

# **Texas Department of Banking**

## **Press Release**

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### **Banking Commissioner Announces Revisions to Supervisory Memo Addressing Information Technology Frequency**

Date: June 4, 2007

Commissioner Randall S. James announces the revision of Supervisory Memorandum – 1020, which addresses the frequency and ratings that will be assigned to information technology (IT) providers for banks and trust companies. This issuance revises Policy Memorandum 1020 issued on July 30, 2005.

This supervisory memorandum is designed to provide bank and trust company managers and IT service providers with a clear understanding of the Department’s examination frequency guidelines. Previously, IT examinations were only conducted at financial institutions that actually operated data processing systems for their primary records. The revised policy describes the Department’s expected examination frequency for both in-house processors as well as independent technology service providers. The memorandum also eliminates the practice of assigning individual component risk ratings for financial institution IT examinations.

Commissioner James said, “The Department recognizes the increasing role that electronic technology plays in providing efficient and secure services to customer. It is critical that bank and trust company managers be aware of the risks posed by these technologies and manage them accordingly. The Department is committed to assessing IT risks at our chartered institutions and seeking remedial action to address areas of concern.