

Part 2: “Process” Use Your BSA Risk Assessment to Build Banking Relationships

In [Part 1](#) of this series, we argued that **Transparency** into your BSA/AML risk management is a key to building and maintaining banking relationships. MSB relationships can be profitable to banks and MSBs serve traditionally underserved populations. That’s good.

But many FIs feel they cannot quantify and manage MSB risk, and it’s always easier (and less risky) to say “no” than “yes.”

How do MSBs build transparency? ...Process...

Right, it’s not as easy as it sounds, and it requires a commitment on your part to “do it right.” But many of you are ready willing and able to do it right if you could know (1) what “right” is in the financial institution’s mind and (2) you had an efficient way to build and maintain a BSA/AML risk management process and demonstrate that to your FI.

Your BSA/AML risk management process has to start with an accurate, compliant risk assessment. You do this on a spreadsheet now, but that’s not the best way as it’s neither efficient nor does it allow for ultimate transparency.

A risk assessment that a sophisticated financial institution will accept is hard to build and hard to maintain.

At a minimum, the risk assessment will rate the inherent and residual risks of:

- **Where** you do business (physical locations, agent locations, transaction locations, etc.)
- **What** products/services you offer
- **Who** you do business with
- **How** you comply with the BSA (CTR and SAR practice, BSA officer, board oversight, etc.).

We have an idea...

Wouldn’t it be great if there was a technological solution that would allow you to do all this and allow your financial institution partner **TRANSPARENCY** into your anti-money laundering and terrorist financing risk—and how you are reacting to and managing that risk.

About the Author

Mark Stetler is CEO of RegSmart. He has a degree in Finance from Baylor University (cum laude, 1985) and a law degree from the University of Texas (with honors, 1988). Mark has worked in the financial services industry for 30 years as an attorney and entrepreneur. Mark previously co-owned one of the nation’s largest firms specializing in forensic financial audits. He is a Certified Anti-Money Laundering Specialist and a chief architect of RegSmart’s anti-money laundering risk assessment and audit SaaS.

About RegSmart

RegSmart offers the best-in-class automated BSA/AML risk assessment. Supported by subject matter experts, RegSmart collects data with intuitive wizards and stores that data for regulatory compliance and change management. RegSmart delivers complete, plain language reports with actionable intelligence. Please visit us at www.beregsmart.com.

If you would like to see a demonstration of our best-in-class automated BSA/AML risk assessment and audit applications, please contact us at 214.919.4670, or email John Ravita at jravita@beregsmart.com or Mark Stetler at mstetler@beregsmart.com. We look forward to visiting with you.