

**Suggested Transmittal Letter to the Chief Executive Officer of Each Domestic and Foreign  
Banking Organization Supervised by the Federal Reserve**

**Subject:** Assessment of a Banking Organization's Information Technology in the Risk-Focused Supervision Framework

The Federal Reserve has long recognized that the use of information technology can greatly affect a banking organization's financial condition and operating performance.

Accordingly, Federal Reserve examiners consider the quality of an organization's information technology function in evaluating its management and operations. To assist examiners in their evaluations of this increasingly critical function within banking organizations, the Federal Reserve has developed additional guidance for the assessment of the risks associated with information technology.

The enclosed Supervisory Letter outlines the Federal Reserve's new guidance, which provides a basic framework and common vocabulary to be used by examiners in evaluating the effectiveness of an organization's ability to manage the risks associated with information technology. This guidance is in keeping with the risk-focused frameworks for the supervision of community banks and large complex banking organizations.

Any questions you may have on this guidance should be directed to [insert name and phone number] at this Reserve Bank.

*Enclosure*