



Year 2000 Event Management Supervisory Efforts

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September 16, 1999

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: Year 2000 Event Management Supervisory Efforts Beginning October 1, 1999

As part of its Year 2000 supervisory efforts, the Federal Deposit Insurance Corporation (FDIC) will collect Year 2000 risk information from FDIC-supervised financial institutions during the "event management period," beginning October 1, 1999, through the Year 2000 date change period. The information will be used to monitor, assess and report on the operational status of financial institutions with respect to the impact of the Year 2000 date change. The other Federal Financial Institutions Examination Council members—the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Board of Governors of the Federal Reserve System, and the National Credit Union Administration—also will collect information from the institutions they supervise.

Specifically, from October 1, 1999, through December 23, 1999, the FDIC or the appropriate state regulator will collect status information at least once from each state nonmember bank. More frequent status checks may be conducted depending on the asset size or risk profile of the institution or other factors. For those institutions needing more than one status check, the FDIC will repeat a status check during the week of December 27 through December 31, 1999. In most cases, information will be collected by telephone, but in some cases the status check will be conducted through an on-site visit.

From January 1 through January 3, 2000, the FDIC or the appropriate state regulator will contact all FDIC-supervised institutions at least once by telephone or through an on-site visit depending on the asset size or risk profile of the institution or other factors. This process will be repeated between January 4 and January 5, 2000. After January 5, 2000, status checks will be performed as needed. Between February 29 and March 1, 2000, the FDIC or the appropriate state regulator may contact institutions to determine if there have been systems problems related to the leap year.

Status checks will cover operations, liquidity and customer behavior. If an institution's computer systems are not operating normally or if the institution reports unusual activity in market or customer behavior, it will be asked to describe the problem, discussing the source, severity, expected duration and effect on operations. During status checks, institutions also may be asked about final testing results, business resumption contingency planning efforts, deficiencies noted during previous Year 2000 assessments, and certain other related issues. To facilitate event management, each institution on a continuing basis should provide its FDIC regional office with information on updated names and telephone numbers of personnel selected to communicate with the FDIC during the event management period.

Finally, during the event management period, institutions should report promptly to the FDIC any Year 2000-related problems affecting core business processes or market conditions, or other pertinent information that may materially affect their business.

For further information, please contact your Division of Supervision regional office.

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Director

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, Room100, Washington, DC 20434 (800-276-6003 or (703) 562-2200).

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