CERTIFIED REGULATORY COMPLIANCE MANAGER (CRCM) PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. Which of the following is exempt from the requirements of Regulation GG?

A. Gateway operators that receive ACH debits

B. Participants in a money transmitting business

C. Money transmitting business operators

D. Beneficiary bank participant in a wire transfer system

2. Under the Dodd-Frank Act, what framework was established for mortgage underwriting?

A. The Standard Mortgage (SM) framework

B. The High-Risk Mortgage (HRM) framework

C. The Qualified Mortgage (QM) framework

D. The Flexible Mortgage (FM) framework

3. Which consumer protection act is intended to help resolve disputes related to credit card billing?

A. The Truth in Lending Act

B. The Fair Credit Billing Act

C. The Credit Card Accountability Act

D. The Home Mortgage Disclosure Act

4. When monitoring compliance with the Fair Housing Act, which aspect is least relevant?

A. The bank's financing of rental property

B. Handicap accessibility to secured properties

C. The bank's advertisement participation

D. The HMDA/LAR for the bank

5. What are the primary components of the Bank Secrecy Act?

A. Loan estimates and consumer privacy requirements

B. Customer due diligence, suspicious activity reporting, and recordkeeping

C. Discrimination policies and financial disclosures

D. Information security programs and privacy notifications

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6. What must financial institutions provide according to the Fair Credit Reporting Act?

A. Loan forgiveness options

B. Access to credit reports and scores

C. Annual bonus benefits

D. Banking fees disclosures

7. What does Regulation E govern?

A. Funds availability

B. Electronic funds transfers

C. Depository insurance

D. Consumer loan disclosures

8. Under which regulation is loan originator compensation regulated?

A. Home Mortgage Disclosure Act

B. Dodd-Frank Act's Mortgage Reform and Anti-Predatory Lending Act

C. Truth in Lending Act

D. Federal Housing Administration Guidelines

9. What should a bank review FIRST before closing a branch office?

A. Percentage of out-of-area deposits

B. Ratio of loans in the assessment area to total loans

C. Bank's branch closing policy and procedures

D. Remaining time on the building lease

10. When starting to offer non-deposit investment products, what is the first action a compliance manager should take?

A. Review the state insurance licensing requirements

B. Develop a program for obtaining necessary sales licenses

C. Develop new account forms for product suitability

D. Review the Interagency Statement on Nondeposit Investment Products

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Answers

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1. B
2. C
3. B
4. B
5. B
6. B
7. B
8. B
9. C
10. D

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Explanations

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1. Which of the following is exempt from the requirements of Regulation GG?

A. Gateway operators that receive ACH debits

B. Participants in a money transmitting business

C. Money transmitting business operators

D. Beneficiary bank participant in a wire transfer system

Regulation GG primarily addresses illegal internet gambling and the responsibilities of financial institutions regarding transactions related to such activities. The regulation aims to prevent these institutions from processing transactions that facilitate illegal online gambling. The correct choice identifies participants in a money transmitting business as exempt from the requirements of Regulation GG. This exemption is significant because money transmitting businesses primarily engage in the transfer of funds without handling the underlying content of the transactions, which often do not relate to illegal online gambling. Therefore, these businesses are not directly implicated in the activities that Regulation GG seeks to regulate. The other options involve entities or activities more closely aligned with the underlying concerns of Regulation GG. Gateway operators and money transmitting business operators may engage in activities that could potentially include transactions related to illegal internet gambling. Additionally, beneficiary banks participating in a wire transfer system have responsibilities under Regulation GG since they could be involved in processing transactions that relate to gambling activities. Understanding the nuances of these exemptions helps clarify the regulatory landscape surrounding money transmission and online gambling, which is crucial for compliance professionals working in this field.

2. Under the Dodd-Frank Act, what framework was established for mortgage underwriting?

A. The Standard Mortgage (SM) framework

B. The High-Risk Mortgage (HRM) framework

C. The Qualified Mortgage (QM) framework

D. The Flexible Mortgage (FM) framework

The Qualified Mortgage (QM) framework established under the Dodd-Frank Act is significant because it aims to ensure that borrowers can repay their loans, thereby promoting responsible lending practices. The QM framework sets specific criteria to define what constitutes a qualified mortgage, including limits on points and fees, requirements on debt-to-income ratios, and a prohibition against certain risky loan features like negative amortization. The intention behind the QM framework is to protect consumers from high-risk lending and to encourage lenders to engage in prudent underwriting standards. By having these established guidelines, the Dodd-Frank Act seeks to enhance the stability of the mortgage market and reduce the likelihood of defaults that can arise from unaffordable loans. In contrast, the other options do not align with the terminology or framework established by the Dodd-Frank Act. Therefore, the Qualified Mortgage framework is the correct choice as it directly correlates with the provisions aimed at making mortgage lending safer and more transparent.

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3. Which consumer protection act is intended to help resolve disputes related to credit card billing?

A. The Truth in Lending Act

B. The Fair Credit Billing Act

C. The Credit Card Accountability Act

D. The Home Mortgage Disclosure Act

The Fair Credit Billing Act is specifically designed to provide consumers with protections when it comes to credit card billing disputes. This act establishes guidelines for addressing billing errors, which can include unauthorized charges, charges for goods not received, and charges with incorrect amounts. It ensures that consumers have a process to dispute these errors and mandates that credit card issuers must respond to disputes within a certain timeframe. In contrast, the Truth in Lending Act focuses on disclosing the terms and costs of credit to consumers, promoting informed use of credit. While the Credit Card Accountability Act introduces broader regulations aimed at credit card practices, it does not specifically target the resolution of billing disputes. The Home Mortgage Disclosure Act is unrelated to credit card billing as it pertains to mortgage lending and ensures financial institutions provide information about their mortgage lending activities.

4. When monitoring compliance with the Fair Housing Act, which aspect is least relevant?

A. The bank's financing of rental property

B. Handicap accessibility to secured properties

C. The bank's advertisement participation

D. The HMDA/LAR for the bank

Monitoring compliance with the Fair Housing Act involves evaluating various aspects to ensure that housing practices do not discriminate based on race, color, national origin, religion, sex, familial status, or disability. Among the options given, the aspect that is least relevant in this context is handicap accessibility to secured properties. While handicap accessibility is an important concern under the Fair Housing Act—specifically concerning dwellings and public areas—it pertains more to the physical features of housing rather than the compliance activities of a bank. The other aspects listed are directly aligned with the operational practices and policies of a bank that can affect fair housing compliance. For example, the bank's financing of rental property directly relates to how they're facilitating housing opportunities and ensuring non-discriminatory practices. Similarly, the bank's participation in advertisements plays a crucial role in how they market their services, and adherence to the Home Mortgage Disclosure Act (HMDA) and the Loan Application Register (LAR) reflects their transparency and accountability in lending practices concerning fair housing laws. Thus, while accessibility is significant in a broader sense, it is the least relevant aspect when specifically monitoring a bank's compliance with the Fair Housing Act in relation to its own policies and practices.

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5. What are the primary components of the Bank Secrecy Act?

A. Loan estimates and consumer privacy requirements

B. Customer due diligence, suspicious activity reporting, and recordkeeping

C. Discrimination policies and financial disclosures

D. Information security programs and privacy notifications

The primary components of the Bank Secrecy Act (BSA) focus on the prevention of money laundering and the detection of suspicious financial activities. The correct response includes customer due diligence, suspicious activity reporting, and recordkeeping, all of which are integral to ensuring that financial institutions can effectively monitor and report potentially illicit activities. Customer due diligence involves collecting and analyzing sufficient information about customers to understand their activities and assess the risk they may pose to the financial institution. This process is critical for identifying suspicious behavior early on. Suspicious activity reporting is a requirement for financial institutions to report any transactions that they deem suspicious or indicative of money laundering or other financial crimes. This reporting requirement is key to the enforcement of the BSA as it helps authorities identify patterns of illegal activity. Recordkeeping is another essential component, as the BSA mandates that financial institutions maintain detailed records of transactions and customer interactions. This documentation is vital for regulatory compliance and for future investigations into any potential financial crimes. The other options listed do not align with the core goals of the BSA. Loan estimates and consumer privacy, discrimination policies, financial disclosures, and information security programs pertain to other regulatory frameworks but do not capture the specific focus of the Bank Secrecy Act.

6. What must financial institutions provide according to the Fair Credit Reporting Act?

A. Loan forgiveness options

B. Access to credit reports and scores

C. Annual bonus benefits

D. Banking fees disclosures

Financial institutions are required to provide access to credit reports and scores according to the Fair Credit Reporting Act (FCRA). This regulation is designed to promote fairness and accuracy in consumer credit reporting. Under the FCRA, consumers have the right to know what information is being reported about them, which means they can request and obtain a copy of their credit report from the credit reporting agencies. Moreover, financial institutions must inform consumers if they take adverse actions based on information found in their credit reports, allowing individuals to understand the basis for credit decisions and enabling them to dispute inaccuracies or errors. This focus on consumer access and transparency in credit reporting helps individuals maintain their credit health and facilitates informed financial decisions. Other choices mentioned, such as loan forgiveness options, annual bonus benefits, and banking fees disclosures, do not align with the specific requirements set forth by the FCRA regarding consumer credit information.

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7. What does Regulation E govern?

A. Funds availability

B. Electronic funds transfers

C. Depository insurance

D. Consumer loan disclosures

Regulation E specifically governs electronic funds transfers (EFTs) and the rights, liabilities, and responsibilities of consumers who engage in these transactions. This regulation aims to protect consumers in electronic transactions by establishing disclosures that financial institutions must provide and by outlining procedures for addressing errors, unauthorized transactions, and consumer liabilities. It encompasses various forms of electronic payment methods, including ATM transactions, debit card transactions, and other electronic payment systems. While funds availability, depository insurance, and consumer loan disclosures are important aspects of banking and financial services, they fall under separate regulations. Funds availability is governed by Regulation CC, depository insurance pertains to the FDIC regulations, and consumer loan disclosures are primarily covered by the Truth in Lending Act (TILA). Therefore, the focus of Regulation E on protecting consumers during electronic funds transfers is what makes it the correct answer.

8. Under which regulation is loan originator compensation regulated?

A. Home Mortgage Disclosure Act

B. Dodd-Frank Act's Mortgage Reform and Anti-Predatory Lending Act

C. Truth in Lending Act

D. Federal Housing Administration Guidelines

The regulation that governs loan originator compensation is primarily found within the Dodd-Frank Act's Mortgage Reform and Anti-Predatory Lending Act. This act established important provisions aimed at ensuring that loan originators are compensated in a manner that promotes fair lending practices and discourages predatory lending behavior. It provides regulatory guidelines to reduce conflicts of interest that may arise from compensation structures, thereby ensuring that loan originators act in the best interest of borrowers. This regulation outlines specific rules regarding how loan originators can be compensated, including restrictions on bonuses or incentives tied to specific loan terms or conditions. As a result, it enhances transparency and encourages responsible lending practices within the mortgage industry. In contrast, the other options do not specifically address loan originator compensation. The Home Mortgage Disclosure Act primarily focuses on data collection and reporting regarding mortgage lending, while the Truth in Lending Act aims to promote informed borrowing through transparent disclosures of credit terms. Federal Housing Administration Guidelines offer guidance on FHA loan programs and underwriting standards but do not set forth specific compensation regulations for loan originators. Therefore, the Dodd-Frank Act's provisions are central in this context for regulating loan originator compensation.

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9. What should a bank review FIRST before closing a branch office?

A. Percentage of out-of-area deposits

B. Ratio of loans in the assessment area to total loans

C. Bank's branch closing policy and procedures

D. Remaining time on the building lease

Prioritizing the review of the bank's branch closing policy and procedures is essential when considering the closure of a branch office. These policies and procedures are designed to ensure compliance with regulatory requirements and to outline the necessary steps and considerations that must be taken into account when a branch closure occurs. By reviewing the policies first, the bank can better understand the legal obligations, such as notifying customers and regulators, as well as any specific requirements related to the branch's service area. This foundational step helps the bank to prepare for the impacts of the closure on customers and the community, aligning the closure process with both compliance standards and operational practices. Other aspects, like the percentage of out-of-area deposits, the ratio of loans in the assessment area to total loans, and the remaining time on the building lease, are important but are secondary considerations. These factors contribute to the overall assessment of whether a branch should close, but understanding and following the bank's established closure policies and procedures ensures that all regulatory obligations are met and minimizes potential backlash or compliance issues during the closure process.

10. When starting to offer non-deposit investment products, what is the first action a compliance manager should take?

A. Review the state insurance licensing requirements

B. Develop a program for obtaining necessary sales licenses

C. Develop new account forms for product suitability

D. Review the Interagency Statement on Nondeposit Investment Products

The initial step a compliance manager should take when considering the offering of non-deposit investment products is to review the Interagency Statement on Nondeposit Investment Products. This statement is crucial as it provides guidelines and regulatory expectations for financial institutions that wish to sell such products. It helps ensure that all compliance practices align with federal regulations and industry standards. By thoroughly understanding the Interagency Statement, a compliance manager can navigate the complexities of compliance surrounding non-deposit investment products, including necessary consumer disclosures, advertising practices, and the obligations to clients. This foundation is vital before proceeding to the implementation stage, such as reviewing licensing requirements or developing suitability forms, as it ensures all subsequent actions are grounded in appropriate regulatory oversight.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

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We wish you the very best on your exam journey. You've got this!

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