DRAFT TERM SHEET (7/21/2026)

BANKING INNOVATION STANDARDS DEVELOPMENT ORGANIZATION

This term sheet outlines a framework for establishing a voluntary public-private standards development organization (SDO), along with a conformity assessment (i.e., attestation and certification) program, to support third-party risk management and technology integration at banks. The term sheet contains certain key provisions related to the formation and operation of the SDO, is not a detailed concept of operations, and is subject to review and modification.

Overview	
Strategic Rationale	Banks increasingly rely on third-party service providers for technology, operations, payments, compliance support, customer-facing services, cloud infrastructure, cybersecurity, data processing, and other critical or important functions. Many banks conduct duplicative reviews of the same providers, control environments, due diligence materials, monitoring information, and evidence packages. This duplication can be particularly burdensome for community banks, which may have limited personnel, technical expertise, negotiating leverage, and resources to evaluate complex or novel third-party arrangements. Third-party service providers also face repeated, inconsistent, and costly information requests from multiple institutions, even when those institutions are seeking similar information about the same provider-level controls, solution-level risks, or evidence packages. A voluntary public-private standards development organization and conformity assessment program would address these inefficiencies by standardizing and certifying common third-party risk management (TPRM) information that can be assessed once, refreshed over time, and reused by multiple banks, while preserving each bank's responsibility for institution-specific risk assessment, contract decisions, integration, monitoring, and oversight.
Program Concept	**Standards Development:** The Banking Innovation Standards Development Organization (BISDO) would develop, adopt, or recognize standards aligned with supervisory expectations for third-party risk management. **Certification Program:** The related conformity assessment program, branded as Risk-Assessed, Manageable Partnerships (RAMP), would provide a voluntary certification program through which third-party service providers and their solutions are assessed against BISDO standards. Certifications would be issued by RAMP. **Qualified Assessors:** Independent qualified assessors would conduct the attestation engagements to evaluate conformity with the standards. **Certification Registry:** A BISDO/RAMP Registry would serve as the authoritative record of certified third-party service providers and solutions. The framework would allow a provider, its solutions, and its controls to be assessed once, kept current, and used by multiple banks. A RAMP certification would indicate that the provider and its specific solutions have met a defined baseline under the standards. RAMP certification may also serve as a "green light to consider," which may be particularly valuable to community banks that might not

	otherwise have the resources or expertise to evaluate multiple providers or solutions. The program should support responsible innovation, reduce duplicative due diligence, improve evidence quality and comparability, strengthen ongoing monitoring, and help banks focus their resources on residual risk, fit-for-purpose analysis, contract sufficiency, operational integration, and customer impact.
Core Operating Principles	
Voluntary Participation	Participation by banks and third-party service providers would be voluntary. Banks would not be required to use BISDO standards, RAMP certification, or the BISDO/RAMP registry.
No Blacklist	The absence from the BISDO/RAMP registry of a third-party service provider and/or one or more of its solutions would not constitute a blacklist. A bank may onboard or continue using a provider that is not certified, has not participated, or whose certification has lapsed, been suspended, withdrawn, or not renewed, subject to the bank's own risk-based due diligence and monitoring.
Risk-Based Design	The program would be risk-based. It would support due diligence, selection, contract-related control review, and other matters to the extent those elements can be standardized and reused.
Bank Responsibility	Certification would supplement, not replace, bank third-party risk management. Banks remain responsible for safe and sound operation, compliance with applicable law, consumer protection, ongoing monitoring, and oversight of activities conducted through third parties.
No Safe Harbor or Endorsement	RAMP certification, registry status, or use of a certification mark would not constitute an endorsement, recommendation, approval, guarantee, or safe harbor by any supervisory authority.
Scope	
Mature-State Scope	At maturity, BISDO may address any category of third-party service providers and outsourced bank activities where reusable standards and independent assurance provide value.
Provider and Solution Coverage	The framework may apply to technology and non-technology providers, novel and legacy providers, customer-facing and back-office services, and product-, service-, platform-, model-, or control-domain-specific solutions.
Boundary of BISDO Role	BISDO/RAMP would standardize and certify reusable components of third-party risk management, while leaving institution-specific judgments to each bank.
Value Proposition	
Bank Benefits	For banks, BISDO/RAMP would reduce duplication, improve the quality and consistency of third-party risk information, support initial screening,

	and allow resources to be focused on institution-specific analysis and residual risk decisions. BISDO/RAMP may also promote a bank's regulatory and operational confidence through independent assessment of potential vendors and technologies, as well as increase access to innovative products and services.
Community Bank Benefits	Community banks that have limited personnel, technical expertise, negotiating leverage, and resources to evaluate complex or novel third-party arrangements may benefit in particular from the BISDO/RAMP standards and certifications.
Provider Benefits	For third-party service providers, BISDO/RAMP would create clearer expectations, reduce repetitive bank-by-bank due diligence requests, support standardized evidence packages, and allow assessment costs to be spread across multiple client institutions.
Supervisory Benefits	For regulators and supervisors, BISDO/RAMP would likely improve consistency, comparability, and refresh discipline in third-party risk management information. It may also provide better visibility into common providers, control issues, material changes, and horizontal risks, without diminishing supervisory authority. The framework also has the potential to: • Foster innovation consistent with open, consensus standards established in consultation with federal and state supervisors. • Promote consistency with trusted standards through a voluntary, independent, and auditable assessment process. • Expand supervisory awareness of third-party technology providers without increasing regulatory burden or operating costs. • Improve efficiency of supervisory reviews of third parties onboarded by multiple banks.
Consumer and Public-Interest Benefits	For consumers and the public, BISDO/RAMP has the potential to: • Support responsible innovation in bank products and services. • Increase competition and access to innovative products and services from banks. • Promote public confidence that financial institutions will partner with third parties to more effectively comply with consumer protection laws and regulations, provide products and services that help meet their financial goals, and serve the financial needs of their communities.
Standards Development Framework	
Reference Source Material	BISDO may develop, adopt, recognize, or reference standards from BISDO working groups, ANSI-accredited standards development organizations, ISO/IEC or other global standards bodies, industry consortia, and credible technical standards organizations.
Availability of Standards	BISDO-developed standards should be open, transparent, and freely available. Where proprietary standards are referenced, BISDO should seek reasonable accessibility through a public reading room, purchase option, or other mechanism.

Relationship to Existing Standards	BISDO standards should supplement credible existing standards rather than displace them.
Risk and Control Taxonomies	BISDO standards should focus on elements that can be standardized and reused by banks.
Contract-Related Controls	BISDO may develop contract-related control standards, but it would not negotiate contracts or determine legal sufficiency for individual banks.
Certification and Conformity Assessment	
Certifications as the Primary Assurance Evidence	Certifications would be issued by RAMP. A RAMP certification would be the primary assurance evidence use by banks under the framework. Certification may apply to a provider or a solution (e.g., product, service, platform, technology, model, process, or defined service scope), depending on the applicable standard.
Certification Scope	Certification should identify the scope, applicable standard, assessment date, renewal cycle, limitations, and certification status.
Certification Status	Potential status categories may include active, active with conditions, under review, suspended, withdrawn, expired, or reinstated, subject to not creating a blacklist or implying regulatory approval.
Qualified Assessors	Independent qualified assessors would conduct the attestation engagements to evaluate conformity with the standards. The related attestation report would serve as the primary evidence used by RAMP to determine whether to issue a certification under the program.
Assessor Qualification Requirements	BISDO would require appropriate qualification requirements for an organization to be designated as a Qualified Assessor. Such qualifications may include independence safeguards, conflict-of-interest controls, quality reviews, training, confidentiality obligations, data security controls, and adherence to applicable professional or ISO/IEC standards, as well as banking-sector, risk management, control testing, audit, or attestation expertise. Additional considerations for engagements involving technical testing may require input from specialized testing firms, university labs, or other qualified technical entities.
Assessment Methods	The assessment process may include standardized questionnaires, evidence review, independent attestation, testing of control design or operating effectiveness, technical validation, software testing, onsite review where necessary, and review of audit, incident, complaint, subcontractor, and remediation materials.
Risk-Based Assessment Depth	Assessment depth should be risk-based and proportionate to provider type, solution complexity, customer impact, criticality, data sensitivity, and risk of nonconformity.
Appeals and Due Process	The program should include appeals and due process for nonconformity findings, certification denials, suspensions, withdrawals, and registry-

	related actions, while preserving the ability to act quickly where significant safety-and-soundness, consumer-protection, data-security, or operational-resilience concerns arise.
Certification Monitoring, Registry, and Renewal	
Certification Monitoring	Certification monitoring may be periodic, continuous, event-driven, or a combination of those approaches.
Provider Reporting Obligations	Certified providers may be required to provide periodic updates and certification renewal submissions.
Certification Registry	The BISDO/RAMP Registry would serve as the authoritative record of certified providers and solutions. The Registry recordkeeping function may be assigned to a separate administrator.
Registry Content	The Registry may include provider name, certified scope, applicable standard, certification status, certification and renewal dates, Qualified Assessor information, and any limitations or conditions approved for Registry publication.
Feedback, Issue Escalation, and Corrective Action	
Feedback Mechanisms	BISDO/RAMP should include mechanisms for RAMP to receive and address concerns involving Qualified Assessors, certified providers, certified solutions, subcontractors, or bank implementation.
Information Sharing	Where legally permissible, federal or state banking agencies may share relevant information with BISDO/RAMP, Qualified Assessors, the assessment program manager, or banks.
Provider Self-Reporting	Program rules may require providers to self-report material control issues, supervisory issues, incidents, or other significant events, subject to legal and contractual constraints, to RAMP.
Horizontal Concerns	If horizontal or repeated concerns arise across multiple banks, BISDO/RAMP should be able to evaluate whether the issue relates to the applicable standard, certification criteria, assessor performance, provider controls, solution design, subcontractor dependency, or bank-specific implementation.
Corrective Responses	Potential responses may include enhanced monitoring, reassessment, standards revision, Qualified Assessor review, remediation plans, certification status changes, Registry updates, or targeted notice to affected banks where appropriate.
Supervisory Considerations	
Recognition and Use	Federal banking agencies (FBAs) and state agency examiners will accept a bank's reliance on certification with respect to due diligence in onboarding a third party or adopting and integrating associated technologies that were the subject of testing and certification in conformity with BISDO or other referenced standards of other SDOs.

	FBAs (and state agencies) will not take adverse supervisory or enforcement action against a bank with respect to the onboarding of a third party that received certification under BISDO/RAMP. FBAs (and state agencies) will not look unfavorably on a bank that chooses to onboard a third party solely because it does not participate in the BISDO/RAMP program and/or does not adopt or meet BISDO standards. A bank remains ultimately responsible for managing activities conducted through third-party relationships and conducting such activities in a safe and sound manner in compliance with all laws and regulations, including consumer protection. In that regard, RAMP certification is not a safe harbor from enforcement or other supervisory actions arising from the bank's management of the third party. In addition, the certification would not limit the ability of the FBAs to examine or take action against third parties.
No Endorsement	The certification mark does not constitute an endorsement or a recommendation on the part of an FBA concerning future performance of the third party or the associated technology tested. The Registry is not an "approved list" in terms of assuring or guaranteeing performance or the absence of risk.
Circuit Breaker	
Emergency Authority	In rare circumstances, FBAs may be able to immediately suspend or rescind a certification of a provider and/or solution or accreditation of a Qualified Assessor, upon observed significant and substantial harm to depositors or consumers or an imminent threat to the safety and soundness of one or more client banks.
Exceptional Use	The circuit breaker should be reserved for exceptional circumstances and should operate separately from ordinary certification, monitoring, appeal, renewal, and Registry procedures.
Governance and Organizational Structures	
	See separate document.
Principal Open Decisions	
Governance Decisions	Will need to resolve board composition, membership model, public-sector advisory role, reserved matters, conflicts controls, and transition criteria.
Funding Decisions	Will need to determine funding model, including BISDO member dues and fees related to Qualified Assessors, RAMP certifications, and the Registry.
Standards Decisions	Will need to determine the initial standards scope, lifecycle expansion strategy, process for recognizing external standards, evidence package design, standards maintenance process, and supervisory alignment model.

Certification Decisions	Will need to define certification scope, status categories, renewal cycles, treatment of findings, remediation requirements, withdrawal and reinstatement procedures, and certification mark usage.
Assessor Oversight Decisions	Will need to establish Qualified Assessor eligibility, independence requirements, training standards, quality-control expectations, audit frequency, sanctions, and appeals procedures.
Certification Monitoring and Registry Decisions	Will need to define material change triggers, incident reporting expectations, remediation tracking, public versus confidential Registry fields, and bank notification practices.
Supervisory Integration Decisions	FBAs will need to determine the form of agency recognition, examiner reliance parameters, state banking agency participation, documentation expectations, training, and no-safe-harbor language.