

BOARDS OF THE FUTURE, VERA CHEREPANOVA

Proposal and Comment Information

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

Comment ID: FR-2026-0031-01-C15

Submitter Information

Organization Name: Boards of the Future

Organization Type: Organization

Name: Vera Cherepanova

Submitted Date: 10/08/2026

Please find the attached letter with comments.

8 October 2026

Benjamin W. McDonough
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Re: Proposed Third-Party Risk Management Guidance (Docket No. OP-1881)

Dear Mr. McDonough,

Boards of the Future appreciates the opportunity to respond to the proposed interagency guidance on third-party risk management issued by the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration, and to contribute our perspective.

Boards of the Future is a US-based global nonprofit focused on strengthening ethical leadership and integrity in boardrooms, working with directors, committee chairs, and ethics, risk, and compliance leaders internationally.

We support the agencies' objective of promoting a more proportionate, risk-based approach to third-party risk management, moving away from overly prescriptive, checklist-based practices toward a greater focus on material risks. However, our main concern is that the proposed guidance places greater reliance on banking organizations' own risk judgments without giving sufficient attention to how those judgments are governed. Greater discretion in risk management should be accompanied by equally clear expectations for accountability and effective oversight.

Our targeted improvement suggestion concerns Section B.4 which substantially reduces the explicit discussion of board oversight found in the 2023 guidance. In its current version, the section describes governance practices but assigns virtually no explicit responsibility to the board itself. In particular:

- The current wording of “Banking organizations may consider adopting governance practices that [...]” frames governance as optional.
- The board is primarily treated as a recipient of information. The guidance refers to reporting to the board but does not specify what the board is expected to do with that information.
- There is no explicit expectation of board oversight. The section does not assign responsibility for approving risk appetite, challenging management’s assessments, overseeing material risk acceptance, or holding management accountable.

We understand that the proposed framing doesn’t relieve directors of their fiduciary duties. Still, in the current form, the proposed guidance leaves the board’s role in third-party risk governance almost entirely undefined. And while we welcome greater flexibility in risk management, we believe it should not come at the expense of clear accountability at the board level.

We therefore urge the agencies to to revise Section B.4 to explicitly recognize the board’s responsibility for overseeing material third-party risks, including approving the organization’s risk appetite, challenging management’s risk assessments and acceptance decisions, and holding management accountable for effective risk management. These expectations can be articulated as broad governance principles without prescribing specific processes or organizational structures. Such an approach would preserve the proportionality and flexibility sought by the agencies while ensuring that greater managerial discretion is matched by appropriate board oversight and accountability.

Thank you again for the opportunity to provide our comments and suggestions. If it would be helpful, we would be pleased to elaborate on any of the points above. Please contact us at info@newboards.org.

Yours sincerely,

Vera Cherepanova,
Executive Director, Boards of the Future