



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING
333 MARKET STREET, 16TH FLOOR
HARRISBURG, PENNSYLVANIA 17101-2290

RICHARD C. RISHEL
SECRETARY OF BANKING

TELEPHONE
717-787-6991

February 2, 1998

TO: ENTITIES LICENSED UNDER THE PROVISIONS OF THE CONSUMER DISCOUNT COMPANY ACT, MONEY TRANSMITTER ACT, MORTGAGE BANKER AND BROKER ACT, PAWNBROKER ACT, SECONDARY MORTGAGE LOAN ACT AND MOTOR VEHICLE SALES FINANCE ACT (SALES FINANCE COMPANIES ONLY)

The year 2000 will usher in many challenges for Pennsylvania's financial service providers. One which should be immediately addressed, if your company has not already done so, is the revision of computer software applications.

As you may know, many computer programs used in the financial services industry are not capable of correctly recognizing dates beginning with January 1, 2000. For the last fifty years, computer programmers have followed a standard method of entering dates into applications that fails to recognize changes in century; all dates are assumed to fall in the 1900's. So, as we approach the twenty-first century, this date standard must be revised if the computer systems we have come to depend upon are to stay fully operational beyond the year 1999.

For depository institutions, the Department of Banking will be reviewing plans to address the year 2000 problem. Because the Department of Banking does not have safety and soundness responsibilities for non-depository licensees, no such routine examinations will be conducted for your company.

However, that does not negate the need to correct any potential year 2000 problems. In fact, timely consideration and correction of any potential year 2000 problems will ensure your business's vitality into the next century. I trust that if you have not already taken steps to assess your potential year 2000 problems, you will do so immediately.

Sincerely,

Richard C. Rishel

RCR:MAW:tls