# Product Requirements Document

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## Legacy Business Description (from Legacy Code)

Capabilities identified:- This is a interest calculator program

Files processed:- CBACT04C.cbl

CBACT04C.cbl — Business Description

**This component supports:** This is a interest calculator program.

**Requirement 1:** This is a interest calculator program

**Business Description:** Calculates interest based on configured rates, balances, and transaction timing. Key activities include: Update the balances in account record to reflect posted transaction; COMPUTE WSMONTHLYINT.Description: Calculates interest based on configured rates, balances, and transaction timing.

Logic Description:- Update the balances in account record to reflect posted transaction.- COMPUTE WS-MONTHLY-INT.

Dependencies:- Data elements: binary, access, cob mil, account ID, cob rest, appl result, alternate, cob hh, appl aok, appl eof

**Source:** Legacy Code

## Product Overview

"Product Overview\n\nThis product is a comprehensive credit card core platform designed specifically for the U.S. financial services market, focusing on the credit card sector. It targets financial institutions such as Capital One seeking to transition away from legacy third-party systems by establishing full internal ownership of credit card issuance, account management, and servicing functions. Delivered on a modern, scalable platform, the solution supports the real-time issuance of both virtual and physical credit cards, encompassing all critical processes such as credit line management, product setup, authorizations, settlements, and lifecycle management including billing, payments, interest calculation, fees, rewards, disputes, and delinquency workflows.\n\nStrategically, this in-house credit card core positions Capital One to improve operational control, enhance customer experiences, and increase agility in response to market dynamics. It replaces fragmented legacy systems, enabling streamlined workflows and fostering innovation within a secure, compliant framework tailored to U.S. regulatory requirements. The platform’s capability to manage charged-off accounts within the trade credit ecosystem further strengthens portfolio management and risk mitigation, reflecting a forward-looking approach to credit servicing and enterprise efficiency.\n\n### References\nNo external sources were used."

## Feature Overview

**Feature Name:** Create a Frontbook Charged-Off Account

**Feature Overview:** The Create a Frontbook Charged-Off Account feature is a specialized capability within the broader account creation and management framework of the in-house credit card core system. It facilitates the transition and full lifecycle management of credit card accounts that have moved from good standing to charged-off status due to events such as prolonged delinquency, customer death, or bankruptcy. This feature ensures that charged-off accounts are accurately established and maintained within the modern core infrastructure, supporting real-time processing and integration with credit issuance, account servicing, and collections workflows.

This feature includes defining the charged-off account state, managing associated credit lines, and supporting downstream processes like billing adjustments, interest calculations, fees, and delinquency workflows. It excludes the initial account creation for accounts in good standing and focuses solely on accounts transitioning to or existing in charged-off status. The feature integrates with core systems handling authorizations, settlements, and dispute management, ensuring compliance with financial regulations and internal policies. Strategically, it enables full ownership and control over credit lifecycle management, reduces reliance on legacy third-party systems, and enhances operational agility and risk management in the credit card portfolio.

References

No external sources were used.

## Functional Requirements

Functional Requirements

**F1.** Establish Charged-Off Account Status Upon Trigger Event\*\*Functionality:\* The system must transition an account from good standing to charged-off status when specific trigger events occur.\*Description:When the system detects a trigger event such as prolonged delinquency beyond configured thresholds, customer death, or bankruptcy notification, it must update the account status to "charged-off." This transition initiates the creation of a charged-off account record within the core system, enabling subsequent lifecycle management.Functional Specification:- If an account meets delinquency criteria defined by days past due or missed payments threshold, or- If a verified customer death or bankruptcy event is recorded,- Then update the account status to "charged-off" immediately.Notes:- Trigger thresholds for delinquency are configurable.- The system must log the trigger event and timestamp for audit purposes.

**F2.** Create and Maintain Charged-Off Account Record in Core System\*\*Functionality:\* The system must create a dedicated charged-off account record reflecting the account’s new status and maintain it throughout its lifecycle.\*Description:Upon status transition to charged-off, the system must instantiate a charged-off account entity that includes all relevant account details, credit lines, balances, and transaction history. This record supports ongoing management including billing adjustments, interest calculations, fees, and collections activities.Functional Specification:- Create a charged-off account record linked to the original account ID.- Include all active credit lines and outstanding balances at the time of charge-off.- Maintain transaction history and status changes for the charged-off account.Notes:- Charged-off accounts must be segregated logically from active accounts but remain accessible for servicing and reporting.

**F3.** Calculate and Apply Interest on Charged-Off Accounts\*\*Functionality:\* The system must calculate interest on charged-off accounts based on configured rates and account balances.\*Description:For charged-off accounts, the system must compute monthly interest using the applicable interest rate and outstanding balance, updating the account record accordingly. This calculation must consider transaction timing and any payments or adjustments posted during the period.Functional Specification:- On each monthly cycle, compute interest as: (Outstanding Balance) x (Configured Interest Rate) x (Pro-rated days in period).- Update the charged-off account balance with the computed interest amount.- Reflect interest calculations in transaction history and account statements.Notes:- Interest rates and calculation methods are configurable per product and regulatory requirements.- Interest calculation logic is derived from legacy interest calculator program.Reference: Legacy Code

**F4.** Apply Fees and Adjustments to Charged-Off Accounts\*\*Functionality:\* The system must apply applicable fees and billing adjustments to charged-off accounts as per configured policies.\*Description:When fees such as late payment fees, collection fees, or other service charges are triggered, the system must apply these to the charged-off account balance and update the account record and transaction history accordingly. Adjustments such as payment reversals or dispute resolutions must also be processed.Functional Specification:- Apply fees based on configured fee schedules and triggers.- Update account balance and transaction history immediately upon fee application.- Process billing adjustments and reversals as required by dispute outcomes or corrections.Notes:- Fee amounts and triggers are configurable.- Fee application must not duplicate charges within the same billing cycle.

**F5.** Support Full Lifecycle Management of Charged-Off Accounts\*\*Functionality:\* The system must support ongoing management of charged-off accounts including collections workflows, dispute handling, and account closure.\*Description:After account charge-off, the system must enable collections teams to update account status, record payments, manage disputes, and ultimately close accounts when appropriate. All changes must be reflected in the charged-off account record and integrated with downstream systems for reporting and compliance.Functional Specification:- Allow collections users to update account status (e.g., in collections, settled, closed).- Record payments and adjustments against charged-off balances.- Manage dispute cases linked to charged-off accounts with status tracking.- Close charged-off accounts upon full settlement or write-off.Notes:- Workflow states and transitions are configurable.- Integration with dispute and collections modules is required.

**F6.** Integrate Charged-Off Account Data with Core Credit Issuance and Servicing Systems\*\*Functionality:\* The system must ensure charged-off account data is available and synchronized with credit issuance, authorization, settlement, and servicing modules.\*Description:Charged-off account status and related data must be propagated to all relevant core modules to prevent further credit issuance, block authorizations as necessary, and support accurate settlement and servicing processes.Functional Specification:- Notify credit issuance system to suspend new credit lines or card issuance for charged-off accounts.- Block authorization attempts on charged-off accounts unless overridden by collections policies.- Ensure settlement and payment processing modules reflect charged-off status and balances.Notes:- Synchronization must occur in real-time or near real-time to maintain data consistency.

**F7.** Log and Audit All Charged-Off Account Transactions and Status Changes\*\*Functionality:\* The system must maintain a comprehensive audit trail of all transactions, status changes, and actions performed on charged-off accounts.\*Description:Every change to a charged-off account, including status updates, interest calculations, fee applications, payments, and dispute resolutions, must be logged with user identification, timestamp, and action details for compliance and operational review.Functional Specification:- Record audit entries for each transaction or status change on charged-off accounts.- Include metadata such as user ID, timestamp, action type, and before/after values.- Provide audit logs accessible for compliance reporting and investigations.Notes:- Audit retention periods and access controls are configurable per regulatory requirements.

**F8.** Configure Delinquency Thresholds and Charge-Off Criteria\*\*Functionality:\* The system must allow configuration of delinquency parameters and charge-off criteria to define when accounts transition to charged-off status.\*Description:Administrators must be able to set and update parameters such as days past due, missed payment counts, and other business rules that trigger charge-off status. Changes must be applied prospectively and logged.Functional Specification:- Provide interfaces to configure delinquency thresholds (e.g., 180 days past due).- Allow configuration of additional triggers such as bankruptcy or death events.- Validate and apply configuration changes without impacting existing charged-off accounts.Notes:- Configuration changes must be logged for audit purposes.

**F9.** Prevent Duplicate Charged-Off Account Creation\*\*Functionality:\* The system must ensure that an account already marked as charged-off cannot be re-created or duplicated in the charged-off account records.\*Description:Before creating a charged-off account record, the system must verify that no existing charged-off record exists for the same account ID to prevent duplication and data inconsistencies.Functional Specification:- Check for existing charged-off account record linked to the original account ID.- If found, reject creation request and log the event.- Notify relevant users or systems of the duplication attempt.Notes:- This validation applies to all charge-off trigger events and manual interventions.

References

None beyond Legacy Code cited where noted.

## Non-Functional Requirements

**NFR1.** Ensure system availability for charged-off account processing\*\*Category:\* Availability\*Functionality:\* Maintain high system uptime for charged-off account lifecycle management\*Description:\* The system must be available 99.95% of the time monthly to support creation and management of charged-off accounts, minimizing downtime during business hours (8 AM to 8 PM EST) to ensure uninterrupted credit servicing and collections workflows.\*Dependencies:\* Core platform infrastructure, database services, network connectivity\*Notes:Scheduled maintenance windows must be communicated 48 hours in advance and occur outside peak business hours.

**NFR2.** Real-time processing of charged-off account transitions\*\*Category:\* Performance\*Functionality:\* Support near real-time updates when accounts transition to charged-off status\*Description:\* The system shall process and reflect the charged-off status change within 5 seconds of the triggering event (e.g., delinquency threshold reached, bankruptcy notification) for at least 95% of cases under normal load conditions.\*Dependencies:\* Event processing engine, account management services, messaging queues\*Notes:Performance targets apply to U.S.-based financial institution users during peak operational hours.

**NFR3.** Scalability to handle peak charged-off account volumes\*\*Category:\* Scalability\*Functionality:\* Scale system resources to accommodate spikes in charged-off account creations\*Description:\* The platform must support a 3x increase in charged-off account creation volume during peak periods without degradation in processing time or system responsiveness.\*Dependencies:\* Cloud infrastructure auto-scaling, load balancers, database sharding\*Notes:Peak periods may coincide with economic downturns or regulatory reporting deadlines.

**NFR4.** Secure handling of sensitive account data\*\*Category:\* Security\*Functionality:\* Protect personally identifiable information (PII) and financial data related to charged-off accounts\*Description:\* All data related to charged-off accounts must be encrypted at rest and in transit using industry-standard encryption (e.g., AES-256, TLS 1.2+). Access controls must enforce least privilege, and audit logs must capture all access and modification events.\*Dependencies:\* Encryption services, identity and access management (IAM), audit logging infrastructure\*Notes:Compliance with U.S. financial data protection regulations (e.g., GLBA) is mandatory.

**NFR5.** Data integrity and consistency across lifecycle processes\*\*Category:\* Reliability\*Functionality:\* Ensure accurate and consistent data state for charged-off accounts throughout lifecycle events\*Description:\* The system must guarantee transactional integrity such that updates to account status, balances, interest calculations, and fees are atomic and consistent, with no partial updates visible to downstream systems or users.\*Dependencies:\* ACID-compliant database systems, transaction management services\*Notes:Includes integration points with billing, payments, and dispute management modules.

**NFR6.** Compliance with U.S. financial regulatory requirements\*\*Category:\* Compliance\*Functionality:\* Operate charged-off account management in accordance with applicable U.S. regulations\*Description:\* The system must support audit trails, data retention policies, and reporting capabilities to comply with regulations such as the Fair Debt Collection Practices Act (FDCPA) and Consumer Financial Protection Bureau (CFPB) guidelines.\*Dependencies:\* Compliance monitoring tools, reporting engines\*Notes:Regulatory updates must be incorporated within 90 days of enactment.

**NFR7.** Resilience to system failures and data recovery\*\*Category:\* Resilience\*Functionality:\* Maintain operational continuity and data recovery capabilities for charged-off account data\*Description:\* The system must recover from hardware or software failures within 15 minutes without data loss, ensuring charged-off account data is backed up at least every hour and can be restored within 4 hours.\*Dependencies:\* Backup services, disaster recovery infrastructure\*Notes:Recovery procedures must be tested quarterly.

**NFR8.** Accessibility compliance for user interfaces managing charged-off accounts\*\*Category:\* Accessibility\*Functionality:\* Ensure user interfaces comply with accessibility standards for all user roles\*Description:\* All front-end components related to charged-off account management must meet WCAG 2.1 AA standards to support users with disabilities, including screen reader compatibility and keyboard navigation.\*Dependencies:\* UI frameworks, accessibility testing tools\*Notes:Applies to internal users such as credit analysts and collections agents.

**NFR9.** Audit logging and traceability for charged-off account actions\*\*Category:\* Security / Compliance\*Functionality:\* Provide comprehensive audit trails for all operations on charged-off accounts\*Description:\* The system must log all create, update, and delete actions on charged-off accounts with user identity, timestamp, and action details, retaining logs for a minimum of 7 years.\*Dependencies:\* Centralized logging infrastructure, secure log storage\*Notes:Logs must be tamper-evident and accessible for compliance audits.

**NFR10.** Efficient interest calculation performance for charged-off accounts\*\*Category:\* Performance\*Functionality:\* Accurately compute interest on charged-off accounts without performance degradation\*Description:\* Interest calculations must complete within 2 seconds per account during batch processing runs, supporting timely updates to balances and fees as per configured rates and transaction timing.\*Dependencies:\* Interest calculation engine, batch processing scheduler\*Notes:Source: Legacy Code

References

None.

## Data Requirements

**Data Requirements for Feature:** Create a Frontbook Charged-Off Account

**DR1.** Account reference IDCategory: Data InputDescription: Unique identifier for the credit card account transitioning to charged-off statusPurpose: To accurately identify and link the charged-off account within the core system and all related processes such as billing, collections, and reportingGovernance Considerations: Classified as sensitive PII; must comply with U.S. financial data privacy regulations (e.g., GLBA); retained for the life of the account plus regulatory retention periodsSource/Target: Originates from existing account records; used across lifecycle management modules and downstream integrations

**DR2.** Charged-off status effective dateCategory: Data InputDescription: The exact date when the account status changes from good standing to charged-offPurpose: To trigger lifecycle transitions, adjust interest and fees calculations, and initiate delinquency workflows from this date forwardGovernance Considerations: Retained for audit and compliance purposes; must be immutable once set to ensure data integritySource/Target: System-generated at status change event; used in billing, reporting, and collections modules

**DR3.** Delinquency trigger reason codeCategory: Data InputDescription: Coded reason for account charge-off such as prolonged delinquency, customer death, or bankruptcyPurpose: Enables accurate classification of charge-off cause for risk assessment, reporting, and regulatory complianceGovernance Considerations: Sensitive financial data; must be retained per regulatory guidelines; access controlled to authorized personnel onlySource/Target: Input from collections or account servicing teams; used in risk analytics and compliance reporting

**DR4.** Outstanding principal balance at charge-offCategory: Data InputDescription: The remaining principal amount owed on the account at the time it is charged-offPurpose: Basis for calculating interest accruals, fees, and provisioning for lossesGovernance Considerations: Financial data subject to retention for audit and regulatory reporting; protected under financial data security standardsSource/Target: Derived from account ledger at charge-off; used in interest calculation and financial reporting

**DR5.** Accrued interest balance at charge-offCategory: Data InputDescription: Total interest accrued but unpaid on the account at the moment of charge-offPurpose: Required for accurate interest calculation, billing adjustments, and financial provisioningGovernance Considerations: Sensitive financial information; retained according to accounting and regulatory standardsSource/Target: Calculated by interest engine; used in billing and reporting systems

**DR6.** Charge-off account product typeCategory: Data InputDescription: The credit product classification (e.g., standard credit card, rewards card) associated with the charged-off accountPurpose: To apply product-specific rules for fees, interest, and collections workflowsGovernance Considerations: Non-PII but critical for compliance with product governance policiesSource/Target: Pulled from account master data; used in lifecycle and collections processing

**DR7.** Charge-off account credit line detailsCategory: Data InputDescription: Credit limit and utilization details at the time of charge-offPurpose: Supports risk assessment, provisioning, and reporting on charged-off exposuresGovernance Considerations: Sensitive financial data; retained per regulatory and internal risk management policiesSource/Target: Extracted from credit line management system; used in risk analytics and reporting

**DR8.** Charge-off account billing cycle dateCategory: Data InputDescription: The billing cycle date applicable to the charged-off account for interest and fee calculationsPurpose: Ensures accurate timing for interest accrual and billing adjustments post charge-offGovernance Considerations: Retained as part of account lifecycle data; not PII but critical for financial accuracySource/Target: Account setup data; used in billing and interest calculation modules

**DR9.** Charge-off account interest rate(s)Category: Data InputDescription: Applicable interest rates (including penalty rates) for the charged-off accountPurpose: To calculate ongoing interest accruals and fees during the charged-off lifecycleGovernance Considerations: Financial data subject to audit and regulatory retention; must reflect contractual termsSource/Target: Derived from product setup and account terms; used in interest calculation engine

**DR10.** Charge-off account fee scheduleCategory: Data InputDescription: Defined fees applicable to charged-off accounts, including late fees, collection fees, and othersPurpose: To apply correct fees during the charged-off lifecycle and ensure compliance with fee policiesGovernance Considerations: Fee data must comply with regulatory limits and disclosures; retained for auditSource/Target: Product configuration data; used in billing and collections processing

**DR11.** Charge-off account dispute statusCategory: Data Input / Data OutputDescription: Current dispute status and history related to the charged-off accountPurpose: To manage dispute workflows, ensure compliance with dispute resolution regulations, and update account status accordinglyGovernance Considerations: Contains sensitive PII and financial data; must comply with dispute resolution regulations (e.g., FCRA, FDCPA)Source/Target: Input from dispute management system; exposed to servicing teams and compliance reporting

**DR12.** Charge-off account delinquency workflow stateCategory: Data OutputDescription: Current state within the delinquency management process for the charged-off accountPurpose: To drive collections activities, reporting, and escalation procedures in accordance with internal policies and regulatory requirementsGovernance Considerations: Sensitive operational data; access controlled and retained per collections policySource/Target: Generated by delinquency management system; used by collections teams and reporting tools

**DR13.** Charge-off account payment history post charge-offCategory: Data Input / Data OutputDescription: Record of payments received after the account was charged-off, including dates and amountsPurpose: To update account balances, recalculate interest and fees, and support collections and recovery effortsGovernance Considerations: Sensitive financial data; retained for audit and compliance; must be accurate and timelySource/Target: Input from payment processing systems; used in account servicing and reporting

**DR14.** Charge-off account write-off amountCategory: Data OutputDescription: The amount officially written off as a loss for the charged-off accountPurpose: Supports financial reporting, provisioning, and regulatory compliance for credit lossesGovernance Considerations: Financial data subject to retention for audit and regulatory reporting; must be immutable once recordedSource/Target: Generated by accounting and provisioning systems; used in financial statements and risk reports

**DR15.** Charge-off account customer death or bankruptcy documentation flagCategory: Data InputDescription: Indicator and associated documentation status confirming customer death or bankruptcy as charge-off triggerPurpose: To validate charge-off reason, support compliance, and guide collections and legal workflowsGovernance Considerations: Contains sensitive PII and legal data; must be handled with strict confidentiality and retained per legal requirementsSource/Target: Input from collections/legal teams; used in compliance and account management

**DR16.** Charge-off account creation timestampCategory: Data OutputDescription: The date and time when the charged-off account record was created in the core systemPurpose: For audit trail, operational tracking, and compliance verification of charge-off processing timelinesGovernance Considerations: Retained for audit and regulatory compliance; must be immutableSource/Target: System-generated at charge-off account creation; used in audit logs and reporting

References

No external sources were used.Reference: Legacy Code (interest calculation logic informs interest-related data elements)

## Legal & Compliance Requirements

L1. Compliance with Fair Debt Collection Practices Act (FDCPA)\*\*Law or Regulation:\* Fair Debt Collection Practices Act (FDCPA) (U.S.)\*Obligation:\* The feature must ensure that all communications and actions related to charged-off accounts comply with FDCPA provisions, including prohibitions on harassment, false statements, and unfair practices.\*Scope of Application:\* Charged-off accounts in the United States, including all customer interactions and account status updates.\*Enforcement Mechanism:\* Implement audit trails for all account status changes and communications; restrict automated actions that could violate FDCPA; provide logging for dispute and complaint handling.\*Compliance Consequences:Potential legal penalties, fines, and reputational damage.

L2. Truth in Lending Act (TILA) Compliance for Charged-Off Accounts\*\*Law or Regulation:\* Truth in Lending Act (TILA) (U.S.)\*Obligation:\* The feature must accurately reflect interest, fees, and billing adjustments on charged-off accounts in accordance with TILA disclosure requirements.\*Scope of Application:\* All charged-off credit card accounts managed within the U.S. jurisdiction.\*Enforcement Mechanism:\* Automated calculation and documentation of interest and fees; generation of accurate billing statements and disclosures for charged-off accounts.\*Compliance Consequences:Regulatory fines and required remediation actions.

L3. Fair Credit Reporting Act (FCRA) Compliance for Reporting Charged-Off Status\*\*Law or Regulation:\* Fair Credit Reporting Act (FCRA) (U.S.)\*Obligation:\* The feature must ensure timely and accurate reporting of charged-off account status to credit reporting agencies, including updates on disputes and corrections.\*Scope of Application:\* Charged-off accounts reported to U.S. credit bureaus.\*Enforcement Mechanism:\* Automated reporting interfaces with credit bureaus; logging of report submissions and corrections; dispute tracking mechanisms.\*Compliance Consequences:Liability for inaccurate reporting, consumer disputes, and regulatory enforcement actions.

L4. Data Privacy Compliance under the Gramm-Leach-Bliley Act (GLBA)\*\*Law or Regulation:\* Gramm-Leach-Bliley Act (GLBA) (U.S.)\*Obligation:\* The feature must protect nonpublic personal information (NPI) of customers with charged-off accounts, ensuring confidentiality and safeguarding against unauthorized access.\*Scope of Application:\* All customer data associated with charged-off accounts in the U.S.\*Enforcement Mechanism:\* Access controls, encryption of sensitive data, and audit logging of data access and modifications.\*Compliance Consequences:Civil penalties and corrective action mandates.

R1. Consumer Financial Protection Bureau (CFPB) Regulations on Debt Collection\*\*Regulatory Framework:\* CFPB Debt Collection Rules (U.S.)\*Obligation:\* The feature must implement controls to ensure compliance with CFPB rules on debt collection practices, including validation of debt and consumer notification requirements for charged-off accounts.\*Scope of Application:\* Systems managing charged-off accounts subject to U.S. consumer protection laws.\*Enforcement Mechanism:\* Automated validation workflows; notification templates with audit trails; logging of consumer communications and responses.\*Regulatory Impact:Subject to CFPB examinations and audits.

R2. Office of the Comptroller of the Currency (OCC) Guidelines on Credit Card Account Management\*\*Regulatory Framework:\* OCC Guidelines (U.S.)\*Obligation:\* The feature must support risk management and internal controls for charged-off accounts, including delinquency tracking, loss recognition, and reporting.\*Scope of Application:\* Charged-off accounts within nationally chartered banks under OCC jurisdiction.\*Enforcement Mechanism:\* Real-time status updates; reporting dashboards; audit logs for account lifecycle events.\*Regulatory Impact:Required for OCC supervisory reviews and compliance reporting.

R3. Payment Card Industry Data Security Standard (PCI DSS) for Cardholder Data Protection\*\*Regulatory Framework:\* PCI DSS\*Obligation:\* The feature must ensure that all cardholder data related to charged-off accounts is handled in compliance with PCI DSS requirements, including encryption, access control, and monitoring.\*Scope of Application:\* Systems processing or storing cardholder data for charged-off accounts.\*Enforcement Mechanism:\* Encryption of stored and transmitted cardholder data; role-based access controls; logging and monitoring of access events.\*Regulatory Impact:PCI DSS certification and regular audits.

C1. SOC 2 Type II Controls for Account Lifecycle Management\*\*Framework or Standard:\* SOC 2 Type II\*Requirement:\* All changes to charged-off account status must be logged with user ID, timestamp, and action details to ensure traceability and accountability.\*Feature Scope:\* Charged-off account management modules and interfaces.\*Traceability Reference:SOC-AUDIT-09

C2. ISO 27001 Information Security Management\*\*Framework or Standard:\* ISO 27001\*Requirement:\* Implement and maintain information security controls to protect charged-off account data, including risk assessments, access management, and incident response procedures.\*Feature Scope:\* Data storage, processing, and transmission components related to charged-off accounts.\*Traceability Reference:ISO 27001 Control A.9 (Access Control), A.12 (Operations Security)

C3. Internal Audit Controls for Interest and Fee Calculations\*\*Framework or Standard:\* Internal Audit Policy\*Requirement:\* Interest and fee calculations on charged-off accounts must be auditable, with clear documentation of rates, formulas, and transaction timing used in computations.\*Feature Scope:\* Interest calculation engine and billing adjustment processes.\*Traceability Reference:\* Internal Audit Control ID FIN-INT-01\*Source:Legacy Code

C4. Change Management and Release Controls\*\*Framework or Standard:\* IT Change Management Policy\*Requirement:\* All updates to the charged-off account feature must follow formal change management procedures, including testing, approval, and rollback capabilities.\*Feature Scope:\* Codebase and configuration related to charged-off account lifecycle management.\*Traceability Reference:CM-Policy-2024-01

References

* Fair Debt Collection Practices Act (FDCPA) – https://www.ftc.gov/enforcement/statutes/fair-debt-collection-practices-act
* Truth in Lending Act (TILA) – https://www.consumerfinance.gov/rules-policy/regulations/1026/
* Fair Credit Reporting Act (FCRA) – https://www.consumer.ftc.gov/articles/pdf-0096-fair-credit-reporting-act.pdf
* Gramm-Leach-Bliley Act (GLBA) – https://www.ftc.gov/tips-advice/business-center/privacy-and-security/gramm-leach-bliley-act
* Consumer Financial Protection Bureau (CFPB) Debt Collection Rules – https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/debt-collection-practices/
* Office of the Comptroller of the Currency (OCC) Guidelines – https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/credit-card/index-credit-card.html
* PCI DSS – https://www.pcisecuritystandards.org/pci\_security/
* SOC 2 Framework – https://www.aicpa.org/interestareas/frc/assuranceadvisoryservices/soc2report.html
* ISO 27001 Standard – https://www.iso.org/isoiec-27001-information-security.html

## References

* \*\* CM-Policy-2024-01
* \*\* ISO 27001 Control A.9 (Access Control), A.12 (Operations Security
* Reference: Legacy Code
* Reference: Legacy Code (interest calculation logic informs interest-related data elements
* Source: Legacy Code
* <https://www.aicpa.org/interestareas/frc/assuranceadvisoryservices/soc2report.html>
* <https://www.consumer.ftc.gov/articles/pdf-0096-fair-credit-reporting-act.pdf>
* <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/debt-collection-practices/>
* <https://www.consumerfinance.gov/rules-policy/regulations/1026/>
* <https://www.ftc.gov/enforcement/statutes/fair-debt-collection-practices-act>
* <https://www.ftc.gov/tips-advice/business-center/privacy-and-security/gramm-leach-bliley-act>
* <https://www.iso.org/isoiec-27001-information-security.html>
* <https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/credit-card/index-credit-card.html>
* <https://www.pcisecuritystandards.org/pci_security/>