



Year 2000 Contingency Planning

FIL-89-99
September 20, 1999

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *Final Rule Requiring Banks and Thrifts With Less Than "Satisfactory" Y2K Ratings to Maintain Key Deposit and Loan Information*

The Federal Deposit Insurance Corporation's (FDIC) Board of Directors has adopted the attached final rule on Year 2000 (Y2K) contingency planning. The FDIC anticipates only a small number of financial institutions will be required to participate in the "Asset and Liability Backup Program" (ALBP). The Federal Financial Institutions Examination Council has provided extensive Y2K-readiness guidance to the banking industry. Virtually all of the nation's banks and thrifts are now prepared for the millennium. However, the possibility remains that some institutions may not be Y2K-ready and may have to be placed in receivership. The FDIC must plan for every conceivable event.

The rule ensures that if an FDIC-insured depository institution experiences a Y2K problem and is placed in receivership, the FDIC will be able to make insured deposits available to depositors expeditiously. The rule also will facilitate the quick acquisition of assets or transfer of asset servicing. The final rule, first published in the Federal Register as an interim final rule effective July 9, 1999, took effect on September 17, 1999. The final rule will sunset on June 30, 2000.

Under the final rule, FDIC-insured depository institutions rated less than "satisfactory" for Y2K readiness by their primary federal regulator on or after July 31, 1999, will be required to maintain key deposit and loan information using a standard format beginning December 24, 1999. The standardized backup programs required by the rule would reduce the time needed to retrieve, translate and transfer information about accounts should a financial institution need the help of another data processor or be placed in receivership. The attachment to the FIL details the file formats for such data transfers. The FDIC would use this information only if an institution experiences a Y2K-related problem.

More information about the final rule is attached, along with a copy of the final rule published in the Federal Register.

Information about Y2K-related issues may be accessed at www.fdic.gov/about/y2k or www.ffiec.gov. If you have questions about the rule, please contact James E. Crum in the FDIC's Division of Resolutions and Receiverships on (202) 898-6698 or by e-mail at jcrum@fdic.gov.

John F. Bovenzi
Director

Attachments (2): "[Final Rule on Asset and Liability Backup Program](#)";

Federal Register, Vol. 64, No. 180, pages 50429-50439
[HTML Format](#) [PDF Format](#) (53 Kb - [PDF help](#) or [hard copy](#))

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