



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-46-2012
November 6, 2012

Supervision of Technology Service Providers and Outsourcing Technology Services

Summary: The Federal Financial Institutions Examination Council (FFIEC) issued the revised Information Technology (IT) Examination Booklet on the *Supervision of Technology Service Providers* (TSP Booklet) and the updated IT Examination Booklet on *Outsourcing Technology Services*. The Board of Governors of the Federal Reserve System (FRS), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) (collectively the Agencies) issued new *Administrative Guidelines—Implementation of Interagency Programs for the Supervision of Technology Service Providers* (Guidelines).

Statement of Applicability to Institutions with Total Assets Under \$1 Billion: These documents apply to all FDIC-supervised financial institutions.

Distribution:

FDIC-Supervised Institutions

Suggested Routing:

Chief Executive Officer
Chief Operating Officer
Chief Information Officer

Related Topics:

FFIEC Information Technology Handbook

Attachment:

None

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Note:

An electronic version of the FFIEC press release announcing the TSP Booklet is available at <http://www.ffiec.gov/press.htm>. Electronic versions of the booklets are available at <http://ithandbook.ffiec.gov/it-booklets.aspx>. The Guidelines are available at <http://ithandbook.ffiec.gov/reference-materials.aspx>.

FDIC Financial Institution Letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2012/index.html.

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Highlights:

- The FFIEC has issued a revised Information Technology (IT) Examination Booklet on the *Supervision of Technology Service Providers* (TSP Booklet), which addresses the supervision of third-party servicers that enter into contracts with regulated financial institutions and outlines the FFIEC's risk-based supervisory program related to the oversight of TSPs.
- The revised TSP Booklet replaces the March 2003 edition and rescinds Supervisory Policy 1, "Interagency EDP Examination, Scheduling and Distribution Policy," September 1991 (Revised) and Supervisory Policy 11, "Enhanced Supervision Program for Multidistrict Data Processing Servicers," January 1995.
- The Agencies have issued new *Administrative Guidelines—Implementation of Interagency Programs for the Supervision of Technology Service Providers*, which explain how the Agencies implement TSP supervisory programs. The Guidelines include examiner reporting templates.
- The FFIEC has also updated the *Outsourcing Technology Services Booklet*, which details engagement criteria and examination procedures a financial institution should use when outsourcing the security management function to third parties (Managed Security Service Providers).