



July 30, 2021

*Via Electronic Mail*

Ms. Ann E. Misback  
Secretary  
Board of Governors of the Federal Reserve  
System  
20h Street & Constitution Avenue, NW  
Washington, DC 20551

James P. Sheesley  
Assistant Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, DC 20429

Chief Counsel's Office  
Attention: Comment Processing  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street, SW  
Suite 3E-218  
Washington, DC 20219

Re: Proposed Interagency Guidance on Third-Party Relationships: Risk Management

Ladies and Gentlemen:

On behalf of this country's banks, of all sizes and structures, the undersigned bank trade associations respectfully request that the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (collectively, the "Agencies") provide an additional 30 days for interested stakeholders to submit comments in response to the Proposed Interagency Guidance on Third-Party Relationships: Risk Management ("Proposed Guidance" or "Proposal").<sup>1</sup>

The harmonization of third-party guidance will facilitate a consistent regulatory environment for banks that seek to establish and maintain relationships with third parties, including financial technology ("fintech") companies. When finalized, the Proposed Guidance has the potential to impact the use and management of third parties, including as it relates to the development and deployment of technology-focused products and services. This could have a significant influence on the digital transformation of banks (particularly for small and midsize banks) and on the future of the banking system as a whole. As such, a minimum of a 90-day comment period is appropriate to ensure that all stakeholders have

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<sup>1</sup> Proposed Interagency Guidance on Third Party Relationships: Risk Management, 86 Fed. Reg. 38182 (July 19, 2021) (FRB Docket No. OP-1752; FDIC RIN 3064-ZA26; OCC Docket ID OCC-2021-0011).

sufficient time to thoroughly understand the Proposal and provide feedback on its practical implications. We believe it is in the Agencies' interest for the harmonization of prior guidance to be as well informed as possible so as to minimize any subsequent confusion or concerns.

For example, the Proposal will be of significant interest to a wide range of functions and disciplines within individual institutions. Those with oversight of model risk and operational risk management, legal and compliance, technology deployment and cyber security, individual business lines, and others will need sufficient time to evaluate what the Proposal means for their bank and provide informed comments for Agency review.

Due to the growing importance of third-party relationships, as well as the large number of stakeholders that are likely to contribute their perspectives on this issue, we believe that the Agencies should extend the 60-day comment period by an additional 30 days, for comments to be due no sooner than October 18, 2021. Additional time for these discussions is particularly important given that the comment period falls during a time when many are out of the office, which will negatively affect our ability to coordinate feedback among and engage with stakeholders.

Because we anticipate that bank-fintech relationships will continue to grow in depth and in breadth, we believe that this Proposed Guidance can serve as an enduring foundation for a regulatory environment that facilitates these relationships in a responsible, yet consistent, manner. We are encouraged by your efforts to improve third-party risk management guidance, and we look forward to providing comments in response to the Proposal.

Sincerely,

American Bankers Association  
Bank Policy Institute  
Consumer Bankers Association  
Independent Community Bankers of America  
Securities Industry and Financial Markets Association