



Office of Thrift Supervision  
Department of the Treasury  
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Ellen Seidman  
Director

**RESCINDED**

December 18, 1998

Any attachments to this document are rescinded only as they relate to national banks and federal savings associations.

**MEMORANDUM FOR:** Chief Executive Officers  
**FROM:** Ellen Seidman, Director   
**SUBJECT:** Interagency Questions and Answers Concerning Year 2000 Contingency Planning

The OTS, and the other FFIEC agencies, recently issued the attached questions and answers to supplement previously issued interagency guidance on Year 2000 readiness. "Questions and Answers Concerning Year 2000 Contingency Planning" answers commonly asked questions and clarifies previous FFIEC Year 2000 policy statements regarding Year 2000 contingency planning. Copies of these questions and answers are attached and are also available on our web site ([www.ots.treas.gov](http://www.ots.treas.gov)).

The FFIEC Q&A document establishes a target date of June 30, 1999, for financial institutions to substantially complete Year 2000 business resumption contingency planning. The OTS expects thrifts to have already completed the first two phases of Year 2000 business resumption contingency work (organization planning and business impact assessment), and to have the third phase (developing a contingency plan) well underway by now. The OTS encourages thrifts to begin the fourth phase (validating the contingency plan) as soon as practical to permit timely completion of the process.

The contingency planning phase of the Year 2000 project is a critical stage in the readiness process. Failure to properly identify and test contingency plans could affect the viability of a financial institution. We fully recognize that each thrift is unique and that your management team is in the best position to determine the contingency plan strategies that are best for your organization. This decision should be made after considering the size of your institution, the complexity of operations, and an acceptable level of business risk exposure.

Topics addressed in this question and answer statement include: remediation contingency planning, business resumption contingency planning, training, business impact analysis, contents of the plan, data retention and recovery requirements, securing alternative service and product

providers, infrastructure outages, reduction in service, liquidity needs, public perception, infrastructure issues and validation of contingency plans. Institutions should refer to the ten previously issued FOMC Interagency Statements addressing Year 2000 readiness for a comprehensive discussion of Year 2000 related topics.

We are interested in your questions and concerns regarding efforts to make your systems ready for the Year 2000 date change. Please contact the Year 2000 Coordinator at your regional OTS office; Dorothy Van Cleve, National Year 2000 Coordinator at (202) 906-7380; or Jennifer Dickerson, Senior Manager, Information Systems Examinations at (202) 906-5631 for further assistance.

[Attachment](#)

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