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**Joint Release**

**Federal Deposit Insurance Corporation  
Board of Governors of the Federal Reserve  
System  
Office of the Comptroller of the Currency  
National Credit Union Administration  
Office of Thrift Supervision**

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FOR IMMEDIATE RELEASE

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**Federal Regulators Report to Nation on Y2K Progress  
Made by Banks, Thrifts and Credit Unions**

WASHINGTON -- With only 106 days remaining before the new century begins, leaders from the five federal agencies that regulate banks, thrifts and credit unions joined together today to report to the nation that insured financial institutions are prepared for the Year 2000 date change.

The agency officials said that 99.7 percent of the nation's insured institutions are now rated satisfactory -- the highest rating given for Y2K readiness. The few institutions that are not yet rated satisfactory are receiving very close regulatory attention, they added.

Appearing at today's press conference at the National Press Club to discuss financial industry readiness were:

John D. Hawke, Jr., Comptroller of the Currency

Donna Tanoue, Chairman of the Federal Deposit Insurance Corporation

Edward W. Kelley, Jr., Governor, Federal Reserve Board

Ellen Seidman, Director, Office of Thrift Supervision; and

Norman E. D'Amours, Chairman, National Credit Union Administration.

The regulators stressed that they had closely evaluated the Y2K readiness of each insured financial institution.

"We're not just taking their word for it," said Mr. Hawke. "Federal examiners have conducted Y2K examinations in each insured financial institution at least twice, and in some cases, three, four or more times. The largest banks have received continuous Y2K oversight."

The results, Mr. Hawke said, show how effective the efforts of regulators and financial institutions have been. "Right now, 99.7 percent of all federally supervised financial institutions have finished their renovations and tests of their systems -- not just the systems that house their personal records and run their elevators, but the systems that bank customers rely upon for access to their funds."

The remaining few, he said, "are receiving intensive, on-site supervision to ensure that they, too, will experience no disruptions of the systems their customers depend upon when the long anticipated day arrives."

Consumers can also rely upon the guarantees provided by the FDIC, which oversees the insurance funds that back deposits in banks and thrifts, and the National Credit Union Share Insurance Fund, which protects credit union depositors.

"There are few guarantees in life, but the FDIC and NCUSIF offer one of them," said Ms. Tanoue. "No one has ever lost a cent in a federally insured account. And no one will."

Mr. Kelley explained the steps the Federal Reserve has taken to assure bank and thrift customers continuous access to their funds. Among them, the central bank has additional currency inventory and it has created a special borrowing facility to ensure banks and thrifts have access to funds if they need it for their Y2K preparations.

"We have stressed that we see no need for the public to hold additional cash," Mr. Kelley said. "We feel strongly that the most sensible thing to do with your money is to leave it where it is, but our responsibility is to make sure the public knows that currency is readily available."

Ms. Seidman said consumers can take steps "to ensure that their own personal financial transition into the new century is a smooth one," and to safeguard themselves in the event there are minor glitches.

Consumers should keep copies of financial records and balance their checkbooks regularly, the OTS Director said. They should keep up with news about Y2K, recognize scare stories for what they are and separate fact from fiction. Consumers should also be realistic and withdraw only as much money from their financial institution as they would for any other holiday weekend. Ms. Seidman also urged consumers to be wary of Y2K scams.

"Be skeptical and tell friends and relatives to be skeptical if someone asks for account information, credit card numbers, social security numbers or your mother's maiden name," she said. "Be wary if promised that your money will be put into a Y2K safe account or told that your personal information is needed to make Y2K adjustments. Simply put, it isn't."

Mr. D'Amours noted that most banks, thrifts and credit unions are already using Y2K-ready systems successfully and said that operating those systems before January 1 provides evidence of how compliant systems will work after January 1.

"I want to tell you all where my money will be and where I've advised my mother to keep her money when the clock strikes midnight December 31, 1999," the NCUA chairman said. "My money, and if she takes my advice, my mother's money, will be where it is

now, in our credit union, where it's safe and insured against loss by the U.S. Government."

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