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# OCC ADVISORY LETTER

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Comptroller of the Currency  
Administrator of National Banks

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Subject: Authentication in an Electronic  
Banking Environment

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**TO:** Chief Executive Officers of National Banks, Federal Branches and Data Processing Centers, Service Providers and Software Vendors, Department and Division Heads, and Examining Personnel

The Federal Financial Institutions Examination Council has released the attached guidance, "Authentication in an Electronic Banking Environment." This interagency guidance reviews the risks and risk management features of a number of existing and emerging authentication tools. These tools are necessary to initially verify the identity of new customers and to authenticate existing customers that access electronic banking services.

An effective authentication program is imperative for banks engaging in any form of electronic banking or commerce. It should be implemented on an enterprise-wide basis, and should have customer acceptance, reliable performance, scalability to accommodate growth, and interoperability with existing systems and future plans.

Financial institutions should use this guidance when evaluating and implementing authentication systems and practices, whether they are provided internally or by a third-party service provider. The OCC expects financial institutions to assess the risks to the institution and its customers and to implement appropriate authentication methods in order to manage risk effectively. Examiners will use this guidance to evaluate the effectiveness of authentication controls in banks and third-party service providers.

For further information on Internet banking and technology risk management guidance, see the OCC's Internet site at < [www.occ.treas.gov](http://www.occ.treas.gov) > or contact Clifford Wilke, director, Bank Technology at (202) 874-5920.

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Attachment