



Risks Involving Computer Systems

FIL-50-96
July 12, 1996

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *Interagency Statement on the Risks to Financial Institutions
Involving Computer Systems in the New Millennium*

The interagency Federal Financial Institutions Examination Council (FFIEC) has issued the attached statement on the substantial risks to financial institutions involving their computer systems as the industry enters the new century (year 2000). These risks are attributed to the programming code in existing computer systems that may result in inaccurate calculations based on any two-digit year field containing the value "00."

The FFIEC statement alerts financial institutions, servicers, and vendors to the need to adequately address the risks, including system failures or erroneous data, associated with the existing programming code. The issue affects every financial institution and all aspects of computer systems.

During regular supervisory reviews, examiners will review each institution's year 2000 plan. For more information, please contact your Division of Supervision regional office.

Nicholas J. Ketcha Jr.
Director

Attachment:

The attachment to this Financial Institution Letter is not currently available in electronic format. Until it is in a form that will allow us to post it to the internet, you may obtain hard copy or fax from:

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