

Sheshunoff™

Dear Valued Customer,

New technology creates new risk. How are you protecting your institution? Your enclosed update to *E-Banking* continues to provide insights about a wide range of issues affecting e-banking procedures and risk mitigation. This update addresses areas of continued importance, including:

- *Prohibition on Funding of Unlawful Gambling.* Final rules implementing the Unlawful Internet Gambling Enforcement Act of 2006, Regulation GG, became effective January 19, 2009; however, compliance by nonexempt participants in designated payment systems is not required until December 1, 2009. The Prohibition on Funding of Unlawful Internet Gambling Policy is designed to emphasize compliance with all information security requirements, including those detailed in the regulatory agency guidelines that detail established standards for safeguarding customer information and responding to specific information security incidents. New policies addressing unlawful gambling have been added to Chapter 6. New internal audit procedures and checklists addressing unlawful gambling have been added to Chapter 8.
- *Password security.* Strong password security protection initiatives help management to ensure the accuracy, integrity and confidentiality of the information process. The sample Password Security Policy's purpose is to provide specific guidelines and standards for password administration and monitoring for your financial institution. New policies addressing password security have been added to Chapter 6. New internal audit procedures and checklists addressing password security have been added to Chapter 8.
- Other sections of the manual have also been enhanced with insights on emerging e-banking issues, guidance on control topics in the e-banking environment, and regulatory insights.

Our goal with the *E-Banking* is to help you establish sound e-banking procedures and risk mitigation systems. Please let us know how we are doing or if you have suggestions. Visit our Web site at www.sheshunoff.com or call us at 1-800-456-2340.

Sincerely,

Diane L. Calmes
Editor