RAMON VAZQUEZ ESCUDERO

Proposal and Comment Information

Title: Proposed Third-Party Risk Management Guidance, OP-1881

Comment ID: FR-2026-0031-01-C04

Subject

Docket No. OP-1881 — Public Comment on Proposed Third-Party Risk Management Guidance

Submitter Information

Name: Ramon Vazquez Escudero

Submitted Date: 09/13/2026

NONCONFIDENTIAL // EXTERNAL

Dear Secretary McDonough:

Please accept the attached public comment regarding the Proposed Third-Party Risk Management Guidance, Docket No. OP-1881.

I am submitting these comments in my individual professional capacity as a Loss Control Representative. My comments generally support the agencies' move toward a more proportionate, risk-based framework while recommending continued emphasis on disciplined risk assessment, documentation, event-driven reassessment, subcontractor exposure, insurance and indemnification, and residual risk acceptance.

Thank you for the opportunity to comment and for your consideration of the attached submission.

Respectfully,

Ramón Vázquez Escudero
Loss Control Representative
ODLASZ Services LLC
Florida, United States

Submitted in an individual professional capacity. The views expressed are my own and do not represent any financial institution, insurance carrier, inspection company, client, or other organization with which I may be affiliated.

PUBLIC COMMENT ON PROPOSED THIRD-PARTY RISK MANAGEMENT GUIDANCE

September 13, 2026

Office of the Comptroller of the Currency	Docket ID OCC-2026-0793
Board of Governors of the Federal Reserve System	Docket No. OP-1881
Federal Deposit Insurance Corporation	ZRIN 3064-ZA58
National Credit Union Administration	Docket No. NCUA-2026-1684

Re: Proposed Third-Party Risk Management Guidance

To the Agencies:

My name is Ramón Vázquez Escudero. I submit these comments in my individual professional capacity as a Loss Control Representative with experience evaluating operational exposures, physical and organizational controls, risk conditions, insurance-related loss prevention, and practical risk-mitigation measures. I appreciate the opportunity to comment on the proposed interagency guidance concerning third-party risk management.

I generally support the agencies' decision to replace an overly process-driven interpretation of third-party risk management with a more clearly risk-based and proportionate framework. The proposal correctly recognizes that third-party relationships differ materially in the magnitude and likelihood of harm they may create, and that risk-management resources should be directed accordingly.

At the same time, greater flexibility makes the quality of the initial risk assessment more important, not less important. A risk-based framework can succeed only if the process used to classify risk is disciplined, documented, and capable of identifying when a relationship that appears routine may create a material exposure. I respectfully offer the following comments.

1. Tailoring Should Follow - Not Replace - Risk Analysis

I support the proposed emphasis on tailoring oversight to the actual risk presented by a third-party relationship. A core technology provider with access to critical systems should not necessarily be evaluated in the same manner as a vendor providing limited administrative, clerical, or facilities support.

However, reducing the level of oversight should follow a reasoned assessment rather than precede it. In practical loss control, identifying an exposure is not the same as understanding the risk associated with that exposure. A meaningful assessment should consider severity, likelihood, operational dependency, existing preventive and mitigating controls, the reliability of those controls, availability of alternative providers, recovery capability, and the residual exposure that remains after controls are applied.

I recommend that the final guidance make clear that a simplified process for a lower-risk relationship should not mean an undocumented conclusion that the relationship is low risk.

2. Maintain Minimum Documentation for Lower-Risk Relationships

The proposal appropriately allows less extensive inventories and less detailed due diligence for relationships assessed as lower risk. I agree with that principle. Nevertheless, banking organizations should retain a concise record of why a relationship received a lower-risk classification.

That record could identify the service provided, the principal exposure, the consequence of failure, access to sensitive systems, facilities, data, funds, or customers, operational dependence on the provider, and the rationale supporting the classification. This need not recreate a checklist-driven regime. Its purpose is to preserve accountability and establish a baseline for future reassessment.

3. Include Illustrative, Non-Exhaustive Indicators of Higher Risk

The agencies specifically ask whether the final guidance should identify characteristics that generally indicate a higher-risk third-party relationship. I believe such guidance would be useful if the characteristics are expressly illustrative and non-exhaustive rather than treated as mandatory triggers.

Potential indicators may include: access to critical systems or sensitive information; custody or control of customer funds; substantial operational dependence; concentration risk; limited replacement options; long transition or recovery periods; extensive reliance on subcontractors; material security incidents or service interruptions; repeated contractual failures; deteriorating financial condition; significant compliance concerns; inadequate insurance or indemnification relative to the exposure; and weak business-continuity capabilities.

No single factor should automatically determine classification. The purpose of such indicators should be to improve judgment, not replace it.

4. Reassessment Should Be Event-Driven as Well as Periodic

I support the proposal's flexible approach to ongoing monitoring. Risk changes over time, and monitoring should respond to those changes. In addition to periodic reassessment, the final guidance should encourage event-driven reassessment when material conditions change.

Useful triggers may include expansion of services, increased system or data access, changes in subcontractors, security incidents, repeated customer complaints, deterioration in financial condition, lapse or reduction of insurance coverage, major contract amendments, service interruptions, compliance violations, acquisition or change in control of the third party, or increased operational dependence on that provider.

This approach focuses resources on actual changes in exposure rather than on calendar-driven activity alone.

5. Insurance and Indemnification Are Risk Controls, Not Substitutes for Analysis

I appreciate the proposal's recognition that insurance, indemnification, guarantees, and contractual limitations on liability may reduce risk. From a loss-control perspective, however, evidence that insurance exists is not itself evidence that the risk has been adequately transferred.

A meaningful review may consider whether coverage corresponds to the exposure, policy limits, exclusions, deductibles or self-insured retentions, policy period, financial strength of the insurer, additional-insured requirements where appropriate, contractual indemnification, and whether coverage remains in force throughout the relationship. A certificate of insurance can confirm that a policy was issued, but it does not by itself establish that all material exposures are covered.

6. Subcontractor Oversight Should Follow Material Exposure

The proposal properly recognizes that subcontractors may increase risk even where the banking organization has no direct contractual relationship with them. I support that approach. The focus, however, should remain on material exposure rather than attempting to investigate every entity in every subcontracting chain.

Greater scrutiny is appropriate where a subcontractor performs a critical operational function, receives sensitive information, has significant system access, controls material infrastructure, creates concentration risk, or could materially disrupt service if it fails. This preserves visibility into meaningful fourth-party exposure without creating impractical oversight obligations for remote entities that present little or no material risk.

7. Residual Risk Acceptance Is a Necessary Part of Sound Risk Management

I strongly support the proposal's recognition that third-party risk cannot and should not always be eliminated. Some residual risk is unavoidable, and the cost or operational burden of additional mitigation may not always be justified by the materiality of the remaining exposure.

An organization may reasonably accept residual risk when the exposure has been identified, feasible controls have been evaluated, the remaining risk is understood, the exposure falls within established risk tolerance, and the decision is made by an appropriate level of authority. For higher-risk relationships, the final guidance should encourage documentation of the material risk, controls considered, residual exposure, reason additional mitigation is not proportionate or practical, and authority accepting the risk.

8. Governance Should Emphasize Accountability, Not Process Volume

Effective governance should make clear who identifies risk, who evaluates it, who monitors the relationship, who may accept residual risk, when escalation is required, and when senior management or the board should become involved.

The effectiveness of a third-party risk-management program should not be measured primarily by the number of forms, questionnaires, certifications, or approvals it generates. A better measure is whether the organization can demonstrate that material risks were recognized, understood, controlled where appropriate, monitored over time, and accepted by the proper level of authority when they could not reasonably be eliminated.

Conclusion

I support the agencies' effort to replace an overly process-driven interpretation of third-party risk management with a more proportionate framework centered on actual risk. The proposed guidance correctly recognizes that different third-party relationships can present materially different exposures and that banking organizations should be able to allocate risk-management resources accordingly.

My principal recommendation is that the final guidance preserve this flexibility while emphasizing that effective tailoring depends on a sound initial assessment and continuing reassessment of severity, likelihood, dependency, control effectiveness, and residual exposure. A well-designed risk-based framework should reduce unnecessary administrative burden without reducing the quality of risk identification.

The objective is not to perform the same process for every exposure. The objective is to understand the exposure well enough to apply the right level of control.

Thank you for considering these comments.

Respectfully submitted,

Ramón Vázquez Escudero
Loss Control Representative
ODLASZ Services LLC
Florida, United States

Disclosure: Submitted in an individual professional capacity. The views expressed are my own and do not represent any financial institution, insurance carrier, inspection company, client, or other organization with which I may be affiliated.