

## Request to Flood Open End Loan Contract # / Contract Date

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### Understanding What This Flood Means for Reg. Z.

For Credit Unions with a Multi-Featured Open-End Lending (MFOEL) program, you may already be aware that CUNA Mutual has requested changes made to how periodic statements appear. (If your credit union is using another MFOEL lending platform, please contact Jim Vilker with your provider's specific changes, if required.) CMG has recommended, under their interpretation of the regulation, that member loans opened under an Open-End Loan contract should be displayed near each other on the periodic statement and display an aggregation of the fees and interest for those loans. CU\*Answers is developing these changes, which may require a change to how your Credit Union uses CU\*BASE, specifically the Open End Loan Contract screen (MNLOAN #1, Action Code 'LC'). In order for loan suffixes to be displayed on the member's periodic statement with the Contract/Plan #, the member *must* have a Contract # and date in the Open End Loan Contract screen, and each loan that applies as a loan opened under the contract must have been selected on an individual suffix level.

### What CU\*Answers Can Do for Your Credit Union

To make this easier for your credit union, we are giving Credit Unions the option to have CU\*Answers flood these records, free of charge. In order for us to do this for your Credit Union, you will need to provide us with the following information:

**Loan Categories Affected** – In order for us to determine what members should have your Contract/Plan # flooded into the record, you must provide us with a list of the Loan Categories that fall under your MFOEL program.

**Loans with an Open Date of X or Newer** – You can further specify whether the member should have an Open End Loan contract # by specifying only members with loans of the categories above that were opened after MM/DD/YYYY.

**Contract #** – Members that meet the Loan Category and Open Date qualifications will be flooded with the Contract # you provide us. It is also important to understand that the CU\*BASE loan system only supports the member being enrolled in one plan. If you have a member with more than one Contract # please contact Jim Vilker ([jvilker@cuanswers.com](mailto:jvilker@cuanswers.com)) immediately!

**Contract Date** – You will be able to choose whether CU\*Answers will flood a single date for all qualified members for the contract date (ex. all OE Loan Contracts will have a contract date of MM/DD/YYYY), CU\*Answers will flood the Contract Date with the Open Date of the oldest qualifying loan for that member, or CU\*Answers will flood the date with the date the flood was performed.

### IMPORTANT CONSIDERATIONS!

1. DEADLINE: The deadline to submit your completed form is **Thursday, July 15, 2010**.
2. If you elect to have CU\*Answers perform the flood for your credit union, we will OVERWRITE any existing Contract # / Contract Date information that exists for members that qualify under the rules above.
3. We will NOT update any other information on the Open End Loan Contract Screen other than the Contract # and Contract Date. Remember that this is emergency maintenance to comply with regulation dates. Proper maintenance should be performed by the credit union after the flood has been performed.
4. All loans that fall under the appropriate loan category and open date range will also have the new individual account indicator updated to a 'Y' accordingly, indicating that the loan should be displayed on the periodic statement with the Contract # and in the Summary of Loans Under Open-End Lending Plan. More information on this and other new fields as they pertain to Reg. Z. will be included in future Release documentation.
5. CU\*Answers will automatically add Open-End Loan Contract Comments to the affected members indicating when the flood was performed and who it was performed by.
6. This may mean your credit union will need to reexamine how you open and maintain loans to ensure that the contract # is listed for the member, and that the loan is listed as one opened under the plan, if necessary. For more information please refer to the Responding to the Credit CARD Act / Reg. Z. page in the Kitchen (<http://cuanswers.com/kitchen/cardact.php>).
7. The flood will be performed by the July Statement run, provided you have met the deadline detailed above.

## Request to Flood Open End Loan Contract # / Contract Date (cont'd)

This is authorization for CU\*Answers to perform batch maintenance on selected loan accounts and member open-end loan contracts in CU\*BASE according to the instructions below. I understand only current loans and memberships will be adjusted and that it will be my credit union's responsibility to manually adjust the open-end loan contract and other fields on my memberships, where appropriate. I further acknowledge that this flood will not affect new loans and memberships being created from the point of the flood being performed forward.

Credit Union Name:		CU#:	
Contact Name:		Phone #:	

**Instructions:** Use this section to specify all loan categories that fall under your Multi-Featured Open-End Loan (MFOEL) program. You must further specify the Open Date range (MM/DD/YYYY to present) for which loans of those categories should be eligible for an Open End contract #/date to be flooded. Remember that this will overwrite any existing contract # / date that are entered, and we will NOT update any other fields on the Open End Loan Contract screen. Because of the time and preparation work involved in the batch flood programs, **if you have fewer than 100 loan accounts**, please use MNLOAN #1, Action Code 'LC' to manually adjust the OE loan contract information manually.

1	2	3	4
Loan Category Codes (ex. 01, 02, 03, 06)	Open Date (MM/DD/YYYY) Range To Include (ex. <u>12/01/2010</u> to Present)	Contract/Plan #	Contract Date
_____	_____ To Present	_____	<input type="checkbox"/> Flood all applicable records with _____. <input type="checkbox"/> Use the Open Date of oldest open loan that applies. <input type="checkbox"/> Use current date.

**FAX TO: 616-285-7285. Form must be submitted by Thursday, July 15, 2010.**

For CU\*Answers Use Only:

Completed By: \_\_\_\_\_, on \_\_\_\_\_. Verified By: \_\_\_\_\_, on \_\_\_\_\_.