

Vendor AI kit for credit unions and community banks

Four questions for your vendor rep and a blank vendor AI table. The four vendor questions and the table from the October issue, ready to take into a vendor meeting.

Vendors are adding AI features to software your institution may already use. This kit gives you four questions to ask each vendor and a table to keep track of the answers.

Questions to ask your rep:

- 1 Is this feature on for us now, or do we choose to turn it on?
- 2 What member or customer data does it use, and is any of it used to train models?
- 3 Who at our institution reviews the output before it's used or filed?
- 4 What in our contract changes when we turn it on?

How to use it (our suggestion, not a regulatory step)

1. List every vendor that touches member or customer data in the table.
2. Ask each one the four questions, by email or at your next vendor review.
3. Write down the answers, including who at your institution reviews the AI's output.
4. Bring the finished table to your next risk committee or leadership meeting.

Sample vendor AI table

List the vendors that touch member or customer data, then send each one the four questions above.

Vendor	AI feature	On or off	Data used	Who reviews the output

Education, not legal advice. Check how any guidance applies to you with your counsel.

Who it covers

Item	Credit unions	Banks (see row)
Proposed vendor guidance Sept 11 · NCUA, FDIC, Fed, OCC		
Core provider statement Sept 11 · FDIC, Fed, OCC · SR 26-7	NCUA didn't join	Community banks
CSBS AI Supervisory Framework Sept 16 · State-chartered banks	Not named	State examiners' option
DIFS Bulletin 2026-03 Jan 14 · Michigan state-chartered	MI state charters	MI state charters
Model risk guidance Apr 17 · SR 26-2, OCC Bulletin 2026-13, FDIC	NCUA isn't a party	 Not GenAI or agentic

If DIFS regulates you, this is a start on item 1.8, which says your program should address AI from third-party vendors as well as AI you build. The proposed vendor guidance doesn't mention AI, but it covers vendor risk in general.

Finding out which vendor AI features are on, what data they use and who checks the output takes time a small team doesn't have. If your vendor list is long and you'd like help sorting it out now, talk it through with us: drag6.com/#contact

Want next month's update in your inbox? Subscribe at drag6.substack.com, then switch on the Financial Institutions section in your subscription settings. Past updates are on our financial institutions page: drag6.com/industries/financial-institutions

Education, not legal advice. Check how any guidance applies to you with your counsel. Sources for each item are listed in AI in Financial Institutions: October 2026.