



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF BANKING
 PO BOX 40
 TRENTON, NJ 08625-0040

CHRISTINE TODD WHITMAN
Governor

KAREN L. SUTER
Commissioner

August 25, 2000

Office of Thrift Supervision
 1700 G Street, N.W.
 250 E Street, S.W., Third Floor
 Washington, DC 20552

Attention: Manager, Dissemination Branch
 Information Management & Services Division

Thank you for the opportunity to comment on the proposed Interagency Standards for Customer Information Security. The proposed standards were found to be very well written, and extremely comprehensive. The following comments are offered for your consideration in response to some of the specific requests included in the proposal document:

- **II.B. Objectives**
 The proposed objectives appear to be sufficient and no additional objectives or alternative objectives are offered.
- **III.A. Involve the Board of Directors and Management**
 The guidelines should include the reporting frequency that would be the minimum level acceptable. It is recommended that reporting to the Board should be on at least an annual basis. This will allow some flexibility for smaller institutions.
- **III.C. Manage and Control Risk**
 All of the indicated guidelines should be included in the standards document. The guidelines currently presented are at an appropriate level of detail and general enough to provide flexibility for smaller institutions. However, it is not clear if guideline item (j) is intended to encompass procedures for back-up data files and off-site storage of records. If item (j) is meant to cover this area, clarifying the guideline language is appropriate. If guideline item (j) was not intended to cover back-up data files and off-site data storage, consideration should be given to an additional guideline to cover this area.

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Page 2

Specific types of security testing should not be required. Security testing should be covered by a general requirement to allow flexibility for smaller institutions.

The guidelines should require the use of an independent outside organization or the institutions internal audit group to conduct testing of the information security systems.

If you have any questions regarding these comments do not hesitate to contact me at (609) 292 - 3555.

Very truly yours,



Nicholas J. Ketcha Jr.
Director