

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

**DATE: December 1998 NO.: 98-CU-21**

**TO: ALL FEDERALLY INSURED CREDIT UNIONS**

**SUBJECT: NCUA INTERNAL YEAR 2000 READINESS**

This letter is to inform you of the National Credit Union Administration's ongoing efforts to ensure that all aspects of our internal automated information systems, particularly as they affect credit unions, are fully Year 2000 (Y2K) ready. It will also fulfill your requirement to obtain written confirmation of our Y2K status as one of your software suppliers.

NCUA began planning for Y2K readiness in 1995, as we converted from our old mainframe architecture to a modern client-server computing environment. Since then, we have:

- replaced all agency computer hardware and communications systems, including the mainframe, desktop workstations and examiner laptop computers
- replaced all third-party off-the-shelf software, including the operating system platform and office automation suite
- rewritten or replaced all custom application programs in the agency, using the most current tools, techniques and processes

Since our last correspondence to you on this subject, we have successfully completed four levels of Y2K validation testing of our internal information processing systems. We have twice submitted our test procedures, documentation and results to the accounting firm of KPMG Peat Marwick for independent review and assessment. While not rendering a formal opinion, KPMG validated our testing methodology, processes, and documentation, and we have successfully addressed all the recommendations made during their reviews. ***All internal agency-supported information processing systems now in production are Y2K ready.***

There are two software systems created by NCUA that are of particular importance to credit unions. These are the 5300 Credit Union Call Report System and the 5310 Corporate Credit Union Call Report System. Both of these systems are Y2K ready. We recognize the need for credit unions to conduct their own testing of these systems. The September 1998 5300 system contains an edit that prevents using the program outside the date range of the current 5300 cycle. This edit has been removed from future versions of the 5300 program. Credit unions will be able to use the December 1998 version to conduct their own Y2K testing. We will provide testing instructions along with the December 1998 5300 distribution. The current version of the 5310 Corporate Credit Union Call Report system can be used for testing.

In an effort to minimize the risk from automated systems outside our direct control, we continue to perform testing and obtain Y2K readiness certification on non-critical systems and equipment supplied by outside vendors and used by NCUA. In addition, we have developed contingency plans for each of these systems in the event of failure. These contingency plans

have been prioritized and linked to our agency Business Continuity Plan to ensure uninterrupted service as we enter the 21<sup>st</sup> century.

If you have any questions regarding the status or progress of NCUA's Y2K validation efforts, please contact the Director of Strategic Planning Layne L. Bumgardner at (703) 518-6320 or Chief Information Officer Douglas D. Verner at (703) 518-6440.

Sincerely,

/S/

Norman E. D'Amours

Chairman