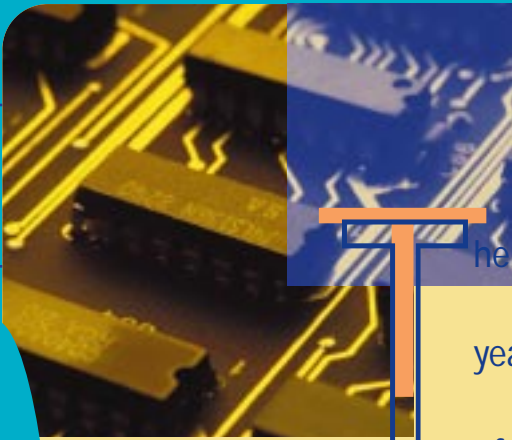


Y2K



There has been great concern about the year 2000 computer problem. Millions of people around the world will wait in anticipation to see what will really happen with computer technology when the clock strikes midnight on December 31, 1999.

Are You Prepared?

INSIDE

The Year-2000 Watchers

Ready Or Not: Y2K On The Horizon

Prepare Yourself For Year-2000 Snags





The Year-2000 Watchers

WATCHERS

By now, most of us would have noticed the media trying to alert us about things that will not work when the year 2000 rolls around. We hear stories of credit cards with expiration dates set to 00 being rejected at grocery stores. We hear hope-filled stories of ATMs spitting out \$20 bills at the stroke of midnight when we ring in the year 2000. We also hear portrayals of horror, where no one wants to be on a plane taking off on the night of December 31, 1999. Will the computers that run our American industries work beyond the year 2000?

To make a long story short, the stories that we all hear are based on our own lack of foresight when programming was done in the '50s and '60s and even as late as the '80s and early '90s. Cash was always tight. The management of most companies frowned on spending too much on data storage devices (hard disk drives) which were ridiculously expensive. A hard disk of 1.2 gigabyte capability, which can hold more than 280,000 standard pages of information used to cost \$10,000, whereas now it is available for \$100. This environment and the extra effort it takes to say and write the word "nineteen" and to program for two extra digits prevented all programmers to allow for the full four digits to represent the year. Microprocessors and programs were defaulted to think that 55 meant 1955 and that 97 meant 1997. But with the year 2000 approaching, the two-digit system would not suffice, and thus the scramble to reprogram computer systems began.

If the two-digit system is not revamped, mortgage interests, insurance payments, any calculations using the difference in dates are bound to be incorrect. In addition, the microprocessors in coffee makers, fax machines and a whole host of other equipment may register that they have been in service for too long on January 1, 2000, and they may quit due to lack of maintenance. One thing is for sure — if you have a PC-AT at home, i.e. a PC using the 286 intel microprocessor circa 1985, please consider moving to a newer PC, as the 286-based microprocessor will not start up in the year 2000.

There are three things one cannot avoid — death, taxes and the year 2000.





Ready Or Not? Y2K On The

HORIZON

You may have heard about the Y2K problem affecting computers, or as others call it, the "millennium bug." Just what is this problem, you ask? Y2K is short for "Year 2000." It's a problem inherent in many computers in that they are unable to decipher dates after

December 31, 1999. This inability can transfer into corruption of data stored in the computer's memory. Government agencies and businesses have spent millions of dollars preparing for the new year. Your credit union wants you to know that we have gone to considerable lengths to ensure our computers will be Y2K-ready. When the year 2000 hits, your funds will be safe and secure, as well as accounted for.

If you are in doubt as to whether your own personal computer will be glitch-free with the new year, there are several Web sites you can visit. Windows users can go to Microsoft's year 2000 Web site at www.microsoft.com/technet/year2k/default.htm. There, after installing the fixes, you might want to visit www.zdnet.com/vlabs/y2k/testy2k.html to test your computer system's ability to deal with "00" dates. If you are an Apple Macintosh user, you're in luck. Your hardware and operating system are Y2K-ready. Apple thought ahead when designing the Macintosh.



PREPARE YOURSELF FOR YEAR 2000 SNAGS

From the smallest to the largest, federally insured financial institutions have been working hard to make sure their computer systems will operate smoothly in the year 2000 (Y2K). In addition, federal and state regulators are closely monitoring the progress of institutions they supervise to make sure Y2K issues are being addressed. Despite the best efforts of the industry and the regulators, no one can guarantee that everything will work perfectly. That's why financial institution customers may want to consider taking steps in anticipation of the date change. You can refer to the following checklist to prepare yourself for Y2K:



EDUCATE YOURSELF ABOUT Y2K

Find out what your financial institution is doing to address consumer concerns. If you have questions, speak with a representative who knows about the institution's Y2K program.



KEEP COPIES OF FINANCIAL RECORDS

As always, keep good records of your financial transactions, especially for the last few months of 1999 and until you get several statements in 2000.



PAY ATTENTION TO YOUR FINANCES

As always, balance your checkbook regularly. When you receive a transaction receipt from your institution, check it for accuracy and save it to compare against your statement. It's also smart to review your credit report to make sure it doesn't contain inaccurate information.



MAKE PRUDENT PREPARATIONS

Remember all your payment options (checks, credit cards, debit cards, ATMs and tellers) in the event that one doesn't work as planned. The Federal Reserve has plans to ensure that there will be sufficient cash available for consumers. If you withdraw money, make reasonable decisions based on solid information; don't put yourself at risk of being robbed or losing valuable interest payments.



BE ON GUARD AGAINST Y2K SCAMS

Be skeptical if someone asks for your account information or tries to sell you a product, service or investment that's supposedly Y2K "safe." Protect your personal information, including your bank account, credit card and Social Security numbers.



REVIEW YOUR DEPOSIT INSURANCE COVERAGE

The federal government's protection of insured deposits will not be affected by Y2K. If you have more than \$100,000 in an insured bank, thrift or credit union, you may want to make sure you understand the insurance rules. Check with your financial institution or call the Federal Deposit Insurance Corporation at 1-800-934-FDIC (for banks and savings institutions) or the National Credit Union Administration at 703-518-6330 (for credit unions).

