

LETTER TO CREDIT UNIONS
NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314

DATE: May 15, 1998

LETTER NO.: 98-CU-7

TO: ALL FEDERALLY INSURED CREDIT UNIONS

SUBJECT: NCUA YEAR 2000 COMPLIANCE

This letter is to inform you of the National Credit Union Administration's on-going efforts to ensure all aspects of NCUA's information processing resources and physical plant, particularly as they affect credit unions, are fully Year 2000 (Y2K) compliant. It will also fulfill your requirement to obtain written confirmation of our compliance status as one of your software suppliers. We will provide our next status update in October 1998.

NCUA began planning for Y2K compliance in 1995. For the past three years, we have been working to completely upgrade our information systems infrastructure. A key requirement of this process was Y2K compliance. As a result, with the exception of several internal systems being phased out or reengineered, our entire information systems infrastructure has been designed for Y2K compliance. We are now engaged in validation testing of all systems in order to verify compliance, or identify any instances of noncompliance so that we can correct them. At the same time, we will be obtaining Y2K compliance certification from all of our external suppliers of hardware, software and communications equipment in our information processing infrastructure, and external service bureaus, such as our personnel and payroll service providers.

Our testing will cover all of our systems, with particular emphasis on those that may affect credit unions in their dealings with NCUA. These include:

- 5300 Credit Union Call Report System
- 5310 Corporate Credit Union Call Report System
- Electronic / Internet mail
- Internet Website
- Telephones
- Facsimile machines
- Postage meters
- Building access, control, and physical plant systems
- Automated Integrated Regulatory Examination System (AIRES)
- Internal administrative systems, including NCUSIF accounting & payment, and our internal financial, budgeting and administrative support systems.

We expect this entire compliance validation effort to be completed by the end of June 1998, and, with three exceptions¹, we plan to complete all required corrective actions by September 30, 1998. At that time, we will issue a follow-up Letter to Credit Unions which will serve as NCUA's official certification of Y2K compliance for our information processing resources and physical plant.

If you have any questions regarding the status or progress of NCUA's Y2K compliance validation efforts, please contact the NCUA Chief Information Officer, Douglas Verner, at (703) 518-6440.

For the National Credit Union Administration Board

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Norman E. D'Amours
Chairman

¹ The two exceptions are the Asset Management and Assistance Center (AMAC) system and the Central Office physical plant systems and or Human Resources support systems. These will be fully compliant by the end of 1998.