

# Consumer risk model validation for OCC compliance



## Client

Leading 5 Global Bank

## Business Case

EXL's client, a leading national bank, had been tasked by the OCC to validate its consumer risk models by the end of the 2012 calendar year.

The bank's model governance group did not have the resources to meet the OCC's timeline, nor did they have the resources to provide training to external contractors.

## Solution

Within two weeks of initial discussions, EXL brought an 11 person team with very strong risk analytics skills and experience with a wide range of financial services models and languages. The bank's team segmented the consumer models (e.g., mortgage, auto dealer financing) into low, medium and high risk.

Within three months, EXL:

- › Reviewed and analyzed all 320+ high risk models
- › Performed all model validations, with minimal training from our client's governance team
- › Set up an ongoing program form

## What our client loves about working with EXL:

- › EXL's rapid learning curve with a wide range of custom consumer banking risk models
- › Meeting the OCC's requirements – on time and under budget

## Results

- › Met OCC deadline to review and validate all high risk models by end of calendar year
- › Provided objective outsider perspective preferred by OCC
- › Completed high risk model review on time, under budget and in less than half the time estimated for internal review program
- › Implemented ongoing model monitoring and refresh program

# Consumer risk model validation for OCC compliance regulations

## Regulatory readiness

Whether it's the OCC, CFPB, SEC or Basel, banks are facing steadily increasing pressure to ensure full compliance from a number of regulatory bodies. At the same time, the risks of non-compliance, including reputational damage, legal costs and financial penalties, continue to grow.

In the U.S., new consumer banking regulations mean retail banks are under tremendous pressure to comply with increasingly complex rules under short timelines.



EXL's analytics practice of 1,500-strong professionals brings a pool of talent with deep analytics skills and financial services experience. With a commitment to speed and agility, EXL is often able to start regulatory compliance support on short notice, sometimes just days after new program rules are announced.

If you're facing a new or emerging regulatory burden, EXL's combination of analytics skills, process management and financial services expertise can boost your team's efforts to accelerate full compliance. EXL's teams focus on more than developing slideware and didactic presentations. We work with you to quickly analyze the key issues, design an optimized compliance program and start executing. We collaborate effectively and productively with your IT, risk management and retail divisions to ensure fast and thorough results. Our clients tell us they appreciate our willingness to roll up our sleeves and get to work. If you are confronting a new regulatory compliance challenge, contact us at [www.exlservice.com](http://www.exlservice.com) to discuss how we can help you.

## About EXL

EXL (NASDAQ: EXLS) is a leading business process solutions company that helps companies drive business impact and adapt faster to the changing global marketplace. EXL provides operations management, embedded analytics and technology platforms to organizations in the banking and financial services, healthcare, insurance, utilities, transportation and logistics, and travel industries. With 23,000 people around the world, we work with our clients as strategic partners to execute operations, identify opportunities to gain a competitive edge, and create new channels for growth and savings. Headquartered in New York and operational since 1999, EXL is present in the U.S., U.K., Singapore, Romania, the Philippines, India, Germany, Czech Republic and Bulgaria.

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