

THE ISSUE	WHY IT MATTERS	KEEPING TRACK
<p><b>Assignments</b></p>	<p>When a bank ultimately chooses a vendor, its decision is typically based on specific criteria (<i>e.g.</i>, the vendor's reputation, costs, etc.). If the vendor wants to assign its duties under the contract to an unknown third party, the contract could require the vendor to notify the bank and obtain its permission. This would help minimize any disruption to the bank and allow it to monitor (and approve) any unknown third party "assignees."</p> <p>On the other hand, the contract could also address the bank's right to assign the contract. This may be particularly important to the bank if a merger is on the horizon, in which case it might want the right to freely assign the contract or to allow for change in control events.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Audits</b></p>	<p>Keep an eye on your vendor. For instance, a contract could allow a bank to audit a vendor's overall performance, its information security system, and any records required to be kept under the contract. Further, a contract could also require a vendor to provide the bank with the results of the vendor's own audit reports (<i>e.g.</i>, SSAE 16 reports prepared by the vendor's independent auditors). In some cases, where the relationship warrants it, this may even involve an on-site visit for an audit.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Business Continuity and Disaster Recovery Plans</b></p>	<p>If a vendor provides core functions to a bank, the contract will typically require the vendor to maintain continuity and disaster recovery plans and describe the specific details on those plans (<i>e.g.</i>, recovery times, contact persons, etc.). Additionally, the contract could require the vendor to provide the bank with copies or summaries of those plans upon request. This could help ensure the vendor has the ability to continue providing its services in the event of a major technological interruption.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>

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<p><b>Computing in the "Cloud"</b></p>	<p>Data is often stored in the "cloud." While this is common practice, there is increased risk if the vendor expects to store sensitive data in the cloud. A bank should always monitor its vendor, regardless of whether data lives "in-house" or in a cloud environment. In situations involving cloud storage, a contract could require the vendor to maintain proper backups of the bank's data. It may also be useful to require the vendor to provide a detailed network diagram showing where and how the data is stored, and how that data is protected by the vendor or its third party service provider(s).</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Confidentiality</b></p>	<p>If a vendor will have access to a bank's confidential information, the contract should require the vendor to maintain the confidentiality of that information. If the vendor breaches this basic obligation, the contract would generally describe the bank's options (e.g., termination, injunctive relief, etc.). In most cases, if the vendor breaches its confidentiality obligations, the contract will allow for immediate termination. Keep in mind there is a significant amount of risk associated with these vendor relationships, and the contract should likely reflect the seriousness of this confidential information sharing.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Data Security and Data Breach Responses</b></p>	<p>Unfortunately, data breaches are now a common occurrence. If a vendor has access to a bank's confidential information, especially customers' sensitive information, the contract should more than likely require the vendor to maintain a robust information security program consistent with (or better than) prevailing industry standards. The contract could also require a vendor to hire independent consultants and auditors to conduct penetration and security testing and provide the bank with the results of those audits. In the event of a data breach, the vendor could be required to immediately notify the bank and explain the breach and its plan of remediation. The contract should likely specify which party will be responsible for the costs associated with a breach. The contract could also require the vendor to update its security following a breach to prevent similar breaches in the future.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>

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<p><b>Dates and Timing</b></p>	<p>Understand and calendar all dates in the contract. Pay attention to the length of the contract, any renewal terms, and the number of days' notice required to terminate or not renew. If a bank misses a "deadline" to provide a notice of non-renewal, it could risk being caught in an automatically renewing term and facing potentially hefty early termination fees if it wishes to later terminate.</p> <p>Software contracts can be tricky. Some software vendors like to tie the beginning of the term to a "go live" or "commencement" date. This can make things difficult when a bank wants to end the contract. If you don't know when the term actually began, it can be difficult to properly time a notice of non-renewal. Make sure you fully understand these dates and calendar them. Alternatively, a contract could call for a specific date as the "end of term" or a specific "commencement date" for purposes of defining the term or the start of any renewal term(s).</p>	<p><input type="checkbox"/> Included in the Agreement</p> <p><input type="checkbox"/> Missing from the Agreement</p> <p><input type="checkbox"/> Needs Further Negotiation</p> <p><input type="checkbox"/> Not Applicable to this Agreement</p> <p><input type="checkbox"/> Call for Backup!</p>
<p><b>Deconversion Fees</b></p>	<p>Every relationship ends — plan for it. When a contract ends, a bank might need its data from its old vendor to transition to a new vendor. Some vendors often charge "deconversion" fees to return data and for transition assistance. Note that these fees are also sometimes referred to as "migration" or "transition" fees. A bank should understand (and more than likely negotiate) these fees before signing a contract. For instance, a contract could require the vendor to declare its deconversion pricing up front. That way, the bank can anticipate the actual costs associated with moving to a new vendor when the relationship ends. A contract could also include a "cap" on deconversion fees to help limit the bank's exposure. Otherwise, the bank could risk having to pay significant and unexpected costs when it comes time to transfer data to a new vendor.</p>	<p><input type="checkbox"/> Included in the Agreement</p> <p><input type="checkbox"/> Missing from the Agreement</p> <p><input type="checkbox"/> Needs Further Negotiation</p> <p><input type="checkbox"/> Not Applicable to this Agreement</p> <p><input type="checkbox"/> Call for Backup!</p>

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<b>Defaults</b>	Build some "teeth" into the contract for breaches. A contract should specify what constitutes a default and the consequences of a default. For example, if a vendor fails to meet an immaterial requirement in the contract, the contract could give the vendor an opportunity to cure the default within 30 days. However, in the case of serious breaches (e.g., a breach involving confidentiality, data security, etc.), the contract could give the bank the option to immediately terminate the contract.	<input type="checkbox"/> Included in the Agreement <input type="checkbox"/> Missing from the Agreement <input type="checkbox"/> Needs Further Negotiation <input type="checkbox"/> Not Applicable to this Agreement <input type="checkbox"/> Call for Backup!
<b>Description of the Services</b>	The devil is in the details – avoid ambiguous language. A contract should describe in detail everything a vendor promised to do. For example, if a sales rep told a bank that a particular feature is included with a service (e.g., support, maintenance, training, customer service, etc.), the contract should likely expressly include that feature and require the vendor to perform it.	<input type="checkbox"/> Included in the Agreement <input type="checkbox"/> Missing from the Agreement <input type="checkbox"/> Needs Further Negotiation <input type="checkbox"/> Not Applicable to this Agreement <input type="checkbox"/> Call for Backup!
<b>Dispute Resolution</b>	Disputes happen. Most contracts should describe how a dispute will be resolved, and whether the vendor will be required to continue providing its services until it is resolved. There are various options available for dispute resolution, such as formal court proceedings, arbitration, mediation, etc. In the end, the chosen method should probably reflect the seriousness of the vendor's services. Also, if there is a breach of confidentiality, the contract could allow for immediate injunctive relief, regardless of whether contract calls for informal dispute resolution. Also, it may be useful to specify the bank's home city/county for the venue of disputes to avoid the need to travel to some far away land to resolve a dispute.	<input type="checkbox"/> Included in the Agreement <input type="checkbox"/> Missing from the Agreement <input type="checkbox"/> Needs Further Negotiation <input type="checkbox"/> Not Applicable to this Agreement <input type="checkbox"/> Call for Backup!

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<p><b>Equal Opportunity</b></p>	<p>Federal law requires all government contractors to include in certain contracts with their subcontractors (<i>i.e.</i>, their vendors) the so-called "equal opportunity" clause. According to the U.S. Dept. of Labor, a bank with federal share and deposit insurance is a government contractor. Depending upon the context, the clause should likely be included in vendor contracts that equal or exceed \$10,000 (in the aggregate in any 12-month period).</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Equipment</b></p>	<p>A contract should specify which party is responsible for providing the equipment used with the vendor's service. If a vendor provides equipment to a bank, the contract could also explain costs, maintenance, replacement, and return of that equipment during the life (and at the end) of the contract. Additionally, if a critical piece of equipment fails, the contract could contain details requiring immediate replacement to allow for continued use of the vendor's services.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Foreign Vendors and Foreign Subcontractors</b></p>	<p>If a vendor is located in a foreign country, or if a U.S. vendor subcontracts with a foreign subcontractor, the contract could specify where the bank's data will be stored, if applicable, and where the services will be performed. As mentioned above, the contract could also specify the bank's home city/country for the venue of any disputes. Otherwise, the bank may find itself traveling overseas (and spending a lot of money) to resolve a simple dispute with the vendor or its subcontractor.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>

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<p><b>Indemnification</b></p>	<p>A contract could require a vendor to indemnify the bank in various circumstances (e.g., breaches of contract, intellectual property infringement claims, etc.). The exact circumstances of indemnification will be contract-specific based on the vendor's particular services. An indemnification clause can be a good way to protect a bank from third party claims related to the vendor's services. As discussed below, though, beware a limitation of liability clause located elsewhere in the contract that may limit the dollar amount or the types of claims that are covered under the indemnity obligations.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Insurance</b></p>	<p>A contract should more than likely require the vendor to maintain appropriate levels of insurance commensurate with its services. There are many different types of insurance (e.g., workers' compensation, general liability, automobile liability, umbrella, professional liability, crime, employee theft and fraud, computer fraud, cyber liability, cyber breach, etc.). In general, the insurance required under the contract should be tailored to reflect the risk associated with the vendor's specific services. A bank should confirm it is comfortable with the amounts and types of insurance stated in the contract — if not, the contract could require the vendor to carry additional coverage.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>

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<p><b>Intellectual Property</b></p>	<p>A contract should clarify who owns what. In most cases, a vendor's own software and information belongs to the vendor, and the bank's information belongs to the bank. However, if a vendor is hired to create something for a bank, the contract should likely clarify that arrangement and the bank's ownership rights to that intellectual property.</p> <p>A contract should also address intellectual property infringement. A bank could face potential liability by simply using intellectual property that infringes the rights of a third party, even if a vendor supplied the infringing material. For example, if a vendor provides a bank with software that infringes a third party, the third party could bring a claim against the bank for intellectual property infringement, and the bank could face some potential liability. The contract could require the vendor to indemnify the bank if a third party claims that the bank's use of the vendor-supplied intellectual property infringes the third party's rights. Again, be wary of a limitation of liability clause located elsewhere in the contract that could potentially limit the dollar amount recoverable in these scenarios.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>

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<p><b>Limitation on Liability</b></p>	<p>A limitation of liability clause can have a big impact on the amount of damages or types of claims a bank can recover from a vendor if the vendor breaches the contract. Although these clauses are complicated, a bank should not shy away from negotiating them. Notably, a bank might pay special attention to the language in the clause and weigh whether the vendor's "all-in" liability accurately reflects the risks to the bank.</p> <p>There are various ways to increase the amount and scope of a vendor's limitation of liability clause. Most limitation of liability clauses will include a "cap" to certain damages if the vendor breaches the contract. In these cases, it may be helpful to negotiate a higher cap. Other clauses may contain "carve-outs" for circumstances where the limitation of liability does not apply, such as claims associated with breaches of confidentiality. Some banks push back on these clauses and demand additional "carve-outs" that are appropriate in light of the vendor's services (<i>e.g.</i>, if the vendor is providing proprietary software, the limitation of liability clause might not apply to third party intellectual property claims against the bank).</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Managing Customer Complaints</b></p>	<p>In some relationships, a bank might hire a vendor to contact its customers directly. If so, the contract should likely establish a process for monitoring and responding to any customer complaints associated with the vendor's services. The contract could also require the vendor to forward copies of those complaints (and any responses) to the bank, or at the least upon request. If the vendor will contact customers via telephone, the contract could also require the vendor to record those calls (in compliance with law) and to provide copies of recordings of those calls upon request.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>

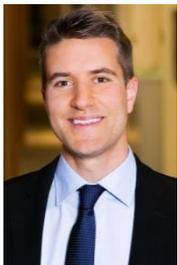
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<p><b>Managing Customer Disclosures</b></p>	<p>If applicable, the contract should specify which party will be responsible for delivering any required disclosures to customers and/or applicants, and in what format. If the law regarding those disclosures changes, the contract could require that party to promptly update its forms and specify which party is responsible for the expenses of updating them.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Notices</b></p>	<p>As in all relationships, good communication is key. A contract should specify to whom, when, where, and how a vendor must communicate with the bank (and vice versa). In some cases, notices should be immediate, such as a situation involving a data breach or unauthorized disclosure of confidential information. In other cases, notices could be given a certain number of days in advance, such as a notice of non-renewal. A bank should confirm these timeframes are reasonable and allow enough time to act. For example, if a contract requires a bank to provide 90 days' notice of non-renewal, that timeframe should be feasible and, if needed, allow enough time to find a new or replacement vendor.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Outside Terms</b></p>	<p>Some contracts incorporate documents outside of the contract in front of you, such as "terms of use" available through a hyperlink or operating manuals provided in a separate brochure. Keep in mind that, although these are not expressly set forth in the contract, a bank will likely be bound by them. A bank should dig in and review those additional documents, and in some cases consider attaching those additional documents as exhibits to the contract itself.</p> <p>Additionally, a contract should not likely allow for changes to those outside documents on a whim. Otherwise, a bank could be bound by terms, restrictions, or procedures it did not initially agree to when it signed the contract. If a vendor insists on including a right to modify the terms of those outside documents (e.g., for business reasons), the contract could limit the vendor's ability to do so and allow for only immaterial changes.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>

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<b>Records</b>	What types of records will be shared or created with the vendor? A contract should likely specify a vendor's responsibilities regarding record retention (in accordance with law) and return and/or destruction of those records at the end of the relationship. This topic is very important if the vendor will have access to a bank's confidential information or customers' sensitive information.	<input type="checkbox"/> Included in the Agreement <input type="checkbox"/> Missing from the Agreement <input type="checkbox"/> Needs Further Negotiation <input type="checkbox"/> Not Applicable to this Agreement <input type="checkbox"/> Call for Backup!
<b>Regulatory Audits</b>	A bank could be held responsible for the acts of the vendor to the same extent as if the bank were performing the services itself. As such, the bank's regulators may also want to oversee the activities of the vendor. The contract should likely require the vendor to cooperate during any regulatory examinations of the bank and/or the vendor.	<input type="checkbox"/> Included in the Agreement <input type="checkbox"/> Missing from the Agreement <input type="checkbox"/> Needs Further Negotiation <input type="checkbox"/> Not Applicable to this Agreement <input type="checkbox"/> Call for Backup!
<b>Regulatory Compliance</b>	Remember, a bank could be ultimately held responsible for the acts of the vendor if the vendor breaks the law. Most contracts expressly require a vendor to comply with applicable law, and some contracts even mention by name any laws or regulations specifically applicable to the vendor's activities. In addition to basic laws and regulations, a contract could also require the vendor to comply with other sources of regulatory guidance, such as formal and informal opinion letters, advisories, or other publications.	<input type="checkbox"/> Included in the Agreement <input type="checkbox"/> Missing from the Agreement <input type="checkbox"/> Needs Further Negotiation <input type="checkbox"/> Not Applicable to this Agreement <input type="checkbox"/> Call for Backup!

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<p align="center"><b>Service Levels and Service Level Credits</b></p>	<p>Many contracts, especially software contracts, will lay out a vendor's service levels (commonly referred to as "SLAs"). In general, SLAs outline the measurements used to monitor the quality of performance (<i>e.g.</i>, monthly uptime, response time, etc.). For example, a vendor might promise to keep its system online 99% of the time, and if it falls below 99%, the contract might require the vendor to refund money back to the bank. In more severe SLA failures (<i>e.g.</i>, continued failures to meet the SLAs over the course of several months), the contract could allow the bank to terminate the contract. Every SLA should be clearly defined and easily trackable.</p> <p>SLAs are a good way to incentivize good performance. However, if the service levels are too flimsy or ambiguous, a bank should probably build some "teeth" into the contract. For example, by negotiating those terms, a bank might tighten up the SLAs or include more severe consequences if a vendor fails to fulfill those SLAs (<i>e.g.</i>, refunds or credits back to the bank, termination rights, etc.). Also, a bank will likely want a way of tracking the SLAs — to do so, a contract could require a vendor to provide the bank with periodic reports detailing whether or not the vendor met its promised SLAs.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p align="center"><b>Subcontractors</b></p>	<p>A contract could acknowledge the fact that the vendor will remain responsible for the acts of its own subcontractors. This is especially important if the bank's data will be shared between the vendor and its subcontractors. In most cases, the contract should also require the vendor to maintain its own subcontractor management program to monitor the risks associated with its own subcontractors. In these situations, the contract could require the vendor to provide the bank with a summary of its vendor management program (along with the names and details of those subcontractors) upon request.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>

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<p><b>Term</b></p>	<p>Understand the term of the contract, and the exact date it begins and ends. Add these dates to your calendar. Pay special attention to the length of the term, when it began, and the length of any renewal terms.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Termination</b></p>	<p>At times, a bank may need (or want) to terminate the contract. A contract should be clear as to when and how the bank can exercise its termination rights. For instance, a contract could allow the bank to terminate the contract if the vendor breaches (or continuously breaches) its obligations.</p> <p>A contract may also allow the bank to terminate at any time "for convenience." If so, the contract would most likely contain "early termination" fees. Banks commonly negotiate these fees and ask vendors to explain them in detail. Pay particular attention to when an early termination fee is actually triggered. Generally speaking, a contract would clarify that an early termination fee does not apply if the bank exercises its right to terminate the contract because a vendor breached its obligations.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Trademarks and Copyrights</b></p>	<p>If a vendor will use the bank's name, logo, or other intellectual property, the contract could address how and when the vendor may do so. The contract could also allow the bank to revoke this permission at any time or, at the least, if the vendor violates the bank's intellectual property usage guidelines.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>

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<p><b>Updates to Services</b></p>	<p>Many vendor contracts will allow the vendor to modify its services from time to time. In other words, it gives a vendor flexibility in deciding what aspects of the services will be available to the bank over the life of the contract. If a vendor wishes to make these types of updates, the contract could require the vendor to provide, at the least, the same level of service, functionality, and features existing on the date the bank signed the contract. Otherwise, the bank may end up with a service lacking features it initially wanted when it signed the contract, in which case the bank may want the right to terminate the contract (or the affected service).</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>
<p><b>Use of Facilities</b></p>	<p>If a vendor will be on-site at the bank for a substantial amount of time, the contract could lay out some ground rules regarding use of the bank's facilities, equipment, data, employees, etc. The contract could prohibit a vendor from monopolizing resources and causing business disruptions. Additionally, if a vendor's personnel will be working from the bank's office, the contract might require the vendor to maintain appropriate levels of insurance. Further, a contract may also require the vendor to abide by the building rules and policies applicable to all on-site personnel.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Included in the Agreement</li> <li><input type="checkbox"/> Missing from the Agreement</li> <li><input type="checkbox"/> Needs Further Negotiation</li> <li><input type="checkbox"/> Not Applicable to this Agreement</li> <li><input type="checkbox"/> Call for Backup!</li> </ul>



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Kalin advises banks, credit unions, and other non-bank financial institutions of all sizes throughout the western United States on issues involving vendor management, operations, compliance, corporate matters, and mergers and acquisitions. He regularly reviews and negotiates complex vendor contracts in light of the expectations of the regulators and the various laws and regulatory schemes affecting our clients.