

Compliance Posture Memo

PHOCIS TECH© · REGULATORY OVERVIEW · 2026

Executive Summary

PHOCIS Tech© operates a Digital Clearing Platform subject to federal and state escrow, banking, and money transmission regulations. This memo summarizes our compliance posture across all material regulatory frameworks. PHOCIS maintains **50-state AI compliance coverage** as a core product capability, not an afterthought.

Federal Regulatory Framework

RESPA (Real Estate Settlement Procedures Act): Our platform is designed in full compliance with RESPA Section 10, governing escrow account administration, annual statements, and shortage/surplus handling. Automated calculations and disclosures are built into the clearing engine.

FDIC / Banking Partner Compliance: All funds flow through our Wells Fargo banking partnership, which carries FDIC insurance and is subject to full federal banking supervision. PHOCIS operates as a technology layer — not a bank — preserving this regulatory protection for lender clients.

BSA / AML: Our platform incorporates automated AML transaction monitoring for all escrow flows. Suspicious activity reporting (SAR) workflows are built into the compliance engine.

Key State Regulations

State	Regulation	Compliance Status
California	CA § 17006(a)(1) — Escrow Company Licensing	AI-monitored · Automated
New York	NY Banking Law § 590-b	AI-monitored · Automated
Texas	TX Finance Code § 156	AI-monitored · Automated
Florida	FL § 494.0014 — Mortgage Servicer	AI-monitored · Automated
All 50 States	State-specific escrow/clearing regs	Full AI coverage active

SOC 2 Roadmap

PHOCIS is targeting **SOC 2 Type I** certification in Q3 2026 and **SOC 2 Type II** in Q1 2027. Current controls documentation is in progress with our audit partner.