



# RESCINDED

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Office of Thrift Supervision

Department of the Treasury  
Deputy Director, Examinations, Supervision, and Consumer Protection

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This rescission applies to the transmitting document only and not the attached interagency guidance. Refer to (OCC 2011-26) for the status of the attached interagency guidance.

June 28, 2011

**MEMORANDUM FOR: CHIEF EXECUTIVE OFFICERS****FROM:** Thomas A. Barnes, Deputy Director  
Examinations, Supervision, and Consumer Protection**SUBJECT:** FFIEC Supplement to Authentication in an Internet  
Banking Environment

The Office of Thrift Supervision, together with the other Federal Financial Institution Examination Council (FFIEC) agencies (the Office of the Comptroller of the Currency, Federal Reserve System, Federal Deposit Insurance Corporation, and National Credit Union Administration) issued the attached guidance, *Supplement to Authentication in an Internet Banking Environment* (“Supplement”). This guidance supplements the FFIEC’s Authentication guidance issued in 2005, *Authentication in an Internet Banking Environment*. This Supplement reinforces the 2005 guidance’s risk management framework and presents the issuing agencies’ expectations in 2011 for customer authentication, layered security, and other controls at financial institutions to address the rapidly evolving threat landscape and incidents of fraud and identity theft, which harm both financial institutions and customers.

The continued growth of Internet banking and increased sophistication of threats to the online environment have resulted in higher risks for financial institutions and their customers. The Supplement clarifies regulatory expectations in the areas of annual risk assessments, customer authentication, layered security controls, and customer awareness and education programs. The Supplement also communicates an expectation that financial institutions should implement layered security, as described in the Supplement, appropriate for these transactions, including the capability to identify and respond to suspicious or anomalous transactions. As discussed in the Supplement, for commercial business accounts, the FFIEC agencies recommend that financial institutions offer multifactor authentication to their business customers.

Consistent with the 2005 guidance, this Supplement does not prescribe nor does it endorse any particular solution or technology. The Supplement is applicable whether a financial institution offers services directly or through a technology service provider. The FFIEC agencies have directed examiners to assess financial institutions under the Supplement’s enhanced expectations at examinations commencing on or after January 1, 2012.

For more information, please contact Kathleen McNulty, Technology Program Manager at (202) 906-6322.

Attachment: [Supplement to Authentication in an Internet Banking Environment](#)