



Regulation O - Lending to Insiders (Webinar)

October 3, 2019 ☐ 10:00am - 12:00pm

Congress enacted the Financial Institutions Regulatory and Interest Control Act in 1978. The insider lending provisions of the law were implemented as Regulation O. Historical data show that insider abuse is at the heart of many bank failures. Examiners take very seriously their mission to prevent insider abuse. They frequently cite violations of Regulation O during examinations, and often take enforcement action. Enforcement actions may take the form of civil monetary penalties, a Memorandum of Understanding, or a Cease and Desist Action.

Typical violations include illegal overdrafts to insiders or extensions of credit that exceed one of several lending limit provisions contained in the regulation. These violations generally result from a lack of adequate procedures. Simple steps to monitor overdrafts and total extensions of credit to insiders are usually sufficient to prevent such violations. This program provides suggestions for procedures.

In other cases, violations result from a lack of understanding of the fine details of Regulation O. The concepts are fairly straight forward but contain enough details to cause confusion. Most banks can easily identify their directors and executive officers, but confusion occurs when trying to determine the status of the directors and executive officers of affiliated institutions. Each of the three lending limits is fairly simple but determining how the three limits interact with one another can cause confusion. This program provides detailed coverage of these, and other, basic requirements of Regulation O.

Civil monetary penalties can be assessed against the institution or against individuals. In a 2018 case, Federal regulators fined one director \$15,000 for Regulation O violations.

This program provides the information needed by the lending, compliance and audit staff to assure ongoing compliance with the regulation. Participants receive a detailed manual that serves as a handbook long after the program is completed.

TOPICS:

Regulation O places strict requirements on loans made to "insiders." This two-hour program explains:

- Who is considered an insider
- What transactions are considered "extensions of credit"
- The prohibition against preferential treatment
- The requirements for prior approval
- The lending limits for each insider, all insiders as a group, and special limits for executive officers
- The restrictions on overdrafts
- How Regulation O rules impact existing extensions of credit to newly elected/appointed insiders

Who Will Benefit:

This webinar is designed for loan officers, compliance officers, loan support staff and auditors.

Speakers:

Jack Holzkecht is the CEO of Compliance Resource, LLC. He has been delivering the word on lending compliance for 43 years. In 38 years as a trainer over 145,000 bankers (and many examiners) have participated in Jack's live seminars and webinars. Jack's career began in 1976 as a federal bank examiner. He later headed the product and education divisions of a regional consulting company. There he developed loan and deposit form systems and software. He also developed and presented training programs to bankers in 43 states. Jack has been an instructor at compliance schools presented by a number of state bankers associations. As a contractor he developed and delivered compliance training for the FDIC for ten years. He is a Certified Regulatory Compliance Manager and a member of the National Speakers Association.

Brent Vincent is the Director of Operations for Compliance Resource, LLC, a source of compliance assistance for financial institutions. Having been in the industry over three years, Brent has participated in hundreds of webinars and online programs on lending and deposit compliance topics delivered to bankers across the United States. In addition to delivering training programs, Brent maintains the Compliance Resource website, oversees the security of our customer information and transactions, serves as a resource in the Community Forum, and manages the Compliance Marketplace. He has received the ABA Certificate in Deposit Compliance. Brent has a degree in Computer Engineering Technology from Sullivan Institute of Technology and Design and is working towards a Bachelor's Degree in Business Studies at Sullivan University.



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Registration Form

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- Check (Made payable to Louisiana Bankers Association)
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Registration Fee
 \$165 per connection, LBA members
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- I cannot participate in the live program.
 Please send me the recording.
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- *Recording and materials will be emailed after the program

This training will be covered under SBET (Small Business Employee Training Program). Please provide an email address on the line below to receive the necessary documentation for reimbursement:

***Please Note: Recordings are not eligible for SBET funding**

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Submit registration and view rosters in the
 Education Section of LBA's Website, www.lba.org.

Agenda

10:00 a.m. Webinar Begins
 12:00 p.m. Webinar Adjourns

Louisiana Bankers Association
 5555 Bankers Avenue
 Baton Rouge, LA 70808
 225-387-3282
 Fax 225-343-3159

**Webinar access codes will be sent to registrants
 with confirmation emails one week prior to session.**