

**AMERICAN
GENERAL
FINANCIAL GROUP**

SECURITIES AND EXCHANGE COMMISSION
RECEIVED

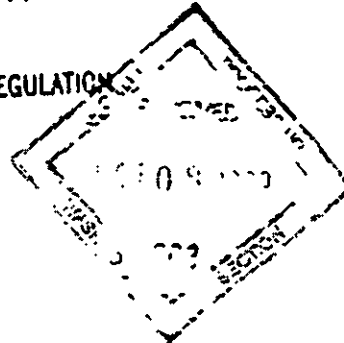
John E. Arant, III
Executive Vice President
Sales

October 7, 1999

OCT 12 1999

DIVISION OF MARKET REGULATION

Via Airborne



Division of Market Regulation
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549-1002
Attention: Y2K Compliance

RE: VALIC Investment Services Company (CRD 42803)
SEC Rule 15b7-3T

Dear Sir:

This letter is in response to a letter from the NASD dated October 5, 1999 as well as discussions by NASD personnel with VALIC Investment Services Company regarding Year 2000 Readiness and the Year 2000 Examination conducted by Rob Vilardo of the NASD on September 27, 1999.

Please be advised that the firm does not have a material Year 2000 Readiness problem as described under SEC Rule 15b7-3T. In the course of the Year 2000 Examination we erroneously disclosed to Mr. Vilardo three systems wholly unrelated to the business of the firm. These three systems were identified as: AWD, 3R, and Convey. Such systems are related to insurance activities of our affiliated company. These systems of the affiliated companies are currently unrelated to those systems of the firm.

Additionally, point-to-point testing of all mission critical systems was completed by September 30, 1999. Therefore, I hereby certify that based on inquiries and the best of my knowledge the firm has remediated its presumed Year 2000 Readiness problem.

Sincerely,

John Arant

xc: Robert Vilaro – NASD
Mary Cavanaugh, Esq.
Kevin Abikoff, Esq.
Brian Toldan
John LaGrasse
David denBoer, Esq.
Jane Bates
Keith Roberts
Larry Ellsworth
Rick Sdao