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Commissioner

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INDUSTRY NOTICE 2022-05

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Amendment to Rule Requiring Notification of a Computer Security Incident by a Texas State-Chartered Bank

Financial institutions are the target of a continuous barrage of attacks by cybercriminals. The Texas Department of Banking remains concerned about the potential for significant business disruptions, potential loss of confidential information, and the resultant financial impact of these attacks.

On January 2, 2020, the Department implemented a rule under Title 7, Texas Administrative Code (TAC) §3.24 that required a state-chartered bank to promptly notify the Banking Commissioner if it experienced a material cybersecurity incident. Corresponding federal notification rules that apply to all state banks became effective in 2022.

Effective September 8, 2022, the Department will amend its rule to reduce regulatory burden and allow state banks to provide the Banking Commissioner the same computer security incident notification as is required under federal law to their federal regulator.

Upon the effective date, 7 TAC §3.24 – Notice of Computer-Security Incident will read as follows:

A state bank shall notify the banking commissioner and submit the information required by 12 C.F.R. part 225, subpart N, or part 304, subpart C, as applicable, or any successor regulation, regarding a computer-security incident that qualifies under such regulations as a notification incident, no later than the time the information is required to be submitted to the applicable federal regulatory agency.

Texas state member banks should refer to 12 C.F.R 225 subpart N and non-member banks to part 304 subpart C for the definition of a “notification incident” that would require notice to a bank’s federal regulator and the Department. Both regulations require notice within 36 hours after the institution determines a notification incident has occurred.

The notice should include the following:

- Name.
- City in which the entity is located.
- Basic description of the incident.
- Contact information should follow-up be necessary.

The bank should send the notification to the Department by either email to bats@dob.texas.gov or phone to (877) 893-6246. Any confidential personal identifiable information or other confidential information should be uploaded via the [Data Exchange \(DEX\)](#) portal to the correspondence folder.