



A Year 2000 Contingency Planning

FIL-41-99
May 7, 1999

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *Clarification of the FDIC's Year 2000 Contingency Planning Policy*

The Federal Financial Institutions Examination Council (FFIEC) has issued the attached May 6, 1999, interagency statement clarifying expectations on testing Year 2000 business resumption contingency plans, overall contingency planning documentation requirements, and "event planning."

In FIL-135-98, issued December 11, 1998, the FDIC provided institutions a schedule for completing contingency plans as described in the FFIEC's May 1998 interagency statement "Guidance Concerning Contingency Planning in Connection with Year 2000 Readiness." The FIL established March 31, 1999, as the deadline for institutions to complete phase one (organizational planning guidelines) and phase two (business impact analysis); and June 30, 1999, as the deadline for completing the business resumption contingency plan. After the FIL was issued, many questions were raised about what constitutes a complete business resumption contingency plan. The attached interagency statement addresses those questions.

FDIC examiners will review business resumption contingency plans for all FDIC-supervised institutions at the field office level. Regional or field offices will contact each institution to request plans and additional documentation. Institutions will soon receive mailing addresses, a description of required documents, and the deadlines for submitting their contingency plans.

The FDIC and state banking authorities will continue to review the efforts of all FDIC-supervised banks to become Year 2000 ready. An institution's failure to appropriately address Year 2000 readiness issues may result in supervisory action, including enforcement actions, denials of applications filed pursuant to the Federal Deposit Insurance Act, civil money penalties, reductions in the institution's management component or composite ratings, and increased risk-related premiums.

Related information on Year 2000 issues is available on the Internet via the World Wide Web.

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Director

Attachment: [FFIEC Interagency Statement](#)

Distribution: FDIC-Supervised Banks (Commercial and Savings)

NOTE: Paper copies of FDIC financial institutions letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (800-276-6003 or (703) 562-2200).