

California Bankers Association 2024 Bankers Summit

Third Party Risk Management

October 3, 2024



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Interagency Guidance on Third-Party Relationships

- Issued June, 2023
- Due diligence of vendors
- Mitigating risk through contract provisions



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The Bank Service Company Act

- Obligation to notify
- Regulators' examinations of bank service companies – and the availability of those exam reports



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Recent Enforcement Actions

- Regulators focusing on fintech partnerships
- A roadmap for all banks



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Preparing for Exams

- Lessons from recent consent orders
- Risk-based analysis and decisions, and documenting those decisions



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Evolution of third-party risk programs

- Considerations for growing banks
- Evaluating program structures based on size and business of the bank



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Vendors' use of Artificial Intelligence

- DOJ guidance on compliance programs
- Fair lending
- Model risk management



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FDIC proposed recordkeeping rule for custodial deposit accounts

- Published September 17, 2024
- Recordkeeping for bank deposits received from third party, non-bank companies accepting those deposits on behalf of consumers and businesses



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Key takeaways and in-house best practices

- Operational considerations
- Risk assessments
- Fourth-party risk



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Questions?



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