

American Bank and Trust

Indicates the manager responsible for area being audited

TO: Auditee
FROM: Internal Auditor (insert auditor's name)
DATE: September 2, 2003
SUBJECT: *[Topic of Audit] Regulation Z – Open-End Credit*
CC: Applicable management

Purpose

“During the month of May, a review was conducted to ensure compliance with all applicable laws in relation to the issuance of Open End Credit. Open End credit transactions are specifically governed by the Federal Reserve’s, Regulation Z: Truth in Lending.”

Objectives

The objectives of this review were to determine that:

- Bank policy addresses all material aspects of Regulation Z as it relates to Open End Credit.
- All required information is disclosed timely pursuant to §226.6, Initial Disclosure Statement.
- Each consumer receives a copy of the Billing Rights, pursuant to §226.9, Subsequent disclosure Requirements.
- Billing errors were handled in accordance with §226.13, Billing-error Resolution.
- APR and Finance charges are computed in accordance with §226.4 and 226.14.

Scope

- Obtained a copy of the Bank’s Regulation Z, Compliance policy for review.
- Obtained a copy of the Initial Disclosure statement and reviewed for required content.
- Obtained Board Reports indicating all new Executive Reserve accounts opened since January 1st, 2003.
- Obtained a copy of a periodic statement and reviewed for required content.
- Ensured that the Bank furnished timely statement to consumer of Billing Rights.
- Verified that the Bank follows the Billing Error Resolution, in accordance with described procedures.
- Verified record retention requirements.

