Membership** with one person designated as the primary representative.

The primary representative holds voting privileges on DACA business. All employees of the Corporate Member may attend meetings at the member price.

## INDIVIDUAL MEMBERSHIP

An **Individual Member** must be a compliance professional at a financial institution or industry-related service organization.

Individual Members have voting rights and pay the member rate for meetings.

## APPLYING FOR MEMBERSHIP ONLINE

<https://dacaonline.org/membership-application/>

Or, see the membership application included below in this newsletter.

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## DACA MEMBERSHIP HAS GREAT BENEFITS!

To further the professional growth, education and career development of our membership, DACA is proud to offer the Kay Leaks Scholarship for professional certification in the field of regulatory compliance.

For additional information, eligibility requirements, to see a complete list of all certification types DACA supports, or if you're ready to complete an application, [click here](#).

# COMPLIANCE IN THE NEWS

## FINALLY, THE 1071 RULE HAS ARRIVED

BY RHONDA COGGINS, CRCM  
SHESHUNOFF CONSULTING + SOLUTIONS

On March 30<sup>th</sup>, the CFPB's **final rule** implementing section 1071 of the Dodd Frank Act was released. The final rule amends **Regulation B** requiring certain financial institutions to collect and report certain small business loan data. That data includes, among other things, information on minority-owned, women-owned, and LGBTQI+-owned businesses.

### **What Are Some Important Highlights Of The Rule?**

At a high level, financial institutions should remain aware that one of the primary purposes of section 1071 is to **facilitate the enforcement of fair lending laws**. The new data collection and reporting provisions will result in the creation of the first comprehensive data base of small business credit applications in the United States.

The rule impacts "covered financial institutions" that originated at least 100 covered credit transactions for small businesses in each of the two preceding calendar years. The dates by which covered institutions are required to comply are specified into four categories, with compliance being required the earliest for institutions that originate the most covered credit transactions, as follows:

- **Tier 1** - A covered financial institution that originated at least **2,500** covered credit transactions for small businesses in each of calendar years **2022 and 2023** shall comply with the requirements of this subpart beginning **October 1, 2024**.
- **Tier 2** - A covered financial institution that is not in Tier 1 and that originated at least **500** covered credit transactions for small businesses in each of calendar years **2022 and 2023** shall comply with the requirements of this subpart beginning **April 1, 2025**.
- **Tier 3** - A covered financial institution that is not in Tier 1 or Tier 2 and that originated at least **100** covered credit transactions for small businesses in each of calendar years **2022 and 2023** shall comply with the requirements of this subpart beginning **January 1, 2026**.
- **Other** - A financial institution that did not originate at least 100 covered credit transactions for small businesses in each of calendar years 2022 and 2023 but **subsequently** originates at least **100** such transactions in two consecutive calendar years shall comply with the requirements of this subpart in accordance with **§ 1002.105(b), but in any case, no earlier than January 1, 2026**.

The rule includes special transitional provisions, clarification on what applications and transactions are included in the scope, detailed information on what data is to be compiled, firewall provisions, data reporting requirements and recordkeeping.

### **So what's a financial institution to do?**

An important first step is to review the final rule to determine your applicability. This should be followed by establishing a project team to work through implementation, which should consider budgeting for additional staff and technological needs.

Going forward, institutions should remain cognizant of new resource information that is being provided to support compliance. We anticipate the CFPB will continue to provide resources for support on their [Small Business Lending webpage](#), such as the [Sample Data Collection Form](#) that was provided in multiple file formats on April 17, 2023.



*NOTE: Please fill in and return this form with your payment.*

## Member Information

Membership Type  Corporate (primary representative: \_\_\_\_\_)

(check one):  Individual

Applicant's Name: \_\_\_\_\_

Organization: \_\_\_\_\_

Asset Size: \_\_\_\_\_

Street/P.O. Box Address: \_\_\_\_\_

City, State, ZIP Code: \_\_\_\_\_

Work Phone No.: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Job Title/Function: \_\_\_\_\_

Compliance Certifications: \_\_\_\_\_

Primary Regulator: \_\_\_\_\_

## MEMBERSHIP DEFINITIONS & DUES

- ❖ Each financial institution or industry-related service organization may have one Corporate Membership with one person designated as the primary representative. This person holds voting privileges on any DACA business. All employees of the Corporate Member may attend meetings at the member price.
- ❖ Individual Members also have voting rights and pay the member rate for meetings. Individual Members must be Compliance Professionals at a financial institution or industry-related service organization.
- ❖ **Corporate Membership Annual Dues: \$315 USD, Individual Membership Annual Dues: \$135 USD**

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### REMITTANCE DETAILS – IF NOT APPLYING AND PAYING ONLINE

1. Please make check payable to: **DALLAS AREA COMPLIANCE ASSOCIATION**
2. Mail **Membership Application** and **Check** to:  
**Amy Thorpe**  
**Texas Brand Bank**  
**1919 South Shiloh Rd, Suite 100, LB 30**  
**Garland, Texas 75042**

Total enclosed: \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_