



MEMORANDUM

September 28, 2026

TO: Mortgage Industry

RE: AI Supervisory Framework

Purpose

The Mississippi Department of Banking and Consumer Finance (DBCf) is issuing this notice to introduce the AI Supervisory Framework (the "Framework"), a new supervisory resource developed through the Conference of State Bank Supervisors (CSBS) to help examiners and regulated institutions approach the use of artificial intelligence (AI) in a consistent, risk-based manner. This letter provides a high-level overview of the Framework, its purpose, and what institutions can expect as it is incorporated into the supervisory process. By providing this Framework, the DBCf intends to give regulated institutions a clearer view of the types of questions examiners may ask, the documents they may request, as well as tools to help develop governance practices that support safe and sound use of artificial intelligence.

Background

The use of AI across financial services continues to expand, including in operations, customer communications, decision support, vendor-provided platforms, compliance functions, fraud detection, servicing, underwriting support, and generative AI tools. In response, DBCf has, through CSBS, developed the Framework as a practical, examiner-facing tool that draws on existing public materials, including supervisory guidance, cross-sector risk management frameworks, and other selected implementation resources, and organizes them around the questions examiners most need to answer when reviewing an institution's use of AI. While developed for examiners, the Framework may be used by any regulated financial institution to develop or refine risk management and governance practices for their AI exploration, implementation, or ongoing use.

The Framework is principles-based and does not create new reporting obligations or supervisory requirements. It is intended to be applied proportionately, based on an institution's size, complexity, risk profile, and extent of AI use.

What the Framework Includes

The Framework is structured to follow the general path an examiner will take when evaluating AI use, and includes the following components:

- Core Examiner Guide – scoping questions, document request list, and examination procedures, and routing directions. Primarily an examiner resource.
- Examiner Work Program – includes source name and language, examiner focus, and note section for each question and procedure. Primarily an examiner resource.
- Nonbank AI Supplements – AI-specific considerations for third-party/vendor risks, model risk, and consumer protection that nonbank financial firms may find helpful.
- AI Use Case Risk-Tiering Worksheet – an optional tool for industry and examiners to support risk-based evaluation of individual AI use cases.

Link to CSBS Framework Information:

CSBS Press Release for AI Supervisory Framework - <https://www.csbs.org/newsroom/csbs-announces-ai-supervisory-framework>

Component Guide and Job Aids - <https://www.csbs.org/csbs-artificial-intelligence-supervisory-framework>

What This Means for Your Institution

DBCF encourages institutions to review this notice and consider the extent to which AI is used within their operations, products, or services. Institutions may wish to:

- Review current AI governance practices, policies, and inventories in light of the Framework's scoping areas.
- Be prepared to discuss AI use during upcoming examinations, consistent with the Framework's document request list.
- Direct questions about the Framework to designated agency staff listed below.

DBCF intends to incorporate elements of the Framework into existing processes during scheduled examinations, expanding the scope of review for areas outlined in the Framework based on an institution's size, complexity, risk profile, and AI use. Institutions should prepare for discussions regarding AI use at their next scheduled examination, starting in 2027.

Important Clarifications

- The Framework is a tool and does not impose new requirements beyond existing law, regulation, or guidance.

- The Framework is intended to be applied proportionately and does not function as a mandatory checklist.
- The Framework will be reviewed and updated periodically as AI technology, public guidance, and supervisory experience evolve.

Questions and Additional Information

Questions regarding the Framework or this notice may be directed to Adam Martino. Please send questions to Mortgage@dbcf.ms.gov.

Sincerely,

A handwritten signature in black ink that reads "Rhoshunda G. Kelly". The signature is written in a cursive, flowing style.

Rhoshunda G. Kelly
Commissioner