



Compliance Management System Policy

Fintech Edition (Sponsor Bank Model)

KCG-GOV-POL-01-F | Version 1.0

Regulatory content current as of October 9, 2026

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About This Template

This is the cornerstone of a compliance program. It tells your Board, your sponsor bank, and examiners how your company finds, manages, and fixes compliance risk, and who is accountable for each part. It follows the structure regulators use to examine a compliance management system, so it maps to what your sponsor bank will test.

Who it is for. Fintech companies that offer consumer or commercial financial products through a sponsor (partner) bank: program managers, lending and card platforms, payments and deposit programs. Banks and credit unions should use the Bank Edition (KCG-GOV-POL-01-B).

How to tailor it

- Replace every yellow placeholder, starting with your company name, product list, sponsor bank, and role titles.
- Match Sections 6 and 8 to how you are actually organized and to your program agreement. A policy that describes a structure you do not have is a finding.
- Fill in approval, escalation, and reporting timeframes from your program agreement (Section 8). Where it is silent, pick one you can meet.
- Read and delete every KCG NOTE box. Confirm or delete every SPONSOR BANK EXPECTS box.
- Have your Board approve it, record the approval in the minutes and version history, and send it to your sponsor bank if required.

Conventions used in this template

Marker	What it means	What to do
[Bracketed text]	Placeholder highlighted in yellow	Replace with your information. Search for "[" to find them all.
KCG NOTE box	Drafting guidance and context from KCG	Read, act on, then delete every box before adoption.
SPONSOR BANK EXPECTS box	A common sponsor-bank requirement that comes from contracts, not law	Confirm against your program agreement; adjust or delete.
[CONFIRM]	A statement about your operations that must be true before you adopt	Verify, then remove the marker.

Companion documents. Compliance Committee Charter (KCG-GOV-CHR-01-F), Policy Governance Standard (KCG-GOV-STD-01), Compliance Risk Assessment Policy (KCG-GOV-POL-02), and the Governance Requirements & Controls Map (KCG-TLS-02-GOV), which ties every requirement in this policy to a control and a test step. All are part of the KCG Policy Library.

Important. This template is provided for general informational purposes and is not legal advice. Laws, regulations, guidance, and sponsor-bank requirements change, and their application depends on your facts. Tailor this document to your products and operations, confirm current requirements before adoption, and consult qualified counsel where appropriate. Key Compliance Group, LLC makes no warranty that this template is complete or suitable for any particular use.

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Delete this page, all KCG NOTE boxes, and the cover page before adoption. Replace the header and footer with your own.

Document Control

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4. Regulatory Framework

No single regulation prescribes a CMS. This Policy follows the laws that apply directly to the Company and the standards regulators use to examine a CMS, including the Sponsor Bank's oversight of the Company.

Source	Citation	How it applies
Dodd-Frank Act: unfair, deceptive, or abusive acts or practices	12 U.S.C. 5531, 5536; 5481(6), (26)	Applies directly to the Company as a covered person or service provider
Federal examination authority over bank service providers	12 U.S.C. 1867(c); 12 U.S.C. 5515(d), 5516(e)	The Sponsor Bank's regulator, and in some cases the CFPB, may examine services the Company performs for the bank
CMS examination standards	FFIEC Uniform Interagency Consumer Compliance Rating System (2016); CFPB Compliance Management Review procedures (2017)	How regulators evaluate a CMS; organizes Section 7
Third-party oversight standards	CFPB Compliance Bulletin 2016-02 (2016); Interagency Guidance on Third-Party Relationships (2023)	Drive the Sponsor Bank's due diligence, contract terms, and monitoring of the Company
Program agreement(s)	[Agreement name and date]	Contractual compliance, approval, reporting, and audit obligations (Section 8)

KCG NOTE As of October 9, 2026, replacement third-party guidance is proposed (comments due November 16, 2026); update this table when it is final. Do not cite CFPB guidance withdrawn on May 12, 2025; Bulletin 2016-02 was not withdrawn.

5. Definitions

Term	Meaning in this Policy
Compliance issue	Any actual or potential violation of law, regulation, Sponsor Bank requirement, or Company compliance policy, and any control weakness that could lead to one, whatever its source.
Compliance risk	The risk of legal or regulatory sanctions, financial loss, consumer harm, or loss of the Sponsor Bank relationship from failing to comply with laws, regulations, Sponsor Bank requirements, or Company policies.
Consumer harm	Financial or other injury to a customer caused by a Company act or practice, including improper fees, denial of a benefit or right, and misleading information.

Area	Changes that require compliance review
Products and features	New products, features, or programs; changes to eligibility, pricing, fees, rates, limits, or terms
Customer documents	Disclosures, agreements, notices, adverse action and other regulated letters, and in-app or website content describing terms
Marketing	Advertising, promotions, social media, referral and affiliate programs, and scripts
Decisioning	Underwriting criteria, credit or fraud models, decision rules, and data sources used to approve, price, or decline
Operations and servicing	Servicing, collections, dispute, and complaint processes and scripts
Technology	System changes affecting disclosures, calculations, customer communications, data retention, or customer outcomes
Third parties	New third parties performing customer-facing or compliance-related activities, and material changes to existing ones
Geography and channels	New states, customer segments, or acquisition channels

Reviews are recorded in [system or log] with the decision, conditions, and any required Sponsor Bank approval. Regulatory changes are handled under the Change & Regulatory Change Management Policy (KCG-GOV-POL-07).

SPONSOR BANK EXPECTS Most program agreements require the bank's written approval before you launch a product or feature, change terms or fees, use new marketing, or engage a new third party for program activities. Build the bank's approval into your release checklist, and do not launch on a verbal approval.

7.5 Policies and procedures

Under the Policy Governance Standard (KCG-GOV-STD-01), the Company maintains a written policy for each applicable requirement area, each with a named owner and an annual review. Risk owners maintain procedures that carry out each policy, and Compliance reviews them before they take effect. Current versions are available to everyone who needs them; superseded versions are retained.

7.6 Training

Under the Compliance Training Policy (KCG-GOV-POL-05), new personnel complete required training within [30] days and before performing covered tasks; all personnel complete role-based training at least annually per the Training Matrix; and targeted training follows changes in law, products, or procedures. Overdue training is escalated to the employee's manager and then to the Committee.

7.7 Monitoring and testing

Under the Compliance Monitoring & Testing Policy (KCG-GOV-POL-03), risk owners perform quality control and track key risk indicators, and Compliance tests under a risk-based annual plan, including

Term	Meaning
New account	A claim involving a transfer that occurred within 30 days after the first deposit to the account.

5. Intake

#	Step	Owner	Timeframe	Evidence
1	Recognize the notice. Treat any statement that a transfer was not made, not authorized, wrong in amount, or missing as a notice of error. Do not require specific words, a form, a police report, an affidavit, or contact with the merchant first.	Customer Support	At contact	Contact record
2	Log the claim in [system] with notice date and channel, account, transactions, amounts, error type, and consumer's description; give the consumer the claim number.	Customer Support	Same day	Error Resolution Log entry
3	Set deadlines in the Error Resolution Log: 10 business days to decide or provisionally credit (20 for a new account); 45 calendar days to complete (90 for a new account, a POS debit card transaction, or a transfer not initiated within a state).	Disputes analyst	Within [1] business day	Deadline fields
4	If the notice was oral and the [Company / Bank] requires written confirmation, tell the consumer at the time of the notice, give the address or method, and record the request. [Optional: do not require written confirmation.]	Customer Support	At contact	Confirmation request
5	For unauthorized claims, secure the account: block the card or credentials, reissue access devices, and stop further unauthorized transfers.	Fraud Operations	Same day	Account action log

KCG NOTE Requiring written confirmation is optional. It only relieves the provisional credit duty if the confirmation is not received within 10 business days of the oral notice; it never extends the investigation. Many programs choose not to require it.

6. Investigation

#	Step	Owner	Timeframe	Evidence
6	Review the [Company's / Bank's] own records: transaction data, device, IP, and location data, authentication logs, card-present indicators, account history, and prior claims. Where the alleged error concerns a transfer to or from a third party with no agreement with the [Company / Bank], a review of its own records is a reasonable investigation (12 CFR 1005.11(c)(4)).	Disputes analyst	Days 1-[5]	Investigation notes
7	Request information from the merchant, network, or other institution where useful (for example, a chargeback or ACH return), but do not delay deadlines waiting for it.	Disputes analyst	As needed	Requests; responses
8	Decide using all available evidence. Do not deny because the consumer was negligent, shared a code with a fraudster who impersonated the [Company / Bank], or did not file a police report.	Disputes Manager [or Sponsor Bank]	By deadline	Decision record

7. Provisional Credit

#	Step	Owner	Timeframe	Evidence
9	If the investigation will not be complete within 10 business days (20 for a new account), provisionally credit the amount of the alleged error, with interest where applicable, by that deadline. The consumer must have full use of the funds.	Disputes analyst	By business day 10 (or 20)	Credit transaction
10	Exceptions: provisional credit is not required if written confirmation was requested and not received within 10 business days, or if the account is subject to Regulation T margin requirements. Up to \$50 may be withheld if the [Company / Bank] has a reasonable basis to believe the transfer was unauthorized and the consumer may be liable under 12 CFR 1005.6.	Disputes analyst	By business day 10 (or 20)	Exception documented
11	Notify the consumer of the amount and date of the provisional credit.	Disputes analyst	Within 2 business days after crediting	Notice copy