OTS Director Seidman Writes On Y2K 'Super Bowl' in Newsletter

WASHINGTON, D.C., Dec. 17, 1999 - Director Ellen Seidman of the Office of Thrift Supervision (OTS), writing in the agency's December Y2K newsletter, "MMillennium," draws parallels between the preparation and high level of anticipation of banks and thrifts as the Year 2000 date change draws close and that of professional football teams getting ready for the NFL's Super Bowl.

OTS has published the newsletter every month since January 1998, covering key guidance issued jointly by the federal regulators over the past two years and tracking the progressive preparations of the nation's banks and thrifts to the point today where all of them are Y2K ready and now anticipating the passage into the new millennium. The text of Ms. Seidman's article follows:

**The Y2K 'Super Bowl' Is about To Begin By Ellen Seidman, OTS Director**
The National Football League attracts a huge worldwide television audience for its Super Bowl. But the January 2000 Super Bowl won't hold a candle to Y2K's audience. In fact, it's no contest. Six billion people worldwide will be witnessing the advent of the new millennium, while mere tens of millions across the time zones will watch the January football classic on TV.

Although the exact outcome of either event is yet to be decided, we who are part of the financial services industry are optimistic, like the two teams competing in the Super Bowl will be on the eve of the game, that we have done everything possible to be successful in the big event. You, your service providers and we, the regulators, have our respective game plans in hand. We have thoroughly examined them, repeatedly practiced and tested them, and now we're just waiting for the dawn of the new millennium to begin spreading westward from the Pacific.

If everything goes as we planned and worked so hard for over these last three plus years, everybody wins and nobody loses, unless they are doomsayers who once again are proven wrong.
It may have seemed at the time you received the first FFIEC Y2K guidance from us in 1996 that a really long road lay ahead in getting ready for the date change. And we regulators fretted some over how many institutions might not make it. But as we look back now, it seems only yesterday that all this work began, and now we are fully confident that all banks, thrifts and credit unions will be ready.

That first guidance, you may recall, was "The Effect of Year 2000 on Computer Systems." A lot more guidance followed, maybe to the point where you began to wonder what we'd come up with next. The bottom line is, however, that the guidance worked, of course in conjunction with the skills and dedication of your staff and ours.

Obviously, getting to the current level of preparedness has been no picnic. I'm sure there have been frustrations and maybe even some doubts along the way. But like any good game plan, you perceived the goal line, drafted the players - in this case your staff and management team given responsibility for executing the plan - and put them through their drills until they got it right. Well, the preliminaries are over, and we'll soon know how well your team, and ours, has executed.

We are confident that, notwithstanding the probability of some glitches here and there, we'll come out on top. And we'll be "in the game" around the clock like many of you will be as we pass through the millennium time zones. Hopefully, we'll look back the first week of January 2000 and say, "The game plan worked well, and the execution was terrific."

I think the experience of the past three years has shown that we can really work together across all segments of the financial services industry and all regulatory boundaries to deal with a common issue. In implementing our Y2K strategy, the principals of the agencies, including Federal Reserve Governor Mike Kelley, FDIC Chairman Donna Tanoue, Comptroller of the Currency Jerry Hawk, Chairman Norm D'Amours of the National Credit Union Administration and I, have worked closely together to give overall guidance to the process and to deliver our message of confidence in the system to the public.

The supervision and legal staffs at OTS and their counterparts at the other agencies have met many times to deal with myriad Y2K issues. From their resourcefulness came the guidance that, I believe, has been invaluable in the preparatory process. And on service provider and certain other exams, multi-agency staffs have worked as one. The communications staffs also have worked closely together, offering strategies and tactics for disseminating essential information to the press and through the media to the banking and credit union customers, our own employees and the general public.

Through town meetings, the guidance issued over the three-year period and various other tools, such as this newsletter and the agencies' respective web sites, we have repeatedly touched base with you. Where appropriate, we also have worked with your trade associations. They, in turn, have been very active in communicating confidence to the public and, where needed, taking on the naysayers.

There is so much to be proud of in the way all segments of the banking, thrift and credit union operations have performed and what they have accomplished over a relatively short time period. I have been very impressed with the manner in which the top management and boards of directors of the institutions we regulate recognized early on what needed to be done to come into Y2K compliance. All of us at OTS appreciate the resolve to get the job done.

Our own staff deserves a lot of credit for getting the agency's systems in good order and for the way they have worked with your representatives. I want to acknowledge in particular the contributions of the approximately 200 OTS examiners and field managers dedicated to Y2K.
They have been in the forefront of this entire process and have done a masterful job in helping you reach and validate your Y2K readiness. Based largely on their assessment derived from the three on-site exams, we have reported with confidence that the nation's thrift industry is ready for Y2K.

My expectation is that notwithstanding a minor "fumble" here and there, victory will be ours. We won't receive a big diamond-studded ring, but we'll derive a lot of satisfaction from a job well done.

One more thing: the January issue of MMillennium will be the 25th and, likely, the final issue. We expect to recap the events occurring during the date change, and we'd very much like to hear from you about any interesting "events," particularly ones that are poignant, uplifting or funny. The easiest way to communicate them to us is by e-mail (ots.press@ots.treas.gov). You can also send a fax to (202) 906-7849, or write to: MMillennium, Office of Thrift Supervision, 1700 G Street N.W., Washington, DC 20552. Get those cards, letters and e-mails coming!

A Happy and Uneventful New Year to all of you!

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at www.ots.treas.gov.