

The following table presents the questions received from participants in the Bank Data Innovation Challenge and the responses that CSBS is providing. For more information see the Bank Innovation Challenge Posting.

No	Ref/Topic	Questions	CSBS Response
1	Data Access and Use	Will CSBS provide anonymized, synthetic, or sample regulatory datasets for participants to use during prototyping and testing, or should participants source their own?	<p>Per item 2(d) in the Instruction, if an offeror requests CSBS to provide data, that should be stated explicitly along with what datasets are requested.</p> <p>Most or all of our bank data today is public and available from the FFIEC/FDIC. If there are any non-public sources needed, participants should identify those explicitly, along with assumed responsibility.</p>
2	Data Access and Use	For the prototype/demo, are synthetic or public datasets acceptable, or will preference be given to solutions using real regulatory data?	<p>Yes, synthetic and public datasets work. If you need help putting together or finding a good synthesized dataset we can help with that. Also, quarterly bank call report data is publicly available at https://cdr.ffiec.gov/public/ManageFacsimiles.aspx</p>
3	Technical Integration and Hosting	Are there any technical requirements or recommendations regarding preferred cloud environments, data integration protocols, or open-source standards to ensure compatibility with state regulators' existing and future systems?	<p>We do not have detailed technical requirements at this time. As mentioned on the call, we expect that as we develop the solutions with the successful firm we will develop more detailed requirements for a production level system.</p>
4	Technical Integration and Hosting	Would CSBS be open to cloud-native, API-driven prototypes hosted by participants, and are there preferred security certifications or standards for hosting the demo/prototype?	<p>Yes, CSBS is open to these types of solutions. Flexible and dynamic user access protocols will be important. We have not set any security specifications for the demo/prototype.</p>
5	Regulatory, Privacy & Security	Are there state or federal regulatory requirements beyond standard confidentiality—such as specific data residency, encryption, or audit requirements—that prototypes must meet even in early stages?	<p>We do not have detailed regulatory requirements at this time. As mentioned on the call, we expect that as we develop the solutions with the successful firm we will develop more detailed requirements for a production level system.</p> <p>Prototypes are not expected to address security or audit requirements, though we appreciate a high-level understanding of what is possible in your proposed solution.</p>
6	Regulatory, Privacy & Security	Is there guidance on acceptable levels of data anonymization for early-phase analytics or demo environments?	<p>If you are using non-public production data on real companies/proprietary data in your early phase/demo we would suggest finding some way to anonymize. But to question number 2, there is publicly available bank call report data that would be a great data set to use for demo purposes.</p>
7	User Experience and Adoption	Has CSBS identified core pain points in current bank data reporting or supervision workflows that offerors should prioritize for impact?	<p>The key challenge we are seeking to overcome is that the current process is rigid and highly dependent on a bank's core data provider. We are seeking solutions that make it easier for a bank to transmit data from their system(s) to regulators without the need for significant up-front development or repeated manual processes.</p>
8	User Experience and Adoption	How much flexibility do participants have in proposing user journeys or interfaces—does CSBS favor any particular approach (e.g., web-first, low-code, embedded analytics)?	<p>CSBS has no preference on the approach. Submissions should include an approach that your firm considers effective/best practice based on your solution.</p>

9	Scalability & Agency Rollout	What scalability principles or models does CSBS recommend to ensure the solution can be deployed across all 54 state agencies?	<p>Scalability is important, as there are over 4,000 banks nationwide. We will consider a solution scalable if you are able to demonstrate it's ability to succeed in multiple banks using different data management vendors.</p> <p>CSBS is agnostic on the specific principle or model, but offerors are encouraged to include the scalability principles or models that are best suited to your solution/proposed approach.</p>
10	Scalability & Agency Rollout	Will the pilot phase target a specific subset of states or bank types, and if so, how will these be selected?	Yes. We will work with a single state or two for the pilot phase and will identify a small number of banks in those states to conduct the pilot. The banks included will depend on the state selected for the pilot.
11	AI & Advanced Analytics	Is CSBS open to prototypes that incorporate AI/ML or predictive analytics for risk detection and early warning, provided transparency and explainability can be demonstrated?	Yes, in fact it is encouraged.
12	AI & Advanced Analytics	Are there preferred key risk indicators, scenarios, or outcome metrics that should be prioritized for analytics in the prototype?	<p>Bank exams are conducted using the Uniform Financial Institutions Rating System (UFIRS) commonly referred to as the CAMELS rating system (Capital, Asset Quality, Management, Earnings, Liquidity, Sensitivity to Market Risk). There are several publications from various regulatory agencies which spell out important metrics to the UFIRS/CAMELS framework (although different regulators take different approaches) that might be helpful to framing preferred key risk indicators. Both the Arkansas State Bank Department and the North Carolina Commissioner of Banks administer monthly self-exam programs for their banks (AR is voluntary, NC is mandatory) which collect financial condition data from banks more frequently than the quarterly bank call report, and the manual for those programs are publicly available and list a collection of metrics they use to evaluate the financial condition of their banks. CSBS does not want to be overly prescriptive about specifying specific metrics at this point but it might be helpful to look towards these programs to create a condensed list of key risk indicators if it would be helpful for your prototype.</p> <p>https://banking.arkansas.gov/public/userfiles/Selfexammanual.pdf https://www.nccob.gov/Online/SEP/documents/SEPManual.pdf</p>
13	Partnerships & Collaboration	Will CSBS facilitate connections with regulatory subject matter experts, technology partners, or potential pilot states for selected participants?	Yes. Regulators will be involved in the prototyping and pilot phases of the challenge and CSBS intends to facilitate dialogue with these regulators during prototyping and pilot design.
14	Partnerships & Collaboration	Can multiple vendors or strategic partners submit a joint proposal, and how should roles and responsibilities be defined?	See items 2(k) under Instructions and #7 under assumptions. Partnering is allowed, however submissions must clearly define which party performs which functions and who the contracting party will be.

15	Monetization, Licensing & Future Engagement	For solutions with strong commercial potential, what is CSBS's position on IP ownership and licensing rights post-pilot? Would non-exclusive licensing or commercial rollouts beyond the pilot be supported or co-promoted by CSBS?	Any IP rights beyond the prototype phase will be negotiated. Per item 2(j), submissions should include your proposed licensing arrangements for the project.
16	Monetization, Licensing & Future Engagement	Is CSBS open to providing reference customers or facilitating market access for solutions that successfully address their needs and are deployed in production?	The goal of this challenge is to create/discover a pool of market participants that have a vision for addressing the needs outlined in the challenge solicitation, so at the moment we do not have an established pool of solutions that meet this need.
17	Evaluation & Selection Criteria	Beyond technical merit, how does CSBS weigh factors like partner network, speed of execution, prior startup experience, or capacity to support rapid iterations?	CSBS's main evaluation factors are the future potential to meet the problem statement consideration and an offeror's demonstrated ability to deliver actual solutions. To the extent that your company can show demonstrated success with the factors included in this question, those will be considered a demonstration of your ability to deliver.
18	Evaluation & Selection Criteria	Will proposals with a combination of strong technical track record and deep regulatory expertise (including via strategic partnerships) be viewed as favorably as those with purely deep banking experience?	CSBS is not defining rigid evaluation factors. ANY relevant experience that can demonstrate an ability to meet the problem statement and ability to deliver will be considered as a part of the evaluation. There is no preferred profile or background for the successful vendor.
19	Pilot Scope & Focus	Does CSBS recommend prioritizing specific risk types (e.g., liquidity risk, loan analytics) or would a cross-functional prototype addressing multiple high-impact use cases be more desirable?	One of the main goals of the current quarterly bank call report is to provide visibility into the overall financial and operational condition of each bank - so challenge participants should keep that in mind - but CSBS is not prioritizing or deprioritizing solutions that focus on one area or many.
20	Pilot Scope & Focus	Is there an appetite for modular solutions that could be extended to cover additional use cases over time?	Yes.
21	General Clarifications	Can CSBS provide examples of successful past innovation challenge submissions or prototypes for reference?	Not at this time.
22	General Clarifications	Are there preferred technology stacks or interoperability standards CSBS recommends for submissions?	At this time, we are agnostic as to the type of technology and interoperability capabilities of proposals. While there are no preferred technology stacks, CSBS prefers solutions that integrate using industry standard protocols and APIs.
23	General Clarifications	Will CSBS provide any sandbox environments, test interfaces, or data validation tools to support prototype development and integration?	Given the open nature of this solicitation, at this time CSBS has not committed to providing any environments or tools. If having any of these elements is important to enabling your concept/solution, please indicate that in your concept paper and CSBS will evaluate whether it can provide access during the prototyping/pilot phases. If you require CSBS to provide something to enable your solution please include that as an assumption.
24	Data and Analytics	What are the expectations around data security and encryption for hosted prototypes?	We do not have detailed security requirements at this time. As mentioned on the call, we expect that as we develop the solutions with the successful firm we will develop more detailed requirements for a production level system. If your solution has data security and encryption standards that it can meet, please provide that information.

25	Data and Analytics	Are there specific data formats or schemas CSBS prefers for ingestion and analysis?	We do not have detailed data requirements at this time. As mentioned on the call, we expect that as we develop the solutions with the successful firm we will develop more detailed requirements for a production level system. If your solution has data formats or schemas that it can meet, please provide that information.
26	Intellectual Property and Licensing	Will CSBS consider alternative licensing models for proprietary analytics engines or tools?	CSBS does not have any defined licensing requirements beyond what is included in the posting. Submissions should clearly define proposed licensing arrangements in accordance with what is included in the posting.
27	Intellectual Property and Licensing	How will CSBS handle IP rights for jointly developed solutions during the pilot phase?	Any IP rights during the pilot phase will be subject to negotiation and will depend, in part, on your proposed arrangements in the concept phase.
28	Evaluation and Selection	Will CSBS provide feedback to all participants, including those not selected for Phase 2?	CSBS may conduct post-evaluation debriefs with unsuccessful submissions, but is under no obligation to do so.
29	Evaluation and Selection	What are the key differentiators CSBS is looking for in concept papers beyond technical feasibility?	Please refer to the posting documents for this information. We describe in those documents the problem statement and will select candidates that best address the problem statement and other considerations in those materials.
30	Evaluation and Selection	Will the evaluation panel consist exclusively of CSBS staff, or will it include independent subject-matter experts from regulatory, academic, or industry backgrounds?	CSBS staff includes former regulators and SMEs. The evaluation will be performed by both staff and outside SMEs as necessary.
31	Prototype and Pilot Phases	Can the \$50,000 prototype budget be allocated across multiple deliverables or milestones?	Our preferred arrangement is to have the payment tied to delivery of the final demo.
32	Prototype and Pilot Phases	Will CSBS allow for remote demonstrations of prototypes, or is in-person presentation required?	Yes.
33	Prototype and Pilot Phases	What are the expectations for scalability and performance testing during the pilot phase?	There are over 4,000 banks in the United States. An ideal concept paper will reflect on how a small pilot program with a handful of banks could easily scale to a much larger population of banks.
34	Legal and Contractual	Are there any negotiable terms in the Prototype Agreement or Submission Agreement?	Per item 4 in the instructions, your submission should include any edits to the prototype agreement
35	Legal and Contractual	Will CSBS accept redlines or proposed edits to the standard contract templates?	See response to question 34.
36	Collaboration and Partnerships	Will CSBS facilitate introductions between complementary vendors for potential collaboration?	CSBS encourages collaboration among complementary vendors, but we can't commit to facilitating it. Should CSBS find a potential strong partnership to move forward into the demo phase, we may provide introductions.
37	Hosting and Deployment	Are there any preferred cloud environments, infrastructure standards, or interoperability requirements CSBS recommends for hosting the prototype?	CSBS has not set requirements for preferred cloud environments, infrastructure standards, or interoperability requirements. Conceivably all concepts/solutions will require some type of user authentication.
38	Hosting and Deployment	Will CSBS require access to source code or just a working demo for evaluation?	Assuming this is referring to the prototype phase, the expectations for the prototype phase are outlined in the prototype agreement.
39	Additional	If a submission is not selected, will CSBS allow for a post-evaluation debrief or learning session with the evaluation team?	See response to question 28.

40	Hosting and Deployment	What type of hosting/storage services does CSBS currently use?	CSBS has existing cloud hosting and storage solutions, but for this initiative, we remain agnostic on the technical underpinnings of the solution.
41	Data and Analytics	What type of compute power does CSBS analytics currently require?	CSBS has not set requirements for computing power in the concept phase.
42	Data and Analytics	What analytics tools (Power BI, Tableau) does CSBS current have licenses for?	CSBS has existing analytics tools but for this initiative, we remain agnostic as to the analytics engine used by the solution.