



JUNE

wed

23

2010
leadership
conference



Are you an
Artist?



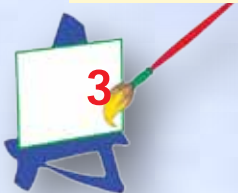
Agenda

This Morning

- n The Spirit of an Artist
- n Since we last met...
 - § 2009-2010: A Year Dominated by a Regulator's Agenda
 - § A Network Feeling Some Release Fatigue
 - § Some of My Favorites Since Last June
- n Increasing Our Investment in Network Execution
- n Summarizing the Morning

This Afternoon

- n Your CU is Everywhere
- n 'Til we meet again...
 - § Looking Forward to the 2011 Development Agenda
- n The Power of the Network
 - § Working Hard to Include Everyone in the Vision
- n Report on CU*Answers Management Services
- n Wrapping Up the Day





Celebrating Our Artistry

artistry [är'tī-strē] *n*

a superior skill that you can learn by
study and practice and observation



The Spirit of an Artist

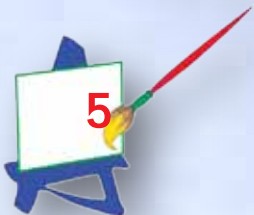
- n It has been an interesting year, for our country as well as for the credit union industry
- n We all seem to agree about the downside, the crises, the negative economic impact of the last year...what we can't seem to agree about is the recovery
- n There are two very different points of view

"The economy and the CU system are showing signs of recovery, and the future is bright."

"All the signals are still there for another bad year, and a double scoop of bad times. We should all be worried."

What we need most from credit union leadership is action that is based on

the spirit of an **artist**



Chip Filson: A Champion of the Brighter Side

Callahan Presenting Credit Union Report to White House

4/2/2010

By Claude R. Marx, *Credit Union Times*

In an effort to raise the visibility of credit unions' accomplishments in serving their members in particular and the economy in general, the consulting company Callahan & Associates plans to give a report on the industry's performance to the Obama administration.

The report will include state-by-state and consolidated financial information on industry performance in 2009. The firm is seeking the signatures of credit union leaders to include in the letter accompanying the report.

"Credit unions continued to lend throughout the financial crisis. With all the negative news about the financial industry, we believe it's time Washington learns about credit unions' excellent—incredible really—results," said Callahan President/CEO Chip Filson.



Industry Highlights

Recent Good News

As of the end of March:

- n Assets increase 4.7% over the last twelve months to \$909.8B
- n Credit unions began the year strong, originating \$51.8B in loans during the first quarter of 2010
- n Credit unions are selling more than half of their total first mortgage originations to the secondary market. Total secondary market sales in the first quarter were \$7.9B
- n Share balances increased 6.6% over the last 12 months
- n Total membership rose 1.0% to 91.5M as increased awareness of the credit union industry brings in new members
- n The net worth to assets ratio stands at 9.9% as of March

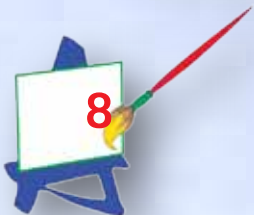
Source: Callahan 1Q 2010 TrendWatch
www.creditunions.com



1st Qtr Economic Trends

Recent Good News

- n The Federal Funds Target Rate has remained at the historic low range between 0-25 basis points since December 2008
- n Existing home sales increased 14.9% from totals reported in March 2009
 - § A large contributor to this growth was the success of the First Time Home Buyer Credit
- n Auto sales are back on the rise, up 15.5% through the first 3 months of 2010
- n Outstanding consumer credit increased by 40 basis points in March, the first increase since 2008
 - § This increase was driven by the 4.0% growth in non-revolving credit
- n The personal savings rate has declined to a preliminary 3.4% in March, down from 3.7% in the previous year



Some not-so-good news...

From the Credit Union Industry

Losses Surge at NCUSIF

Credit Union Journal Daily Briefing | Thursday, May 20, 2010

ALEXANDRIA, Va. — [NCUA](#) had more bad news for credit unions this morning, announcing it has added eight more credit unions to its troubled list and set aside an additional \$170 million to cover losses at natural person credit unions. The additional reserves cut the reserve ratio for the [National CU Share Insurance Fund](#) and, with two other negative indicators, point to a higher premium assessment later this year, agency officials said during the NCUA Board's monthly meeting. The other negative indicators are significantly low interest earnings on the NCUSIF's \$9.4 billion in Treasury securities and high share growth of 11% for the first quarter of the year, which would cause to greater dilution of reserves later in the year.

Members United MCS Now 97% Impaired

5/18/2010

Credit Union Times The \$9.5 billion Members United Corporate Federal Credit Union released its April 2010 and year-end 2009 audit today, reporting additional OTTI's that will impair member capital shares by 97%.

December 2009 OTTI's numbered \$116.9 million, and Members United recorded an additional \$21.1 million OTTI in April, resulting in a retained deficit of \$130 million. The Warrenton, Ill.-based corporate will eliminate the deficit using capital effective May 28, including some \$11 million worth of MCS on-notice for withdrawal.

NCUA Extends Emergency Forbearance for Corporates

Credit Union Journal Daily Briefing | Thursday, April 29, 2010

ALEXANDRIA, Va. — The NCUA Board voted this morning to extend an emergency order essentially allowing corporate credit unions to ignore the agency's minimum capital standards until the end of 2011.

The order will allow corporates to operate at the capital ratios they had at November 2008, before the failure of U.S. Central FCU wiped out as much as half of all corporate capital, putting all but three of the nation's 28 corporates in violation of regulatory capital minimums.

The media constantly gives us signals to worry about

Some not-so-good news... From the Economy

Stocks test price floors amid wave of selling

Updated 12h ago | Comments 29 | Recommend 5

E-mail | Save | Print | Reprints & Permissions | [RSS](#)

By Adam Shell, USA TODAY

Share

STOCKS ON THE MOVE

DJIA Daily 6/08/10



Dow Jones industrial average, the past six months

NEW YORK — serve as a flood are giving way pressure on V

Investors know geopolitical he problems in G European cou the Gulf of Mex

The latest blov economy unat sector jobs to relapse.

Stocks close down over 3% after disappointing jobs report

Updated 1d 1h ago | Comment | Recommend

E-mail | Save | Print | [RSS](#)

By Stephen Bernard, Associated Press

Share

NEW YORK — Stocks fell to their lowest level in four months Friday after the government said hiring remains weak and another European country warned its economy was in trouble.

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By David Karp, AP

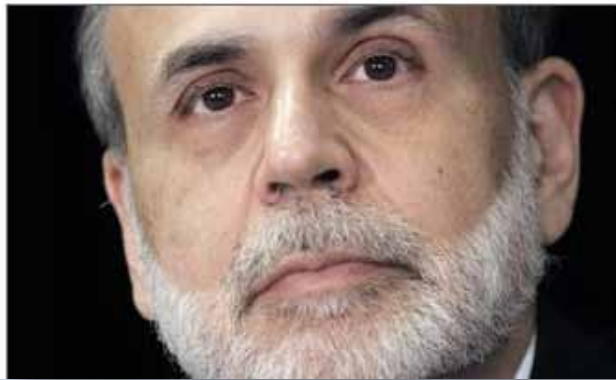
tion in the private its work the trading ange Friday.

The Dow Jones industrial average dropped 323 points to close below 10,000. It was the lowest finish since February and the third-worst slide of the year.

Major indexes all lost more than 3%. The drop pushed the market back into "correction" mode, meaning a decline of at least 10% from a recent high.

economy | Comments 7 | Recommend 1

Bernanke: U.S. economy recovering, though it won't feel 'terrific'



With the general consensus that we will have to pay our way out of this mess, no matter how good you are doing, you're concerned about the pending bill

The Spirit of an Artist

“Artists to my mind are the real architects of change, and not the political legislators who implement change after the fact.”

William S. Burroughs (American poet, novelist & essayist)

- n So many concepts come to mind when you consider the question: “**Are you an artist**” when it comes to your career? Your leadership? And how you craft solutions for your members?

Throughout the day, I hope we can challenge ourselves to declare everyone in this room an artist, and to search for the artistry in all we plan to do



What do you think of when you think of the word “artist?”

passion

perseverance

edgy

practice

enthusiasm

creativity

labor of love

knowing your tools

being observant

skill

zeal

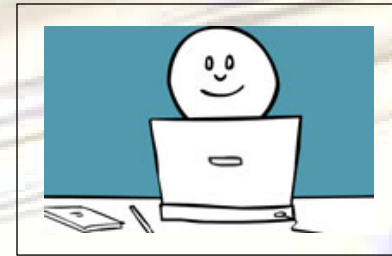
patience



Speaking of Artistry...

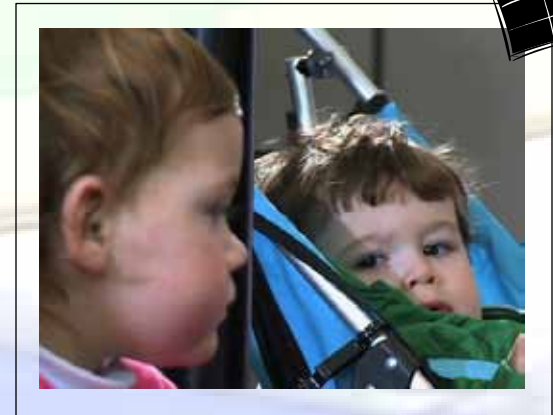
n Like a true artist is never content to stop at his last work of art, we thought it was time to develop a fresh new self-service video for play in credit union lobbies

§ Replacing the “stickman” (introduced in 2006)



Self-Service Short
(2006-2010)

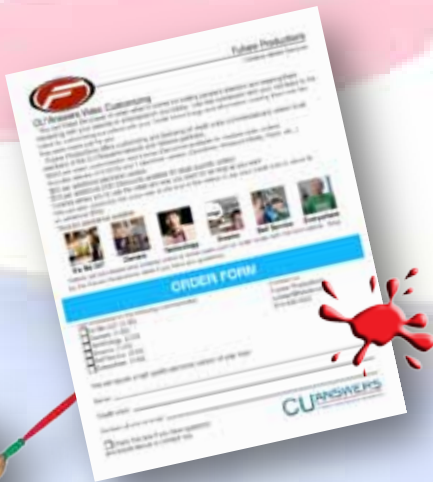
n Introducing the **credit union babies** and our new self-service short...
(we'll start with a little “edgy” already this morning)



2010 Self-Service Short

Another Example of Artistry

- n The OnDemand site has rapidly evolved to become one of our most artistic examples of creativity and network outreach



2009-2010: A Year Dominated by a Regulator's Agenda

We're not done yet, but there is light at the end of the tunnel

And we did all have plans BEFORE these regulator deadlines came up...



Artistry in Compliance Design

- n While it has been a strange year, we've seen this cycle many times over our careers
 - § Responding to TIS, Reg. CC, Y2K...any rule of the day
- n We need to remember to take an **artist's approach** to designing our response to compliance...as a network, as software developers, and as credit union operators
- n It all comes down to your perspective
 - § Follow the rule at all costs, with the most narrow interpretation of the risk-to-reward ratio
 - § Compliance with an inside-out (employee convenience) or outside-in (member convenience) design
 - § Making a dollar in spite of the rule – designing a winning formula for your ultimate goal: a profitable businesses

The Never-Ending Cycle

- n Everybody knows that regulations take forever to get *through* a market
 - § First there's the rule,
 - § Then a great debate about how the rule will be applied,
 - § Then a long period of speculation on the design of tools to make compliance easy,
 - § Then software development projects begin, get released, and get re-released,
 - § Then through experience, everyone starts to modify their positions at every level (*remember the hot "flood or not flood" debate over next payment dates?*)
- n What do we know for sure? Everything we are doing with regulation design in 2010 will have a ripple effect into 2011 and 2012, and we'll evolve the tools based on the market's response



#1

Recipes in the Kitchen

Responding to the Credit CARD Act / Reg. Z

- n Kitchen page currently contains **24** links to information related to this regulation and our network response (last update posted April 30)
- n Two rounds of significant statement changes, **13** forms reprogrammed in record time
- n *Next up:* MFOEL plan updates (10.2 release in July)
- n *A ripple in 2011:* Improving management of credit card fee disclosures
- n Who did this affect?
 - § **70+** CUs with CU*BASE online credit card programs
 - § **65+** CUs with MFOEL plans



CU ANSWERS

Responding to the Credit CARD Act / Reg. Z

This page is where we'll post communications related to the Credit Card Accountability, Responsibility, and Disclosure (CARD) Act and its effect on credit unions using CU*BASE. This is not intended to be an interpretation or explanation of the act itself, but rather a discussion of various tools and services CU*BASE users can offer to help credit unions as they work to comply with these new and evolving regulations.

Discussions about Multi-Featured Open-End Lending (MFOEL) Plans

We are working on a plan to help CU*BASE and our member statements to allow the best information about your MFOEL plans to be disclosed to members. Remember that this is just part of the story - you can already update plan information on the CU*BASE Open-End Loan Control screen and you should start making plans to flag the disclosures to you by the plan open end loan control screen changes in this screen. If your paperwork is not yet with you be sure to mark the accounts that will need the new disclosures. If you're unsure, let us know what we might be able to do to help you. Your existing accounts should not be determined.

- **MFOEL: MFOEL Enhancements Project Plan** (working project specifications, including targeted completion timeline)
- **Timeline: Review of Statement Changes for MFOEL Plan Disclosures** (an exception from the provided plan)
- **MFOEL: Credit Card Bank Karmas** (bank A11810 to the CU*Answers and Bank Disclosures)
- **Reg. Z and the Impact on MFOEL Plan** (Quick Link Answer Issue 55, bank A11810)

What about updated forms?

Status report as of April 30, 2010: We have reviewed updated forms from CU*BASE with the required Reg. Z changes. All other forms providers have passed our deadline date of April 23 (as published in the recent edition of the Act's regulatory bulletin). Therefore, the new Reg. Z regulatory forms may not be ready by July 1, 2010 (which is the Reg. Z effective date). If you have not heard from your forms provider and are currently under the MFOEL plan, please contact them directly.

Below is a list of forms we received from CU*BASE. The form ID can be found at the bottom right hand corner.

- 890010 - US Application & Plan Signatures - WCC - CU Copy - Simplified
- 890016 - US Plan Signatures - CU Copy - Flexible
- 890026 - Credit Agreement - Statement Copy - Housing/Simplified
- 890028 - Credit Security Agreement - WCC - Statement Copy - Housing/Simplified
- 890030 - US Plan Signatures - WCC - CU Copy - Flexible
- 890031 - US Plan Signatures - CU Copy - Flexible
- 890032 - US Plan Signatures - CU Copy - Flexible
- 890033 - US Plan Signatures - CU Copy - Flexible
- 890034 - US Plan Signatures - CU Copy - Flexible
- 890035 - US Plan Signatures - CU Copy - Flexible
- 890036 - US Plan Signatures - CU Copy - Flexible
- 890037 - US Plan Signatures - CU Copy - Flexible
- 890038 - US Plan Signatures - CU Copy - Flexible
- 890039 - US Plan Signatures - CU Copy - Flexible
- 890040 - US Plan Signatures - CU Copy - Flexible
- 890041 - US Plan Signatures - CU Copy - Flexible
- 890042 - US Plan Signatures - CU Copy - Flexible
- 890043 - US Plan Signatures - CU Copy - Flexible
- 890044 - US Plan Signatures - CU Copy - Flexible
- 890045 - US Plan Signatures - CU Copy - Flexible
- 890046 - US Plan Signatures - CU Copy - Flexible
- 890047 - US Plan Signatures - CU Copy - Flexible
- 890048 - US Plan Signatures - CU Copy - Flexible
- 890049 - US Plan Signatures - CU Copy - Flexible
- 890050 - US Plan Signatures - CU Copy - Flexible
- 890051 - US Plan Signatures - CU Copy - Flexible
- 890052 - US Plan Signatures - CU Copy - Flexible
- 890053 - US Plan Signatures - CU Copy - Flexible
- 890054 - US Plan Signatures - CU Copy - Flexible
- 890055 - US Plan Signatures - CU Copy - Flexible
- 890056 - US Plan Signatures - CU Copy - Flexible
- 890057 - US Plan Signatures - CU Copy - Flexible
- 890058 - US Plan Signatures - CU Copy - Flexible
- 890059 - US Plan Signatures - CU Copy - Flexible
- 890060 - US Plan Signatures - CU Copy - Flexible
- 890061 - US Plan Signatures - CU Copy - Flexible
- 890062 - US Plan Signatures - CU Copy - Flexible
- 890063 - US Plan Signatures - CU Copy - Flexible
- 890064 - US Plan Signatures - CU Copy - Flexible
- 890065 - US Plan Signatures - CU Copy - Flexible
- 890066 - US Plan Signatures - CU Copy - Flexible
- 890067 - US Plan Signatures - CU Copy - Flexible
- 890068 - US Plan Signatures - CU Copy - Flexible
- 890069 - US Plan Signatures - CU Copy - Flexible
- 890070 - US Plan Signatures - CU Copy - Flexible
- 890071 - US Plan Signatures - CU Copy - Flexible
- 890072 - US Plan Signatures - CU Copy - Flexible
- 890073 - US Plan Signatures - CU Copy - Flexible
- 890074 - US Plan Signatures - CU Copy - Flexible
- 890075 - US Plan Signatures - CU Copy - Flexible
- 890076 - US Plan Signatures - CU Copy - Flexible
- 890077 - US Plan Signatures - CU Copy - Flexible
- 890078 - US Plan Signatures - CU Copy - Flexible
- 890079 - US Plan Signatures - CU Copy - Flexible
- 890080 - US Plan Signatures - CU Copy - Flexible
- 890081 - US Plan Signatures - CU Copy - Flexible
- 890082 - US Plan Signatures - CU Copy - Flexible
- 890083 - US Plan Signatures - CU Copy - Flexible
- 890084 - US Plan Signatures - CU Copy - Flexible
- 890085 - US Plan Signatures - CU Copy - Flexible
- 890086 - US Plan Signatures - CU Copy - Flexible
- 890087 - US Plan Signatures - CU Copy - Flexible
- 890088 - US Plan Signatures - CU Copy - Flexible
- 890089 - US Plan Signatures - CU Copy - Flexible
- 890090 - US Plan Signatures - CU Copy - Flexible
- 890091 - US Plan Signatures - CU Copy - Flexible
- 890092 - US Plan Signatures - CU Copy - Flexible
- 890093 - US Plan Signatures - CU Copy - Flexible
- 890094 - US Plan Signatures - CU Copy - Flexible
- 890095 - US Plan Signatures - CU Copy - Flexible
- 890096 - US Plan Signatures - CU Copy - Flexible
- 890097 - US Plan Signatures - CU Copy - Flexible
- 890098 - US Plan Signatures - CU Copy - Flexible
- 890099 - US Plan Signatures - CU Copy - Flexible
- 890100 - US Plan Signatures - CU Copy - Flexible

Communications from CU*Answers

- **Credit CARD Act - More Statement Changes Coming for Which MFOEL Statements**
 - Read the Summary of Statement Changes
 - View the Statement Samples
- **Regulatory Updates for the Credit CARD Act (Quick Link Answer Issue 55, bank A11810)**
 - Watch the video: **Consumer Learning Together about the Credit CARD Act** (hosted by Ben Walker, Audit Lead Manager, Geoff Johnson, VP Lending Products, Jody Karmas, CEO, and Dean Irvine, VP Lending Technology/Production, topics included reviewing the recent communications about the Credit CARD Act and answering client questions)
 - **Handling Collection Items After Adjustment Due Dates**
 - **Credit CARD Act - Review of Statement Changes** (email sent February 23, 2010)
 - Read the Summary of Statement Changes
 - View the Statement Samples
 - **Credit CARD Act Update: Preparing for the Risk-21 Decision** (announcement sent January 29, 2010)
 - Responding to the Credit CARD Act (announcement sent July 23, 2009)
 - A letter to CU*Answers clients: How our statement processing, Sept 2009
 - An analysis worksheet developed by Sage Direct showing a history of mailing dates for member statements over the past year
 - Statement Processing: Complying with Reg. Z and the Credit CARD Act (a note about statements for CU*Answers Managers from the desk of Jody Karmas, email 8/22/10)

Request a Flood of Due Dates

Complete the form! [\[click here to open\]](#) To request CU*Answers to adjust your loan account due dates for affected loans (regardless of whether you're a card or loan), this is a Microsoft Word document that can be filled in electronically.

Submit the completed form to CU*Answers Client Services via email to cs@cuanswers.com or via fax to 810-263-3195.

Answers to Frequently-Asked Questions

Search the special Credit CARD Act section in the Answers page.

Learn More about the Credit CARD Act

Here are a few resources we have found helpful.

Regulating published by the Federal Reserve (12 CFR Part 226) - [CU*BASE Compliance Memo dated 6/1/10](#)

CU*BASE - <http://www.cuanswers.com/answers/gt/summary/1418403-94333/News/UpdatedRegZandNewRegZ>

Regulator for CARM Lending website on Tuesday, July 28, http://www.regulator.org/updates/1071289_03.html

NAACU - http://www.naacu.com/press/typical-compliance-issues/1071289_03.html (this is a subscribers-only service)

Add Your Voice

Let's learn together! Send questions to questions@cuanswers.com and we'll post them on the page. Other questions should be directed to any Client Service Representative in CustomerService@cuanswers.com or CustomerService@cuanswers.com or CustomerService@cuanswers.com

Back to home screen

Reg. Z and MFOEL Plans

- n Part of the 10.2 release (July 18 for online, July 26 everyone else)
- n A new command key on the Open-End Loan Contract screen will allow you to flag which loans are part of that MFOEL contract

Open End Loan Contract

Member # 43 Household # 1681 Member name JOHN Q. WARRER Last modified May 10, 2006 By 72

Risk Based Credit Score Information

Last score 752 Last score date May 15, 2006 Paper grade CI risk level 3

Open End Loan Contract

Contract # 0065 Contract date May 18, 2006

Authorized signer (F341) JENNIFER Authorized signer (F341) MICHELLE

Coverage Options		Approved Credit Limits	
SCL:SDP	<input type="checkbox"/>	Secured	50,000
SCL:JDP	<input checked="" type="checkbox"/>	Signature	5,000
Disability	<input checked="" type="checkbox"/>	Credit card	5,000
		Over draft	1,000

Form type

Request to Flood Open End Loan Contracts / Contract Date

CU*ANSWERS

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

Loan contract name _____ Contract date _____

Loan contract name	Contract date	Contract #	Contract type
			<input type="checkbox"/> First of month
			<input type="checkbox"/> End of month
			<input type="checkbox"/> Other

Fax To: 616-225-1285. Form must be submitted by Thursday, July 15, 2010.

If you haven't been using CU*BASE to log contract #s thus far, start gathering your contract paperwork now!

Reg. Z and MFOEL Plans

n Statements can then summarize all flagged loans by contract #, including a breakdown of period and YTD fees

§ Contact a CSR to activate this statement print option!

n To flood or not to flood...

§ Regulatory compliance starts with a spirit to comply, then taking the experience of trying to comply, we all develop the precision in complying

§ Move quickly to the *spirit*



Mockup of Statement Changes

LOAN ACCOUNTS							
The balance used to compute interest is the unpaid balance each day after payments and credits to that balance have been subtracted and any additions to the balance have been made.							
600: CLOSED END LOAN							
Annual Percentage Rate: 9.900 % <small>Daily Periodic Rate: 0270000446</small>							
<small>Year-to-Date Interest Paid: 22.81</small> Due Date: 2/04/09 Scheduled Pay Amt: 120.00							
Contract/Plan # 123456789012345							
Date	Transaction Type	# / ID	Transfer Acct	Dbcrsmt	Payment	Balance	Interest
3/01/09	Beginning Balance					884.86	
3/01/09	CLOSED END PAYMENT	29			120.00	852.23	7.28
3/31/09	Ending Balance			.00	120.00	862.28	7.28
Interest Paid This Period:		7.28	Interest Paid Year-to-Date:		22.81		
Fees Paid This Period:		.00	Fees Paid Year-to-Date:		.00		
635: PREOWNED AUTO Status: DELINQUENT							
Annual Percentage Rate: 5.000 % <small>Daily Periodic Rate: 0126000046</small>							
<small>Year-to-Date Interest Paid: 44.78</small> Due Date: 12/25/08 Scheduled Pay Amt: 363.52							
Contract/Plan # 123456789012345							
*** This loan 1 month delinquent in amount: 727.04 ***							
Date	Transaction Type	# / ID	Transfer Acct	Dbcrsmt	Payment	Balance	Interest
3/01/09	Beginning Balance					2,822.81	
3/01/09	DISABILITY INS			6.54		2,929.55	
3/23/09	Per pay	32	XXXXX-045		363.52	2,560.43	14.40
3/23/09	DELINQUENCY FINE	32		10.00		2,550.43	
3/31/09	Ending Balance			16.54	363.52	2,680.48	14.40
Interest Paid This Period:		14.40	Interest Paid Year-to-Date:		44.78		
Fees Paid This Period:		16.54	Fees Paid Year-to-Date:		29.92		
639: OVERDRAFT LOC							
Annual Percentage Rate: 9.900 % <small>Daily Periodic Rate: 0270000446</small>							
<small>Year-to-Date Interest Paid: .00</small> Due Date: 2/04/09 Scheduled Pay Amt: 20.00							
Date	Transaction Type	# / ID	Transfer Acct	Dbcrsmt	Payment	Balance	Interest
3/01/09	Beginning Balance					.00	
3/31/09	Ending Balance			.00	.00	.00	.00
Interest Paid This Period:		.00	Interest Paid Year-to-Date:		.00		
Fees Paid This Period:		.00	Fees Paid Year-to-Date:		.00		
800: HELOC (*)							
Annual Percentage Rate: 5.000 % <small>Daily Periodic Rate: 0126000046</small> Rate in effect until: 12/12/254							
<small>Year-to-Date Interest Paid: 325.91</small> Due Date: 2/28/09 Scheduled Pay Amt: 139.00							
Contract/Plan # 123456789012345							
Date	Transaction Type	# / ID	Transfer Acct	Dbcrsmt	Payment	Balance	Interest
3/01/09	Beginning Balance					28,888.06	
3/30/09	HELOC PAYMENT	04			140.00	23,828.97	105.92
3/31/09	Ending Balance			.00	140.00	28,828.87	105.92
Interest Paid This Period:		105.92	Interest Paid Year-to-Date:		325.91		
Fees Paid This Period:		.00	Fees Paid Year-to-Date:		.00		
820: VISA CLASSIC							
Please review your credit card statement for transaction detail							
Date	Transaction Type	# / ID	Transfer Acct	Dbcrsmt	Payment	Balance	Interest
3/31/09	Ending Balance			2,011.52	1,600.00	8,888.02	.00
SUMMARY OF LOANS UNDER OPEN-END LENDING PLAN # 123456789012345							
For details about fees included in this summary, refer to the separate loan account transaction details.							
Account	Fees This Period	Fees This Year	Interest This Period	Interest This Year			
600 CLOSED END LOAN	.00	.00	7.28	22.81			
635 PREOWNED AUTO	16.54	29.92	14.40	44.78			
800 HELOC	.00	.00	105.92	325.91			
Plan Total	16.54	29.92	127.60	393.50			

#2

Recipes in the Kitchen


Reg. DD Amendments in 2010

- n Kitchen page currently contains **8** links to information related to this regulation and our network response (last update posted March 12)
- n The great debate – does this apply to savings accounts too?
- n *Next up*: NSF/ANR Fee Summary on statements for savings accounts (10.1 release in June)
- n *The challenge for 2011*: Automating fee reversals and reconciling the multiple views of NSF/ANR analysis (period- and year-to-date)
- n Who did this affect?
 - § Everyone that has any kind of NSF or non-return fee
 - § This was the last shoe to drop related to your options (remember, you could have been doing this for years already if you *marketed* Courtesy Pay)

The screenshot shows a webpage from CUAnswers.com with the title "Regulation DD Amendments in 2010" and a sub-header "Special Note: Fee Disclosures for Savings Accounts". The page content includes a "Special Note" section that states: "As of the current time, CUAnswers has no plans to calculate or report for or add fees on savings accounts in relation to Reg. DD. The reasons come from a recent management session discussing not only the parameters of Reg. DD, but also those included in the Credit CARD Act." Below this, there is a "Special Note" section that says: "Second, we do not have AFR (Qualified Non-Returns) on Savings Accounts. AFR (Courtesy Pay) is only a funding source for an ATM, so the only thing left is the courtesy non-qualified, providing a savings account where a non-fee is posted for an non-qualified. If debit card issuance general savings accounts become popular, it could affect our response, but right now, this is not the case." The page also features a sidebar with navigation links and a footer with logos for Talent Source, BuyCuso, and Equifax.

Reg. DD Fee Disclosures (and the now-infamous gridlines)

- n We added the disclosures back in 2006, and the gridlines went in with January 2010 statements (flat file only)
- n In 10.1 we added the option to disclose these same fees for your savings accounts
- n We believe Reg. DD will kick off a whole new series of development projects in 2011 as members start to ask questions about this disclosure, and employees start realizing that reversing a fee has a year-long affect on the numbers

Send inquiries to:

 4202 Nakano Ave.
 Oregon, OH 43616
 419-698-2962
 bayarea.com

Everyday Financial Solutions!

Statement of Account

Loan numbers followed by an asterisk (*) are open end credit. The balance used to compute the Finance Charge is the actual outstanding balance each day after credits are subtracted and new advances or other charges are added. The FINANCE CHARGE is computed on the daily outstanding balance by applying the daily periodic rate to that balance for the exact number of days each balance remains outstanding. The outstanding balance is shown below in the column marked balance and the daily periodic rate is disclosed after the account number. The ANNUAL PERCENTAGE RATE, which is determined by multiplying the Daily Periodic Rate by the number of periods in a year (365), is likewise disclosed after the account number.

Page 1 of 1

From: 12/01/09 To: 12/31/09 Member #: 999999

ATTENTION: This December year end statement does NOT include 1099-INT info. Your 1099-INT info will be mailed separately. You will want to keep that statement for your tax records.

MEMBERSHIP SUMMARY INFORMATION FOR MEMBER # 999999 AS OF 12/31/09

Suffix	Account Description	Last Tran	Balance
000	SAVINGS	4/09/09	10.12
009	FREE CHECKING	11/10/09	281.28

SHARE ACCOUNTS

000: SAVINGS Joint Owner: JANE D SAMPLE

Year-to-Date Divd Paid: .01
 Divd Rate: 5.00 to 4,999.99 = .10% 5,000.00 to 24,999.99 = .15%
 25,000.00 to 9,999,999.99 = .20%

No Activity on Account, Last Trans Date: 4/09/09 Balance: 10.12

CHECKING ACCOUNTS

009: FREE CHECKING Joint Owner: JANE D SAMPLE

No Activity on Account, Last Trans Date: 11/10/09 Balance: 281.28

	Total For This Period	Total Year-to-Date
Total COURTESY PAY CHARGE	.00	.00
Total NSF FEE	.00	.00

ANNUAL ACCOUNT INFORMATION FOR 2009

Annual Dividends Earned

Account	Description	Amount
999999-000	REGULAR SHARE	0.01
999999-009	CHECKING	0.00
	Total	0.01

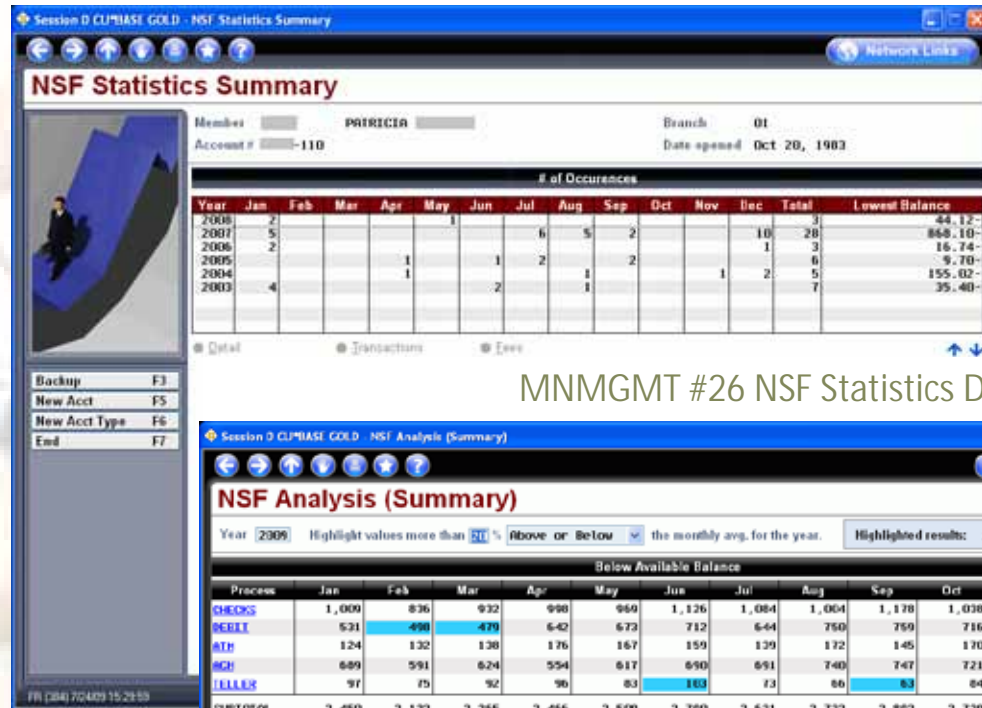
Ownership of share, deposit and certificate accounts shown on this statement is not transferable except on the books of the credit union.

0340101922800606 335 P 4 1 8 0300191 99 000001 AAAA 01

Reg. DD (with a hint of Reg. E)

Account Inquiry > F13-NSF

- n A little history...for years we've had an NSF inquiry at the individual member level
- n This year we added a new NSF analysis aggregated for the entire membership



MNMGMT #26 NSF Statistics Dashboard



Randy's compliance disclaimer:

Move quickly to the spirit: Regulatory compliance starts with a spirit to comply, then taking the experience of trying to comply, we all develop the precision in complying



Reg. DD (with a hint of Reg. E)

- n Until now this data has been **trend** data, with two different goals:
 - § Understanding occurrences (events, not items)
 - § Understanding fees charged
- n They were never designed to correlate to each other, although it could be interpreted that way
 - § Check comes in NSF (no fee posted, but occurrence counter updated)
 - § Next morning, user re-posts that same item against an early morning deposit
 - § Non-return fee is charged (fee amount updated) and occurrence counter updated once more
 - For this member: 2 occurrences, 1 fee amount
 - § *2011 software development quandary*: how to create a menu option that automates the reversal of a fee and also updates the NSF/ANR fee disclosure database

All of this is screaming for smarter and more automated Account Adjustments (I wonder what will be announced after lunch?)

The Importance of Transaction Data

- Nothing has emphasized the need for improving the clarity about transaction origins, types, and codes in our database than the changes related to fee disclosures (Reg. DD and Credit CARD Act/Reg. Z)
- We use this data everywhere, from Know Your Member analysis tools, to Reg. D, to understanding transaction costs, to configuring how to reverse a transaction
- In 2011 we will need to upgrade how everybody views, uses, and maintains this data

The image displays three screenshots of a financial system interface, likely a database or reporting tool, showing transaction data and configuration options.

Transaction Configuration / Reversal Cross Reference

Transaction Code	Application	DR/CR	Type	Transaction Type Description	Auto Tran Reversal Code	Type
12	IR	CR	1P	Berrien Membership Application	60	71
12	SH	CR	02	DEPOSIT	15	92
12	SH	CR	08	DIVIDEND ON DEMAND	15	93

Transaction Cost/Weight Factors

Transaction Code	Appl	DR/CR	Type	Transaction Type Description	Code	Origin Description	Cost
32	SD	CR	02	DEPOSIT	20	OTHER/SWAPT PROCESSING	0.100
32	SD	CR	08	DEMAND DIVIDEND	59	AUTOMATIC SYSTEM PROCE	0.050

Reg. D Transaction Policy

Transaction Code	Appl	DR/CR	Type	Transaction Type Description	Code	Origin Description	Regulation D Y/N
13	SH	DR	31	WITHDRAWAL BY CASH	01	TELLER PROCESSING	Y
13	SH	DR	37	WITHDRAWAL BY CHECK	01	TELLER PROCESSING	N
13	SH	DR	41	WITHDRAWAL TO ANOTHER ACCOUNT	01	TELLER PROCESSING	N
13	SH	DR	50	WITHDRAWAL SERVICE CHARGE	01	TELLER PROCESSING	N
23	SD	DR	31	WITHDRAWAL, CASH	01	TELLER PROCESSING	N
23	SD	DR	32	WITHDRAWAL, DRAFT	01	TELLER PROCESSING	N
23	SD	DR	37	WITHDRAWAL, CHECK	01	TELLER PROCESSING	N
23	SD	DR	41	WITHDRAWAL, ACCOUNT TRANSFER	01	TELLER PROCESSING	N
23	SD	DR	55	SALES TAX/RESR FEE	01	TELLER PROCESSING	N
23	SD	DR	58	WITHDRAWAL, SALES TAX	01	TELLER PROCESSING	N

Reg. E Requires a Lot of Artistry

- n What's different about Reg. E in your credit union's operation?
 - § ATM/debit card NSF posting fees were thrown under the bus: **unlike checks and ACH, all ATM/debit postings are force-posted**
 - § All overdraft services programs are not created equal
 - Checks and ACH were left alone
 - ATM and debit card overdraft services are unique
 - § All debit card transactions are not the same
 - One-time vs. recurring (not all vendors can even tell us the difference yet)
 - Approved transactions vs. non-approved transactions
 - § Hold processes are not cut and dried
 - Matched transactions vs. unmatched transactions
 - Balancing the risk of expiring holds
 - § All negative balances are not created equal
 - Approved negative balance postings (Courtesy Pay) vs. non-approved (member opted out, or transactions beyond the negative balance limit)



Reg. E Requires a Lot of Artistry

Understanding Your Volumes and What's at Stake

Session 0 CU*BASE GOLD - NSF Analysis (Summary)



Network Links

NSF Analysis (Summary)

Amounts

Year **2009** Highlight values more than **20** % **Above or Below** the monthly avg. for the year. Highlighted results: 23 out of 96 (23 %)

Below Available Balance

Process	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
CHECKS	34,895	28,560	31,780	34,265	33,145	38,850	37,835	35,420	40,670	35,455	32,375	42,210
DEBIT	15,190	13,825	13,440	18,130	18,935	19,915	18,445	20,510	21,245	20,265	19,285	22,995
ATM												
ACH	22,925	19,775	21,000	18,620	20,825	22,995	22,960	24,640	24,920	24,185	22,680	29,645
TELLER	3,395	2,625	3,220	3,360	2,905	3,605	2,555	2,310	2,205	2,940	2,940	2,765
SUBTOTAL	76,405	64,785	69,440	74,375	75,810	85,365	81,795	82,880	89,040	82,845	77,280	97,615

NSF

Process	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
CHECKS REV	11,865	7,455	9,940	10,570	10,500	12,390	12,635	9,450	14,175	10,675	10,115	14,945
ACH REV	13,195	10,990	13,615	11,165	10,255	15,050	13,615	12,705	14,700	12,460	10,220	14,420
ATM NOT RTN	665	245	490	805	1,085	560	560	1,155	945	1,050	1,680	2,310
DBT NOT RTN	2,835	2,975	3,500	2,730	4,165	5,810	4,165	4,620	4,375	4,655	4,690	5,355
SUBTOTAL	28,560	21,665	27,545	25,270	26,005	33,810	30,975	27,930	34,195	28,840	26,705	37,030
GRANDTOTAL	104,965	86,450	96,985	99,645	101,815	119,175	112,770	110,810	123,235	111,685	103,985	134,645

MNMGMT #26 NSF Statistics Dashboard

- Backup F3
- Cancel F7
- View Occurrences F11
- Summary F12

View Data

View Trends

View Distribution

Click on a process name to see details by member.

Reg. E Requires a Lot of Artistry

Increased Sensitivity to Hold Management

- n For a long time, members have struggled with “why did I get a fee when I never went negative?”
- n This pressure on credit unions to define hold processing has everyone looking for more information and definition
 - § What determines if a hold is placed or not?
 - § How are misc. secured funds for debit card transactions removed?
 - § How do Automated Fuel Dispenses (AFDs) work?
 - § How are transactions posted in CU*BASE when there is a matching record?
 - § Rules and exceptions by switch



CU ANSWERS
A CREDIT UNION SERVICE CORPORATION

Misc. Secured Funds for Debit Card Authorizations

Prepared by: Esteban Camargo, Technical Writer
Last updated: 6/6/10

The purpose of this document is to provide detailed information with regards to miscellaneous secured funds added through online debit card processing. This information will be incorporated in the complete booklet for debit card processing.

What determines if a hold is placed or not?

A hold is placed for all debit card authorizations, with few exceptions listed below.

A hold is not placed for authorizations on:

- Automated Fuel Dispenses (AFDs), specifically the preliminary holds that are sent. See the section on AFDs for further detail.
- Transactions of \$1 or less.
- No holds on PIN based transactions unless they come from VISA/MCC Network.
- Force posts. These would be transactions that VISA/Mastercard pre-authorizes and does not send a hold through the switch. These transactions are never sent to CU*Answers for a hold to be added. For example, a \$5.00 agreed upon limit without requiring an authorization.

How are misc. secured funds for debit card transactions removed?

Misc. secured funds records are removed from the member's account by one of 3 ways.

- A completion message is received from the switch and is matched to the hold. The manner in which the completion record and authorization hold match is dependent on the switch. For example, some

Reg. E Requires a Lot of Artistry

- n The biggest wrinkle in Reg. E is that you now have to legitimize the member's desire to actually use the service...you have to SELL it
- n Therefore, you have to design a program worth taking, and **sell the service** to the member as a member advantage
- n There are multiple perspectives
 - § "No one would opt in to pay a fee when they could avoid negative balance fees by simply saying no"
 - § "Everyone is going to want to opt in to this service; it's a no brainer, it saves members money and embarrassment to avoid transactions being turned down or services being suspended."
 - § "Only time will tell. Members who are used to these fees and doing business this way will come back to the service if we sell it openly and candidly."



Your perspective on how to sell this is important to how you configure the software in future releases

Reg. E Requires a Lot of Artistry

n How do you interpret this statement?

“Member wants the CU to authorize and pay overdrafts on ATM and everyday debit card transactions”

n When you set up your ANR/Courtesy Pay settings for ATM and debit card processing, you’re telling CU*BASE to communicate in a very distinct way to your ATM and debit card networks

Overdraft Protection / ANR Activation

UPDATE



Origin/Process	Overdraft Protection		ANR/Courtesy Pay		Reg DD Fees	Charge NSF Fees
	Use ODP Balances for		Use Negative Balance Limit for			
01 Trl inhouse					<input checked="" type="checkbox"/> Yes	
11 ACH	<input checked="" type="checkbox"/> Posting				<input checked="" type="checkbox"/> Yes	
02 Checks	<input checked="" type="checkbox"/> Posting				<input checked="" type="checkbox"/> Yes	
13 PIN ATM/debit	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Authorization	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Authorization	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes
16 Debit Card (Sig)	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Authorization	<input checked="" type="checkbox"/> Posting	<input checked="" type="checkbox"/> Authorization	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes
20 Bill pay	<input checked="" type="checkbox"/> Posting				<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes

MNCNFA #9 NSF/OD Transfer Configuration

Remember this is online only (PBFs are custom!)

Have you done the scenario planning with your staff to empower them to sell your program’s unique advantage and exactly how it will work?

Reg. E Requires a Lot of Artistry

- n Consider the day-to-day automation of negative balance postings:
 - § The member has opted in to your overdraft services for ATM/Debit card transactions – the computer still has some decisions to make about when to assign a limit, when to suspend the service, and when to reactivate the service
 - § What does it mean to a member when they've opted in, but you have suspended their ANR service? Can you charge them your NSF fee? Can someone opt in without ever getting a negative balance limit?
 - § And remember that your ANR program doesn't stop at ATM and debit card transactions!

Share Account Setup



Update

Dividend application CK Corp ID 011 BEDROCK COMMUNITY CREDIT UNION

General Account Information Dividend Information

Description CHECKING

Account range 010 to 012

Application type SD = Share draft/checking products

IRA plan type

Reg D transaction account

Prompt for credit report on open

Allow account nicknames

Default negative bal limit 500.00

Report dividends to the IRS

Auto update member negative balance limits

Club processing allowed

No action taken

Interface Share Draft / Checking Only

Step pay G.L. # 130.00

Configure Negative Balance Limit Parameters



UPDATE

Evaluation Parameters Negative Balance Levels

Minimum age 18 (Not used by type "MO" organizational accounts.)

Activation: Monthly Adjustment

Evaluate accounts monthly after 0 days from account open date.

Set negative balance level only if account is not currently negative, AND no more than 0

NSF returns since account opened.

Deactivation

Evaluate daily and deactivate when account has been negative for 10 days.

Reactivation

If deactivated, evaluate again 30 days from date deactivated (999 - never).

Set negative balance level only if account is not currently negative, AND no more than 0

NSF returns since date deactivated.

Cancel F7

Your Opportunities to Sell

n Selling the member when opening their membership (starting July 1)

Session 0 CU*BASE GOLD - Workflow Controls for Opening Memberships

Workflow Controls for Opening Memberships

Corp ID 01 FRANKMUTH CREDIT UNION
Branch # 01 FRANKMUTH C U - MAIN OFFICE

Details for Workflow

- OEAC scan
- Master greeting setup
- Credit report
- Bill house banking setup
- Email address reminder
- Reg E Opt In/Out functionality
- Check blocked person
- Joint owner setup
- Open sub-accounts
- E statement enrollment
- Marketing chbs
- Reg E Opt In/Out when home phone not known
- Request previous address if at current address less than 100 months

Required Fields

- Reason code
- Department sponsor
- Driver's license # and state
- Member's resident name
- Code word

Default code [Blank - no default]

Default state [Blank - no default]

Default state [Blank - no default]

Backup F3
Save F5
Cancel F7
Copy to ALL Bran F12

FR 04/16/2010 16:04

How will you sell new members on opting in?

For new members, will force a decision, but when updating an existing member (maybe for another reason), will not

Session 0 CU*BASE GOLD - Open New Membership-Individual

Open New Membership-Individual

Individual

Name MARY J MEMBER
Opened Jun 07, 2010
Branch # 01 C U - MAIN OFFICE

SSN [Redacted]
 Photo ID on file

Other Information

Reason code [Blank]
User defined fields [Blank]
Statement group [Blank]
Account exec [Blank]
Employee type [Blank]
Employee # [Blank]
Department sponsor # [Blank]

Trans source ID [Blank]
 Allow shared branch transactions

Certification of SSN [Blank]
Reference [Blank]
Preferred contact method [Blank] No Preference Selected

Mother's maiden name JIHES Code word [Blank]
Marital status [Blank]
Email address jmember@yahoo.com
 Email address is wrong

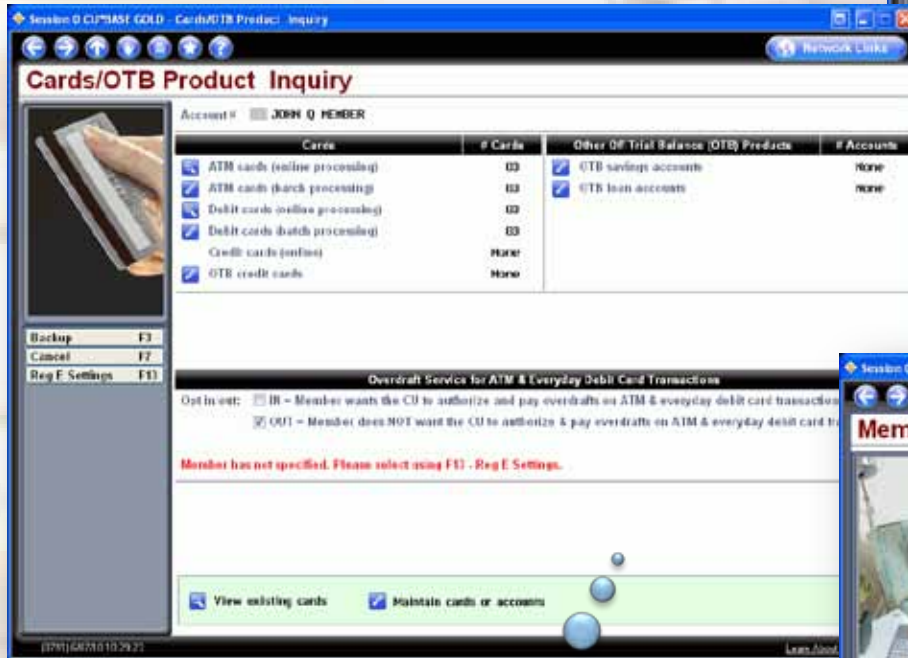
Overall Service for ATM & Everyday Debit Card Transactions

Opt in/out: IN - Member wants the CU to authorize & pay overdrafts on ATM & everyday debit card transactions
 OUT - Member does NOT want the CU to authorize & pay overdrafts on ATM & everyday debit card transactions

DKH 6/07/10 10:02:44 2879-Reg. E Opt In/Out value must be 'I' or 'O'. Learn About This Feature

Your Opportunities to Sell

- n Selling existing members from now on (starts now, *required* as of August 15)



Session 0 CU*BASE GOLD - Cards/OTB Product Inquiry

Cards/OTB Product Inquiry

Account # JOHN Q MEMBER

Cards	# Cards	Other Of Total Balance (OTB) Products	# Accounts
<input checked="" type="checkbox"/> ATM cards (online processing)	03	<input checked="" type="checkbox"/> OTB savings accounts	NONE
<input checked="" type="checkbox"/> ATM cards (back processing)	03	<input checked="" type="checkbox"/> OTB loan accounts	NONE
<input checked="" type="checkbox"/> Debit cards (online processing)	03		
<input checked="" type="checkbox"/> Debit cards (batch processing)	03		
<input checked="" type="checkbox"/> Credit cards (online)	NONE		
<input checked="" type="checkbox"/> OTB credit cards	NONE		

Backup F3
Cancel F7
Reg E. Settings F11

Member has not specified. Please select using F11 - Reg E. Settings.



Session 0 CU*BASE GOLD - New Account Creation

New Account Creation

Individual

Name HARRY Q MEMBER

New account # 001 BUSINESS/ORG SAUTINCS

Opened Jun 09, 2010

Corp ID 01 Member Inact# 01

Dividend Payment

Dividend pay code 1 = Rollback

Backup F3
Cancel F7
Bypass F8
Records F21
Print F22
Back Fields F23

Overdraft Service for ATM & Everyday Debit Card Transactions

Opt In/out: IN - Member wants the CU to authorize & pay overdrafts on ATM & everyday debit card transactions
 OUT - Member does NOT want the CU to authorize & pay overdrafts on ATM & everyday debit card transactions

Member has not specified. Please select and save.



Session 0 CU*BASE GOLD - Member Personal Banker

Member Personal Banker

Individual

Account has 000000

Name HARRY Q MEMBER

Date opened Nov 23, 1982

Agreement accepted 000000

E-Statements

Bill payment

E-Statements (email)

Bill Payment (email)

Bill Payment PIN reset

Online banking/ATM

Online banking/ATM

Personal Internet Banking

PIN password reset

Address/Notice (individual)

AIA account relation

Email address update

Reset online banking

Mobile app / text banking (view member access and mobile device)

Debit card reset up (reset or change hassle account)

Reg E opt In/out preference

Backup F3
Cancel F7
Bypass F8



Session 0 CU*BASE GOLD - Member Reminders

Account # HARRY Q MEMBER

Remind this member about e-Statements!

Sign this member up for Bill Pay!

Sign this member up for eAlerts!

Set Member Opt In/Out Preference for Reg. E!

Continue Ent

FR (3256)

(The jury's still out on this "what's in your wallet" screen...and we're listening!)

Another Wrinkle

n The regulation confuses the idea of the member opting in for an ATM or debit card *service*, versus the member opting in at the individual *account* level

§ Why would someone opt in or out on a Christmas Club account?

Session 0 CLMBASE GOLD - Reg. E Opt In/Out Preference

Network Links

Overdraft Service for ATM & Everyday Debit Card Transactions

Account # 1 JOHN Q MEMBER

Opt in/out: IN = Member wants the CU to authorize & pay overdrafts on ATM & everyday debit card transactions
 QUT = Member does NOT want the CU to authorize & pay overdrafts on ATM & everyday debit card transactions

Verified Jun 10, 2010 By 92 MARY EMPLOYEE

Individual Account Exclusions				
Description	Opened	Reg E Pref	Last Maint	Employee
000 REGULAR SAVINGS	Dec 12, 1964	I = Opt In		
051 CHRISTMAS CLUB	Jun 14, 2010	I = Opt In		
110 CHECKING	Oct 02, 2008	O = Opt Out	Jun 15, 2010	92 MARY EMPLOYEE
111 CHECKING	Jun 14, 2010	I = Opt In		

Backup F3
Save Done F10

FN (3820) 07/15/10 11:21:11

Learn About This Feature

One thing to remember: when you have the member in front of you, you sell them, even before they get their first piece of plastic
You want them to *default* to taking your service

Network Tools to Help You Sell

- n **38** CUs using Xtend in some capacity for Reg. E, including **2** non-CU*BASE
- n Another two dozen are corresponding with Client Services to data-mine CU*BASE for targeted response
- n Over **125,000** mail pieces being sent from Sage... most will be hitting the mail during Leadership Conference week
- n More than two dozen credit unions are using the Xtension Call Center as part of their Opt In execution strategy

Xtend OPT IN

Thank You for allowing us within Xtend's Opt In Solution!

Implementation including all items have been developed for our Xtend Service partners in CU*BASE to help with a seamless process of your Opt In Program. Contact us today to schedule a demo or to view our website.

Statement Insert

Debit Card Changes Coming Soon!
Get your debit card right now!

Debit Card Changes Coming Soon!
Don't miss your chance!

Lobby Poster

OBC Message

Opt In Solution Services

Description	CU*BASE Partners	Non-CU*BASE Partners
One-Time Set-Up Fee	\$200.00	\$200.00 - \$250.00
Member Mailer (with Letter)	\$0.20 per letter (\$500 charge)	\$0.20 per letter (\$500 charge)
Electronic Message	\$40.00 (Standard Email Message for non-CU*BASE Partners)	N/A
Outbound member account Phone Calls	\$1.00 per call	\$1.00 per call
CU*BASE Maintenance Fee	\$0.00 per member maintenance	N/A

For more information on the Xtend Opt In solution or to get started, contact Julie Cooney at 1-800-327-5478 (x111) or jcooney@sagemedia.com

Statement Insert

Debit Card Changes Coming Soon!
Get your debit card right now!

Debit Card Changes Coming Soon!
Don't miss your chance!

Lobby Poster

OBC Message

Opt In Solution Services

Reg. E Increases Need for More Information at the Point of Posting

- In 2011, CU*Answers plans to add more information to the transaction record related to what the available balance was that caused the NSF/ANR to be posted in the first place
- This will enable us to add a new secondary transaction description to NSF and ANR fee transactions, to explain the available balance that resulted in the fee

Tran Amount	Resulting Balance	Transaction Description	Current Secondary Description	Suggested NEW Secondary Description
20.00	12.66	CHECK 00508300210		
30.07	17.41-	DBT/WDR	MARTHAS VINEYARD GRAND RAPIDS MI	
20.00	37.41-	COURTESY PAY FEE	MARTHAS VINEYARD GRAND RAPIDS MI	AVAIL BALANCE WAS \$12.66 BEFORE DBT/WDR TRANS
3.74	41.15-	DBT/WDR	MEIJER GARDEN CAFE NE GRAND RAPIDS MI	
20.00	61.15-	COURTESY PAY FEE	MEIJER GARDEN CAFE NE GRAND RAPIDS MI	AVAIL BALANCE WAS -\$37.41 BEFORE DBT/WDR TRANS
11.46	72.61-	DBT/WDR	MEIJER INC	
20.00	92.61-	COURTESY PAY FEE	MEIJER INC	AVAIL BALANCE WAS -\$61.15 BEFORE DBT/WDR TRANS



CU*BASE Using the Opt In / Out Flags

- n CU*BASE will now have to interpret how to **authorize** member transactions at the member level, not just the credit union level
 - § If the member has a negative balance limit, and the credit union has activated that balance for use in authorizations, now the system has to see whether the member has opted in or out to **determine the amount that can be approved**
 - § Remember, just because the member opted out for ATM/Debit, we cannot touch the negative balance limit that is still being used for ACH and checks
- n CU*BASE will now have to interpret how to **post** fees at the member level
 - § If the member has a negative balance limit, and the credit union has activated that balance for use in posting, now the system has to see whether the member has opted in or out to **determine whether to charge the fee**
 - Remember, these items can't be returned (like checks or ACH can)
 - § Opt out: no NSF or ANR fee will be charged in the first round
 - § Opt in: both NSF and ANR fees are in play

All Members are Not Created Equal

- n Members who opened their memberships prior to July 1, 2010
 - § A decision must be made on how to sell the member on opting in now (even though the posting programs won't be ready until later in July)
 - § We will opt them **in** on July 1 (except if you manually set their flag prior to then) and opt them **out** on August 15 (unless you've set their flag)
 - § But until July 18 (or 26), we will post fees same as now
- n Members who open their memberships between July 1 and August 15
 - § These members must make a decision when they open their account (you can set a default according to your Workflow Control configuration)
 - § You'll need to monitor any members who: open an account, opt out, get a piece of plastic, and overdraw their new account prior to when the posting programs are in (**you may have to manually refund these fees/update counters**)
- n Members who open their memberships after August 15
 - § These members must make a decision (default per your Workflow Controls) and the new posting rules will immediately be in play

All Members are Created Equal

n Members

§ A decision

This was a no-win situation:

Manually track new members who opt out and reverse fees for 45 days

vs.

lose income on all existing members who opted out early, prior to August 15.

n Members

§ The

Some people wanted fee programs to start working July 1; some wish they wouldn't start working until August 15. *What was the Fed thinking?*

or plastic, and are in (you r

n Members who

§ These members

These members must r the new posting rules v

decision immediately b ay

Reg. E Still to Come

- n Projects for Reg. E range from “already released” to “still on the drawing board”

Project	Release Target
New configuration, Opt In/Out flags, and maintenance features	10.1 release (already in for online, June 28 for everyone else)
Changes to all ATM/Debit posting programs	10.2 release (July 18 or 26)
ONLY supported under the new Standard ATM/Debit platform	
Member setting their own Opt In/Out flag in It's Me 247 online banking	Target: 10.3 or 10.4 release
Notices for when members Opt In	Target: 10.5 or 10.6 release
File maintenance analysis tools	Target: To be determined

Responding to the Ripple Effect

- n As these regulations become mature, it will become clearer to everyone how to make compliance more convenient for the credit union employee, the member, and the credit union's income statement
- n We all just need the time and experience with the reg. to prioritize the changes
- n One thing that has been clear this year, is that all of this activity has everyone focused on compliance and regulations at every level
 - § Nothing has slowed down when it comes to the latest and greatest improvement to OFAC, BSA, Reg. D, etc.
 - § The industry, like the nation, is in a regulatory mode



Randy's compliance disclaimer: Move quickly to the spirit: Regulatory compliance starts with a spirit to comply, then taking the experience of trying to comply, we all develop the precision in complying

Of course this is nothing new...let's take a look at a few more compliance-related projects we've have been dealing with or will deal with in 2011

Reg. D Monitoring

- n Recently added the automated counter/warning message for Phone Op transfers

# of Reg D withdrawals	5
------------------------	---

2493-Transfer will cause Reg. D violation; follow CU policy

- n Ideas Forms and comments about Reg. D

- § When you talk about Reg. D, the elephant in the room is whether or not the system should *deny* members access to their money
 - Should a teller have to say, "No, you can't do this!"?
 - Should online banking say, "Transaction not allowed, call your credit union!"?
- § In almost every case, when someone is in support of this idea, they are thinking about the convenience of the CU employee and the regulator, not the member
- § In an age where we make the member's money so readily available to them, and self-service is seen as the glistening promise to reduce costs, how can we continue to think telling members "you can't have your money" is a good idea?

FinCEN Verification Tools

Coming soon!

n FinCEN will only share this list with financial institutions, so unlike OFAC, the onus is on you to:

§ Upload the file

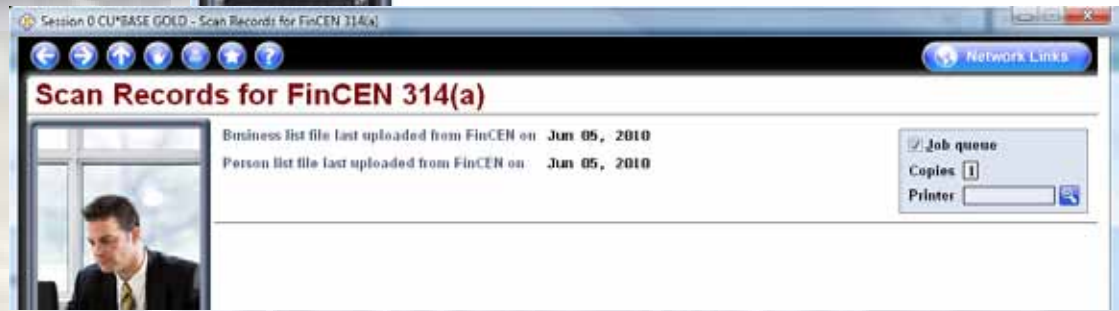
§ Run a new CU*BASE report against that file

```
0/00/00 17:14.47          CU-ANSWERS TEST CREDIT UNION (CU)          UFINCENS          PAGE 1
RUN ON 6/07/10          FINCEN 314(a) SCAN          USER
```

PERSON LIST - DOWNLOADED 6/05/10

***** CU MASTER FILES ***** ***** FINCEN FILE *****

ACCT BASE	MEMBER NAME	FILENAME	FIELD	FIELD MATCHED	TRACKING #
2079	XXXXX TEST	MASTER	LNAME	LAST_NAME	97980
2080	XXXXX M TEST	MASTER	LNAME	LAST_NAME	97980
2486	XXXXXXXX M ANOTHERNAME	MASTER	LNAME	LAST_NAME	97980
14525	XXXXXXXX J PERSON	MASTER	LNAME	LAST_NAME	97980
		MASTER	STATE	STATE	97980
5115000	XXXXX E MEMBER	MASTER	LNAME	LAST_NAME	97827
		MASTER	MIDIN	ALIAS_MIDDLE_NAME	97827
5115000	XXXXX E MEMBER	MASTER	LNAME	LAST_NAME	97827
		MASTER	MIDIN	ALIAS_MIDDLE_NAME	97827
5115000	XXXXX E MEMBER	MASTER	LNAME	LAST_NAME	97827
		MASTER	MIDIN	ALIAS_MIDDLE_NAME	97827
5115000	XXXXX E MEMBER	MASTER	LNAME	LAST_NAME	97827
		MASTER	MIDIN	ALIAS_MIDDLE_NAME	97827
11501151	XXXXXXXXX E VANPERSON	MSNONMBR	NMLNAME	LAST_NAME	97980
24666433	XXXX TESTING	MSNONMBR	NMLNAME	LAST_NAME	97827
24666433	XXXX TESTING	MSNONMBR	NMLNAME	LAST_NAME	97827
34361709	XXXXXXXX M SAMPLE	MSNONMBR	NMLNAME	LAST_NAME	97943



Will be released by
the end of this year
(10.4 or 10.5)

OFAC Fever

- n OFAC scanning enhancements we've made since last year:
 - § OFAC scans on international ACH transactions
 - § Improvements to the batch scan reports for more hits (...you asked for it!)
 - § Standalone, on-demand scan for vendors, incoming wires...or anyone you want to run against the OFAC list!
- n Coming soon...
 - § Automated scan for corporate checks/money orders (Target: 10.3 release)
 - § New maintenance log for OFAC scans performed on names other than members, which are stored in Audit Trackers (Target: 10.3 release)
 - § New configuration file for country names, to be used in both interactive and batch scans (Target: 10.3 release)

When will it end? Without a doubt, OFAC "scope creep" has been around for a couple of years now – are we running out of things to compare to OFAC? When does a business (yours) have to say, "enough!"
Are CU compliance professionals creating a career out of OFAC and BSA?

A Network Feeling Some Release Fatigue

Assimilating and managing the pace of change is different from year to year, but the tools and the skills remain the same

“Slow down! (except for the stuff I want)”



A Network Feeling Some Release Fatigue

- n A year dominated by a regulator's agenda has yielded a release agenda that is not typical
- n Since we last met, we've seen 8 pretty significant releases
- n Remember that the effect of regulatory changes has been added to the dam being opened after the release of NGS in November 2008
- n We have no choice but to respond to the market, to the times, and to the business plans of our clients



Release Summaries : Documentation : CU*Answers - Windows Internet Explorer

http://www.cuanswers.com/client_release_summaries.php

Release Summaries : Documentation : CU*Answers

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- Best Practices
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Looking for information about future releases? [Check out the](#)

Release Summaries 2010

- **CU*BASE Release - 10.1** 
June 13, 2010 - 4 pages
- **Revised CU*BASE Release - 10.0** 
May 16, 2010 - 16 pages
- **Mobile Web Banking Rollout** 
March 15, 2010 - 1 page
- **Revised CU*BASE Release - Ver 9.7** 
March 14, 2010 - 2 pages
- **CU*BASE Release - Ver 9.6** 
February 14, 2010 - 6 pages

2009

- **CU*BASE Release - Ver 9.5** 
December 6, 2009 - 2 pages
- **CU*BASE Release - Ver 9.4** 
November 15, 2009 - 8 pages
- **CU*BASE Release - Ver 9.3** 
September 20, 2009 - 1 page
- **CU*BASE Release - Ver 9.2** 
August 17, 2009 - 9 pages
- **CU*BASE Release - Ver 9.1** 
June 15, 2009 - 3 pages
- **CU*BASE Release - Ver 9.0** 
May 18, 2009 - 7 pages
- **CU*BASE Release - Ver. 8.6** 
March 16, 2009 - 9 pages
- **CU*BASE Release - Ver. 8.5** 
January 19, 2009 - 1 pages

Talent Source Portal
Waived Setup Fee For The First 10!
[Click For Details](#)



http://www.cuanswers.com/client_release_summaries.php

Assimilating Change

n In 2011 we hope to return to a release schedule that is closer to the pace of years past

- § Major release in spring and fall
- § Minor release year-end
- § Minor GOLD updates as needed

n One fly in the ointment is the pace of change for online banking and mobile banking in the future

- § These will occasionally cause special releases to be intermixed with our normal annual calendar

Release Summaries : Documentation : CU*Answers - Windows Internet Explorer

http://www.cuanswers.com/client_release_summaries.php

Release Summaries : Documentation : CU*Answers

Proud Member of the
cuasterisk.com Network



2008

- **Revised Year End - Ver 8.4** December 8, 2008 • 4 pages
- **Fall - Ver 8.3** November 17, 2008 • 7 pages
- **Summer - Ver. 8.1** July 21, 2008 • 2 pages
- **Spring - Ver. 8.0** June 9, 2008 • 12 pages
- **Monthly GOLD Update - Ver. 7.5** February 18, 2008 • 3 pages
- **Monthly GOLD Update - Ver. 7.4** January 21, 2008 • 4 pages

2007

- **Year End** December 17, 2007 • 2 pages
- **Fall** October 15, 2007 • 6 pages
- **Revised Spring** May 21, 2007 • 9 pages
- **CU*@HOME Changes (New Login Pages/Security Questions)** May 21, 2007 • 4 pages
- **Monthly GOLD Update** January 22, 2007 • 2 pages

2006

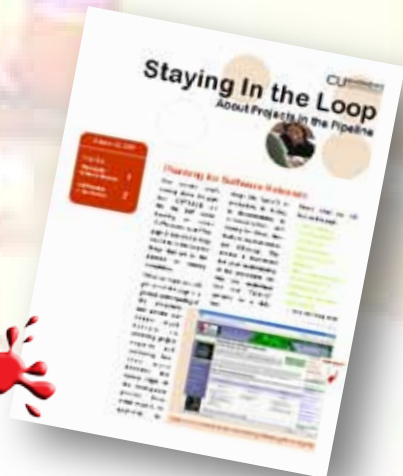
- **Year End** December 11, 2006 • 2 pages
- **Fall** November 20, 2006 • 8 pages
- **Monthly GOLD Update** July 17, 2006 • 4 pages
- **Revised Spring** June 12, 2006 • 10 pages
- **CU*@HOME Changes (Online Loan App)** April 4, 2006 • 3 pages
- **CU*@HOME Changes (IRA Advisor)** March 19, 2006 • 2 pages

Helping You Deal with the Pace of Change

<http://www.cuanswers.com/kitchen/>

http://www.cuanswers.com/client_release_planning.php

In the past, it's been a nice *option* to stay in the loop... But in a year like this where the pace is so fast, it's almost *mandatory* if you are going to keep your sanity



Helping You Deal with the Pace of Change

Education since last year...

- n 541 web conference sessions (up 24%)
- n 275 days of conversion training/support

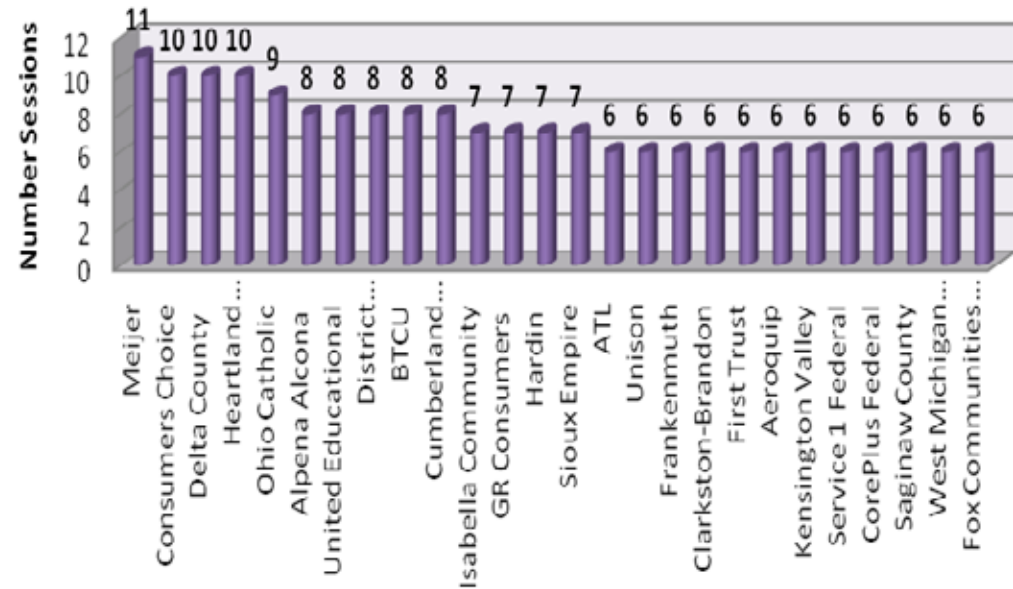
In the 2010 Catalog...

- n 60 days of training
- n 50+ scheduled web conferences
- n 80+ classroom sessions



Web Conferences

Highest # Sessions attended



Of the 125 participating CUs, 26 of them attended more than 6 web conferences in the past year.

Visit Laura or Jane at their vendor booth today and ask how they can help you develop your own internal training plan like our EPP

Continued Investment in Written Communications

n We're proud of our culture of writing and communication – and we put our money where our mouth is by staffing a department that devotes itself to putting out the content

§ **Documentation** – online help for all software tools, booklets, online training, user guides, training guides

§ **Communications** – alerts, announcements, web page content

§ **Development** – project requirements and product design specifications

§ **Marketing** – content for brochures, flyers, invitations, presentations

§ **Department Playbooks** – expanding our digital intelligence beyond software tools: promoting collaboration and shared work with templates on how to start a business



Digital business intelligence is the currency of client service today, and the Web is the channel that is quickly surpassing the telephone in everyone's mind

When we say *written*, we don't always mean a piece of paper; we mean experience the communication of an idea through every possible channel



Some of My Favorites Since Last June



An Artist's Editorial

Drivers Behind the Urgency to Improve

- n How do you accelerate innovation?
- n Unfortunately, the old saying, "necessity is the mother of invention" is pretty accurate
 - § It's nice to think about where you would *like* things to be, but it's a lot more effective to say "this is what I need and I need it NOW"
 - § **You can't just *want* innovation, you have to *need* it**
 - § This is one of the primary drivers of SRS and the Xtend proof of concept
- n Today, we use another driver:
constantly envisioning an organization that manages 50 credit unions at one time
 - § What processes do you complete today that need 50x more speed, a better design, and an adjusted sense of what the work is?

Adjusting Income for 90-day Delinquency Project# _____ 27489
April 2, 2010 / Revised April 6, 2010
Spec Writer: Dawn
Systems Affected:
 CU*BASE

This project creates a new menu option that will automate the process of calculating and posting journal entries to account for loans > 90 days delinquent*. A credit union can choose whether to post detailed entries to each individual income G/L according to loan category, or to a single designated income account, with an offset to a designated general G/L (such as 780 99). Entries can be posted consolidated into one branch location or by member branch.

*Randy calls this "interest due that is likely to be unpaid" – per Mary V, this can be done via something called a "contra asset" or via a "contra accrued interest" G/L account.

When journal entries are created, they will automatically be set up to post as of the last day of the month, and set up to generate a reversing entry dated the first day of the following month. The CU accountant simply (1) runs the new tool to generate the journal entry, then (2) posts the entry (which in turn generates the reversing entry), then (3) posts the reversing entry.

Sample of how this is represented on a balance sheet:

780.01 (interest due, car loans)	\$25,000
780.02 (interest due, boat loans)	\$50,000
780.03 (etc.)	\$75,000
Subtotal	\$150,000
780.99 (interest due likely to be unpaid)	-\$25,000
Adjusted interest due	\$125,000

Contents

My Favorites From This Past Year

5300 Project Update

- n 95 CUs have keyed at least one Call Report into the CU*BASE tool
- § We have **11** auto-pop routines to help gather the data direct from your CU*BASE G/L and member files
- § Last quarter we saw **25** online CUs upload their call report from CU*BASE to the NCUA website

Session 7 CU*BASE GOLD - 5300 Call Report Data

5300 Call Report Data UPDATE

Section → Position to account code 1st Quarter 2010 - (Corp 01)

Account Code	Description	Data for 1st Quarter 2010 Call Report (Corp 01)	
10	Credit Union Name	Test Credit Union	
20	Credit Union Charter Number	12345	
CASH ASSETS			
7300	Cash on Hand	2,511,651	(NCUA does not allow a negative # in this field)
73001	Cash on Deposit in Corporate CUs	676,766	
73002	Cash on Deposit Other Fin Inst	84,928,942	
7300	** Total Cash on Deposit	84,252,176	
7300	Cash Equivalents	0	
INVESTMENTS			
965A	Trading Securities - <1Yr	80,990	(NCUA does not allow a negative # in this field)
965B	Trading Securities 1-3 Yrs	67,676	(NCUA does not allow a negative # in this field)
965C1	Trading Securities 3-5 Yrs	145,789	(NCUA does not allow a negative # in this field)
965C2	Trading Securities 5-10 Yrs	78,787	(NCUA does not allow a negative # in this field)
965D	Trading Securities >10 Yrs	0	(NCUA does not allow a negative # in this field)
965	** Total Trading Securities	373,242	

Backup	F3
Cancel	F7
Show/Hide Totals	F8
Recalc Totals	F10
Change Comparison	F13
Create XML File	F14

Comparison Data		
Account code	7300	Cash on Hand
Field contains	+ Positive dollars	Auto-populated
Last maintained	May 03, 2010	By
Period 1 data	2009 QTR 4	
Period 2 data	2009 QTR 3	

FR (2675) 50210 14 40 30 Learn About This Feature



My Favorites From This Past Year

5300 Project Update

On the drawing board now:

n 5300 Key Ratios

§ A new dashboard showing your favorite ratios, calculated automatically using your 5300 Call Report data (*even for the in-between months when you don't file one!*)

- Net Worth
- Delinquent Loans/Total Loans
- Return on Average Assets (ROA)
- Fee and Other Operating Income/
Average Assets
- Net Income Margin
- Operating Expense/Gross Income
- Net Operating Expense/Average Assets
- Loan to Assets
- Members to Full Time Employees
- Salary and Benefits per Employee

n 5300 Data Trending Dashboard

§ Like Tiered Services, why shouldn't that history that's embedded in your 5300 database be at your fingertips?

We'll have prototypes of these ready for the November CEO Strategies event, with full release next spring

An Artist's Editorial

Data for the Sake of Data is a Missed Opportunity

- n Dashboards get me going, because they create an opportunity to lower the cost of driving action into our business plans at the press of a button
 - § A screen refreshes, and by the time the data is apparent to the room, someone is saying, "we need to do something about that"

Gathering Data

(reduce \$ cost)

Analyzing Data

(increase time)

Acting on Data

(multiply the events)

Because of the nature of the beast, we gather data to **comply**, to **imply**, but very seldom to **apply** what we learned

My Favorites From This Past Year Dashboards

Collections Summary

Dashboard | All Collections

1 Day | 1 Month | 2 Months | 6 Months | 12 Months | Over 12 Months

Category	# of Accts	Amount
Yesterday	187,250	2,000,000
Collateral loans	813	11,065,864
Regulate balance accounts	131	16,112
Overline accounts	2	23,547
Within off hours	3	7,503

Last Week

Collateral loans	565	16,439,205
Regulate balance accounts	131	16,112
Overline accounts	2	23,547
Within off hours	3	7,503

Last Month

Collateral loans	9	
Regulate balance accounts	9	
Overline accounts	9	
Within off hours	9	

NSF Analysis (Summary)

Occurrences

Year: 2008 | Highlight values more than 5% | Filter by: None | Filter monthly avg. for the year | Highlighted results: 21 out of 108 | 15/14

Under Available Balance

Process	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
REGS	1,209	810	920	910	909	1,120	1,304	1,000	1,119	1,426	941	1,250
REGEL	531	898	819	842	812	712	644	758	759	716	872	793
REN	124	132	136	131	167	150	139	172	145	176	175	171
REN	889	591	624	554	517	600	581	740	747	721	884	888
TOTAL	97	15	92	95	82	100	12	85	83	84	84	71
SUBTOTAL	2,490	2,172	2,265	2,464	2,508	2,794	2,631	2,730	2,982	2,779	2,957	3,111

Contingent Liability Trend Summary

Corp ID: 99 | All Corporations

View: All | 99000000 | 990000

Monthly	Total # of Accts	% Change	Total Amount	% Change	Current Balance	% Change	Total Amount	% Change
Jan 2009	18,587	0.0	55,967,387	0.0	53,871,878	0.0	36,465,647	0.0
Feb 2009	18,588	0.0	58,895,434	1.4	56,781,275	5.5	31,154,030	2.3
Mar 2009	18,823	0.7	53,452,052	1.0	56,889,186	0.1	31,461,248	0.9
Apr 2009	18,952	0.8	52,429,515	1.8	57,523,141	1.2	31,908,254	1.5
May 2009	18,950	0.0	52,910,718	0.9	55,281,400	2.2	31,878,964	0.1

Summary of Members Scored

CU Pool: 4

Date: 06/18/2010 | 00000000

Description	My Credit Union			CU		
	Members	%	Rank	Members	%	Rank
00000	13,022	54.8	1	17,767	48.3	2
Avg Prod Per Mbr	1.01			1.08		
Avg Sacs Per Mbr Household (H)	1.68			1.86		
Tier 1	3,104	13.1	3	6,363	26.9	2
Avg Prod Per Mbr	2.33			2.16		
Avg Sacs Per Mbr Household (H)	3.07			3.38		
Tier 2	3,089	12.7	3	4,141	16.6	2
Avg Prod Per Mbr	3.00			4.39		
Avg Sacs Per Mbr Household (H)	2.09			4.56		
Tier 3	4,867	20.2	2	1,831	7.4	4
Avg Prod Per Mbr	4.16			6.49		
Avg Sacs Per Mbr Household (H)	3.52			5.21		

Check Processing Statistics

Actual/Average Values

Date range: From 06/18/2010 To 06/18/2010 | Check Size: 15

Description	Check Amount		Fee Amount		# of Checks	
	ACTUAL	AVG DAILY	ACTUAL	AVG DAILY	ACTUAL	AVG DAILY
Total Checks in file	22,681,877	1,488,942			46,925	3,126.3
MEMBER CHECKS						
Total mbr checks received	18,713,436	1,126,484			46,138	3,088.4
mbr checks posted	17,924,273	1,126,923			42,061	2,978.3
mbr checks posted to wng but not posted to tot pass	188,172	1,123	28,140	1,321	551	36.4
not posted to tot pass	791,862	17,541			487	30.4
rejected	181,212	11,857			295	19.1
Force posted to wng but returned	14,997	934	2,418	186	1	1
Returned	188,474	5,342	5,618	412	223	12.3
CORPORATE CHECKS						
Total corp checks received	5,461,541	348,477			1,787	111.5
corp checks posted	5,461,540	348,247			1,726	110.5
corp checks except item	11,540	1,230			57	3.9
GOVERNMENT INSTRUMENTS						
Transfers made tot pass	3,917,541	249,540			2,779	142.4
From shares	3,768,086	235,419			1,583	123.5
From loans	149,522	1,126			296	18.5
Transfers made re post	1,490	-68			17	1.0
From shares	1,495	-68			16	1.0
From loans	34	2			1	1

In 2011, CU*Answers will staff an Analytics Programming Team to intensify our focus on automated micro-awareness tools

An Artist's Editorial

Micro-Awareness: A CEO Strategy

- n I'm concerned that so many institutions have vilified micromanagement that the resulting effect is that they have lost track of what I call "micro-awareness"
- n Has your team truly mastered the art of using data and dashboards as part of the culture of your organization?
- n Can you agree on how a dashboard's data should look at first glance?
 - § On the 15th of the month, how many loan apps *should* the loan team have processed?
- n Can you agree after perusing a few key department dashboards, that the credit union is about to have a good day?
 - § After a quick glance at a dashboard screen, does the accounting team have a green light that everyone's in balance?
- n Micro-awareness is contagious, but it is based on layers of team members pulling in the same direction, searching for the right answers, and agreeing on what to do next

Micro-awareness will be a major focus of this year's CEO Strategies week...hope to see your leadership there

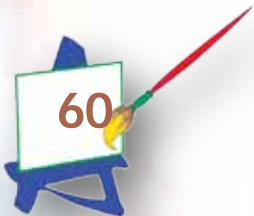
My Favorites From This Past Year Mobile Web Banking

n Although the stats are changing almost too fast to count, as of last week, **97** CUs network-wide have activated **It's Me 247 Mobile Web**

§ Over half of all online clients are already live!



I will talk about this in more detail after lunch, but it's one of my favorites this year based on the way it was rolled out, the speed of assimilation, and the spirit of the CUs who pushed it to their members



My Favorites From This Past Year Learn From a Peer

MNMGMB #17 Tiered Svc Peer Analysis

Summary of Members Scored
CU Pool: 4

Description	My Credit Union			CU			Avg %
	Member	%	Rank	Member	%	Rank	
Basic	13,072	54.0	1	12,767	49.3	2	36.7
Avg Prod Per Mtr	1.01			1.44			
Avg Svcs Per Mtr	1.40			1.04			
Household (H)							
Tier 1	3,164	13.1	3	6,062	26.0	2	70.2
Avg Prod Per Mtr	3.55			2.76			
Avg Svcs Per Mtr	3.02			3.58			
Household (H)							
Tier 2	3,108	12.7	3	4,141	16.6	2	15.6
Avg Prod Per Mtr	3.03			4.39			

Code	Description	Members	Assets	Score Method
FI	Federal CU	24,501	261,237,195	N
MI	Metropolitan Credit Union	22,273	192,846,309	N
DI	Metropolitan Credit Union	22,119	353,758,787	N
FR	Credit Union	24,223	209,412,547	N

Check Cashing Fee Configuration

My Credit Union	Community CU
<input checked="" type="checkbox"/> Check cashing fee activated	<input type="checkbox"/> Check cashing fee activated
Receipt inquiry description: CASHED CHECK FEES	Receipt inquiry description:
Member cashed checks:	Member cashed checks:
Charge flat fee of \$3.00 per transaction	Charge: NA
18 fee lines	No fee lines
Miscellaneous receipt code: HMS <input type="checkbox"/> Charge fee if deposit to MR	Miscellaneous receipt code: <input type="checkbox"/> Charge fee if deposit to MR
<input checked="" type="checkbox"/> Allow fee to be manually waived	<input checked="" type="checkbox"/> Allow fee to be manually waived
Non-Member cashed checks:	Non-Member cashed checks:
Charge flat fee of \$5.00 per item	Charge: NA
Miscellaneous receipt code: HMS <input checked="" type="checkbox"/> Allow fee to be manually waived	Miscellaneous receipt code: NA <input type="checkbox"/> Allow fee to be manually waived
Fee waivers:	Fee waivers:
Aggregate savings: \$5,000.00 Aggregate loans: \$15,000.00	Aggregate savings: NA Aggregate loans: NA
Low age: 1 High age: 18	Low age: NA High age: NA
Waive if OTH accounts present:	Waive if OTH accounts present:
<input checked="" type="checkbox"/> CREDIT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> SAVE <input type="checkbox"/> ATM <input type="checkbox"/> DEBIT	<input type="checkbox"/> CREDIT <input type="checkbox"/> LOAN <input type="checkbox"/> SAVE <input type="checkbox"/> ATM <input type="checkbox"/> DEBIT

MNMGMB #18 Cashed Check Fee Configurations

It's tough to be open, not only for the person who is putting themselves out there, but also for the people who should use the insight, but who feel a little strange about looking over a peer's shoulder. Learn From a Peer might not be intuitive for everyone, but it is picking up steam.

My Favorites From This Past Year Honorable Mentions

n Gender Identification and Gender Generator



n Misc. Member Account Forms Enhancements

§ More lines, more paragraphs, and more forms per product...control paragraph spacing and reorganize lines in a snap...choose font type (get those fee schedules lined up!)...edit before printing...*it's not word processing, but it's as close as we're ever going to get!*

n Password Strength Meter in online banking



n .NET graphs



Almost made it to my Favorites list, but not quite enough PT Barnum for me...

Which means they're probably on your staff's favorites list

Increasing Our Investment in Network Execution

Getting more from electronic documents n Harvesting new facilities n New and improved network disaster and business recovery planning



Getting More from Electronic Documents

Big changes coming for our e-document strategies:

- n The move to CU*Spy powered by eDOC for CU*BASE reports and statements
- n Big plans for e-Receipts, Photo IDs, and e-Loan forms
- n A new document type for the CU*Spy vault
- n Check 21 advances through CheckLogic

The collage displays various web portals from CU*Answers. Key elements include:

- CheckLogic Page:** Promotes a high-quality, cost-efficient solution for branch check capture and electronic image forward processing. It lists benefits such as 100% next-day availability, advanced Magnetic Ink Character Recognition (MICR), and Image Character Recognition (ICR) software.
- Special Interest Publications Page:** Lists services like A2A Transfer Services, Credit Union Forwarding Solutions, CU*Answers Services, eDOC Inhouse Services, ID Authentication Service, and 24x7 Online Banking.
- e-Document solutions from CU*Answers Page:** Offers four options: CU*Answers, eDOC Online, eDOC Inhouse, and 3rd Party, with a 'Help Me Choose A Vault' button.
- A2A Transfer Services Page:** Explains how to make A2A services available to members and provides contact information for assistance.

Where We Are Today

Vaults and Options

- n Remember that electronic document strategies are agnostic when it comes to which vendor the CU chooses to use
 - § Whether it be eDOC Innovations, CoWWW, or MVI, we are building capabilities through expanding our integrations
 - § Obviously, we are vested in eDOC operations, and they are the proving ground for future expanded capabilities



CU*Answers



eDOC Online



eDOC Inhouse



3rd Party

Have you met John Beauchamp? Do you know he is our Electronic Document Strategies Manager and leads a team on these initiatives?

Where We Are Today

CU's and e-Document Solutions



116 CUs utilizing CU*Spy (powered by CoWWW) for CU*BASE-generated data (reports/statements)



47 CUs generating image data to CU*Spy powered by eDOC

e-Receipts: **45**

Photo IDs: **42**

e-Loans: **5** (plus **4** more on their way!)



23 CUs using an in-house eDOC system



4 CUs using a 3rd party vendor (MVI)



2 CUs using an Online eDOC solution

116 CUs will be moving to CU*Spy powered by eDOC by year-end

Where We Are Today

CUs Participating in a Shared Solution

n In our CU*SPY Vault:

Document Type	Currently in the Vault	% of All CUs
e-Receipts	19,703,279	31.07%
Photo IDs	176,042	29.0%
e-Loan Forms	4,948	3.4%



These tactics are not about doing it for the sake of doing it, they are about what fits the credit union

This should be an evolution springing from the credit union's business plan, not a keep-up-with-the-joneses, one-size-fits-all response

Where We Are Today

CUs Participating in a Shared Solution

- n Differentiating a shared solution from an in-house investment
 - § It's all about the credit union's strategy and ability to assimilate the project
 - A shared solution is crafted by the vault architect (CU*Answers), and the pace of change is set by the architect and the participating CUs
 - An in-house solution is crafted by the vault architect (the CU), and the pace of change is set by the CU staff and their project management
 - § Therefore, the ROI is based on what you use and when
- n CU*Answers, as the CU*Spy vault architect, continues to modify our ASP offering every year
 - § Remember that there is an honor system involved in the ASP model, and CU*Answers expects your team will only store documents in the vault that are covered by the warranty



It's really simple: the shared community agrees to a set of documents and the retention timeframe

Plans for e-Receipts

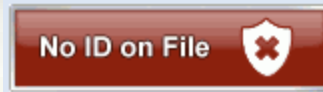


- n Today, CUs benefit from multiple forms of receipt storage and presentation as part of CU*BASE
 - § Rolling 90-day database of teller receipt information that can be retrieved from account history
 - § Automated integration to electronic receipt images, including signatures, that can be retrieved from account history
 - § A unique Teller Receipt Analysis as part of e-Statements
- n What's next?
 - § In 2010, CU*Archives and CU*Spy will partner to produce e-Receipts archives on CD-ROM (**this will finalize the vision for retrieval vs. archival**)
 - § This will allow the CU to have their own archived data to ensure long-term retention compliance versus the ASP warranted retention period
 - § This will allow eDOC in-house users to have an inexpensive backup to their online servers

Plans for e-Photo IDs



- n In the 10.0 release we introduced the new “Photo ID on file” indicator in CU*BASE to let you log which members have a photo ID stored in the vault



- n This gives CUs an inventory of who has been scanned and who has not
- n The bigger picture: lays the foundation for CU*BASE to use this information in new ways
 - § In 2011, we will begin work on automating the connection between the eDOC ID scan/save process and updating this new flag in CU*BASE
 - § Will also work on automatically initiating the ID display when an account is accessed

Meeting of the minds: Do we launch the member and you have to go searching for the joint owner, or do we pause to let you choose who you want to see first?



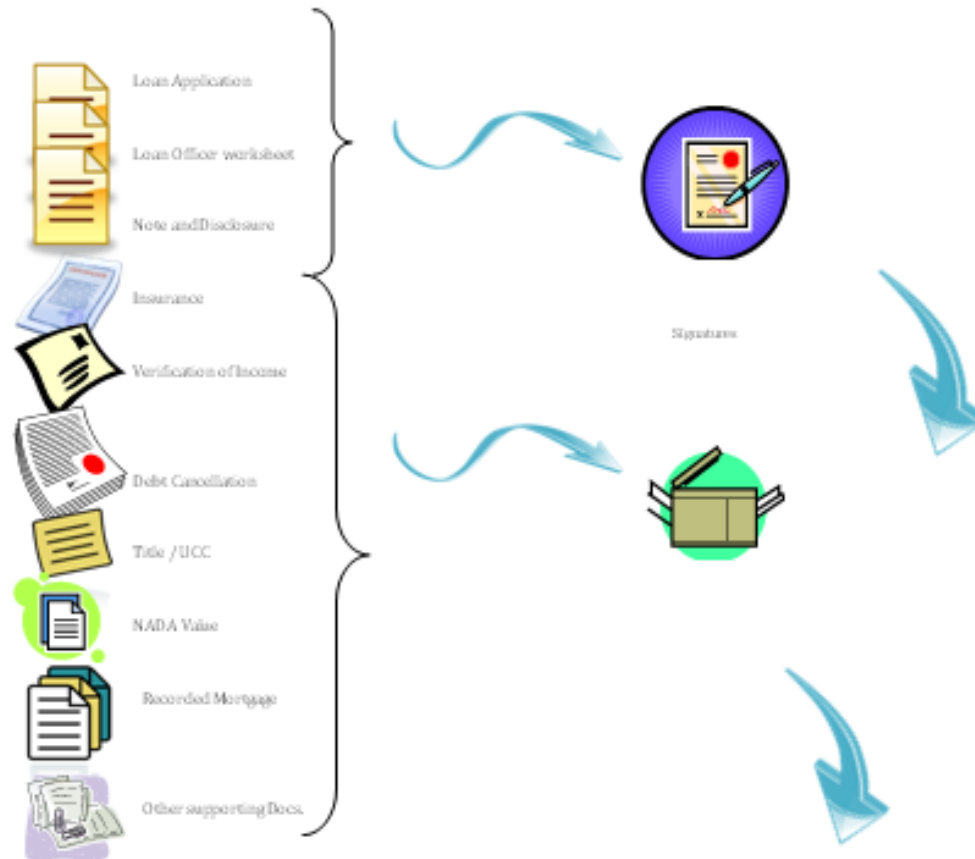
Plans for e-Loan Forms



- n The biggest plan of all for 2011 is getting more CUs participating in e-Loan forms!
 - § We want to encourage CUs who have enjoyed success with e-Receipts, e-Photo IDs, e-Statements, and e-Reports, to go to the next level with their loan department
 - § While everyone talks about “the paperless loan department,” e-signatures, and electronic closings, far too many CUs are not laying the foundation by changing the culture of their loan departments to anticipate even more from e-Loan form capabilities in the future
- n It all starts with selling the team on the vision and the need for small steps starting today
 - § It appears that in-house CUs get started faster because they are vested in a big up-front expense...what a shame, when ASP clients have the ability to add loan forms and start this learning with no monthly investment

We continue to work on the pitch and the collateral materials that will resonate with your team

Your "Paper" Process Today



If we track the documents through your paper process today it looks a lot like this although this has been simplified a bit.

1. Member fills out an application.
2. Loan officer completes a worksheet.
3. The loan officer collects the supporting documentation and copies it for the file.
4. If approved the member signs the note.
5. The result is a completed loan file.



Completed Loan File



The CU*Spy e-Loan File



The process starts with printing a Loan Application, Loan officer worksheet & Note & Disclosure or other warranted document from CU*BASE to an e-Loan Printer. See page 6 for a complete list of warranted documents.



The documents "pop up" in ProDOC to be signed by the member. You print a paper copy for the member and attach it to a clip board signature pad as shown in the next step.



The member signs the document on an electronic signature pad that looks like a clipboard. They sign on the paper copy printed in the previous step with real ink so it is a very natural experience. When finished they can keep the paper copy. Your copy is archived electronically in the vault.



- Insurance
 - Verification of Income
 - Debit Cancellations
 - Title / UCC
-
- NADA Value
 - Recorded Mortgage
 - Other supporting Docs



Warranted supporting documents can be scanned in with a small scanner like the one shown above.



Other non -warranted supporting documents can still be photocopied and saved in a paper file.



What's new?



- n Without fail, a credit union considering its options between a shared vault and purchasing their own, will lead to this question: *"How do I know you won't eventually add everything I want to the shared solution, and I will have bought my own for naught?"*
- n My response is, "you don't!" It's very likely we will add more documents, year, after year
- n So...this year we're adding the **Signature Card/Membership Agreement** as our first warranted custom share form type
 - § Indexed by Account number, FName, LName, SSN, Form name, Date
 - § Retained **indefinitely**, but not less than 36 months (long-term archival will be a CD-ROM solution)



The Transition to CU*Spy Powered by eDOC

a change is coming...



e-Reports



e-Statements

the next generation of online reports and statements

n The Goal

§ Starting in 2009, we set out to replace our existing CU*Spy tools for statements and reports (powered by CoWWW) with the new CU*Spy powered by eDOC



The Transition to CU*Spy Powered by eDOC



n Best laid plans

- § We worked very hard and believed we had a winner...then we went to beta and boy, did we learn a lot!
- § While eDOC Innovations had great products for the individual CU, we quickly learned that we needed to step back and scale it up

n Back to the drawing board

- § We went back, made it industrial strength and built it stronger for the data center environment
- § **Separation of data**
 - We separated CU generated data (receipts, IDs and loan forms) from CU*BASE generated data (reports, statements, credit reports)
- § **Separation of environments**
 - We invested over \$90,000 in new hardware to create separate hardware environments to shoulder the load

The Transition to CU*Spy Powered by eDOC



n Coming by year-end 2010...

§ We anticipate being live in our new hardware environments with more robust software by fall and we anticipate being live by year end 2010

 e-Statements  e-Reports

n Project milestones:

Date	Action
June 1-18	Install new hardware
July 5-19	Install new code
July 20-August 16	Load testing, verifications, QC testing
August-November	Beta testing (test clients already determined)
September-October	Documentation, announcements, sneak peeks
November 15-26	Client training
December 6	GO LIVE!

The Transition to CU*Spy Powered by eDOC



n Benefits of this project

- § Leverages the network's investment in eDOC Innovations
- § Creates a template for best practices between eDOC in-house and CU*BASE, for statements and reports (Client Service support, documentation, etc.)
- § Future investments in developing e-document capabilities will be based on the two teams closely coordinating as network partners
- § **CU*Spy and CU*Archives will merge and a new capability for eDOC CD-ROM archival management will emerge** for both ASP and in-house clients
- § CU*Answers will lengthen the months of retention for statements from 13 to **18 months** with this change
- § CU*Answers will review report retention timeframes and look to reduce the frequency of CD creation from CU*Archives, reducing costs for everyone
- § What we learn from an insider's viewpoint with eDOC, we will be able to extend to CU*BASE users who have chosen other third-party products

Check 21 at the Credit Union Level

- n Nothing legitimizes the use of an image in business strategy more than Check 21
 - § Today, an image is a negotiable item for moving money from a person to a financial institution, and from one FI to another
 - § *Images are currency* with Check 21
- n So where are we today? CU*Answers partners in two initiatives:
 - § **Processing Alliance**
 - **37** CUs (**105** branches)
 - Average **587,000** items/month
 - § **eDOC CheckLogic**
 - **27** CUs (**58** branches)
 - Processed **220K+ items** last month (**14%** increase per month over the past three months)
 - **6** CUs (**14** branches) scheduled to convert from PA to CheckLogic within the next 3-6 weeks



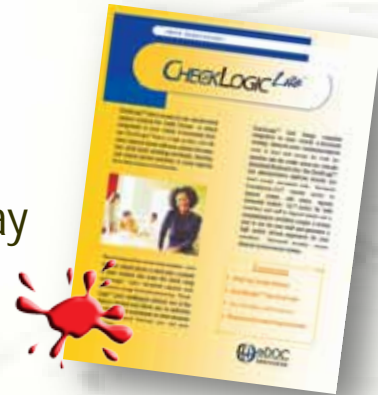
Check 21 Beyond the Branch

- n The interesting thing about Check 21 is the minute Check 21 came out as a replacement for Fed Deposit processing at the CU branch level, everybody got excited about all the other places this technology could be applied
- n Two of these continue to be on everyone's minds, but not on everyone's radar to go active – how about you?

§ CheckLogic *Lite* is available today for **Merchant Capture**

- CU*Answers and eDOC use it for their own accounts, and we have 3 CUs that are ramping up their programs today
- Would you like to offer a Merchant Capture program? Contact our sales team

§ CheckLogic *Lite* will be available for **Member Capture** later this year



Maybe this video will help
with your vision of how
CheckLogic Lite fits your
2011 business plan



Check 21 at the Front Counter

n What's on the drawing board for Check 21? Check 21 integration with CU*BASE Teller Processing

§ We are in the very early design stages; a project planning kickoff session is planned for July

§ *Network champion:*
Fox Communities CU


And we're getting smarter all the time...As part of a related project, we will soon start counting the checks entered on the Teller Outside Checks screen and, if you charge Deposit Item Fees, carry that count back to the teller screen automatically!

items

Coming soon!

Session 0 CU*BASE GOLD - TEST CREDIT UNION

Click For Procedures **Individual Account**



Cash Name

Outside checks # items Account #

Tiered Sv

In-house checks

Total funds in Outside cl

Loan Payoff Or Current Balance	Loan Payment Or Net Available	Description	Account Type	De Arr
3,065.77	3,055.77	REGULAR SAVINGS	000	
10.00	10.00	CHECKING	110	

Harvesting New Facilities

Balancing the cost of multiple facilities against the value of redundancy, risk concentration, managing physical security, marketing your presence...



Data Center Update

Muskegon Goes Live

Remember this from last year...

It's Me 247 Initiative for 2010

A Changing Perspective

- During 2010 CU*Answers will open a new data center in Muskegon, Michigan
 - Immediate focus: Declare **It's Me 247** a "critical" service and update our disaster recovery plans to include online banking
 - Mid-term focus: Relocate the CU*BASE High Availability system further away from our Production center
 - Long-term focus: Create a center that is ready for additional services to become part of our critical support (e.g., your web page)
 - Go the rest of the way and eliminate our need for our IBM level DR

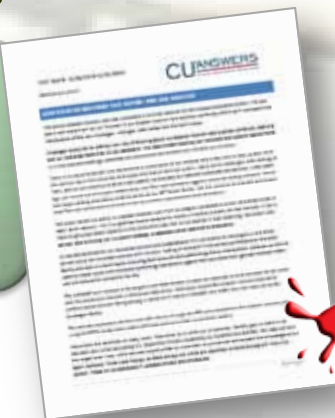


Data Center Update

Muskegon Passes Its First Test

- n The Muskegon data center was part of the 2010 Disaster Recovery test at our IBM hot site in Chicago (May 18-20)
 - § These new capabilities challenge us to think differently about disaster recovery and business continuity
 - § The 2010 DR test included Chicago connected with **It's Me 247** online banking via the Muskegon center (CU* Answers closed test with staff accounts only)
 - Muskegon online banking capabilities match full production capabilities in Grand Rapids
 - § 2011 DR test will include credit unions and their members

2010 DR test was also our first test of ACH returns through FRB via a disaster site



1 site in Muskegon

2 sites in GR



Data Center Update

Muskegon 2011

- n This month we hope to sign the High Availability communications contracts to service the Muskegon data center
- n This will set the stage for our teams to move our HA server from the 28th St. location to Muskegon by the end of 2010
- n Nothing like a live event to bring home the importance of the CU*Answers High Availability market promise...

Remember May 28, 2010?



1 site in Muskegon



CU Board Alert!

- n The work completed by network participants should be viewed as *your* work
- n Make sure that you take key reports from the CU*Answers team directly to your Board meetings and make them part of your official records

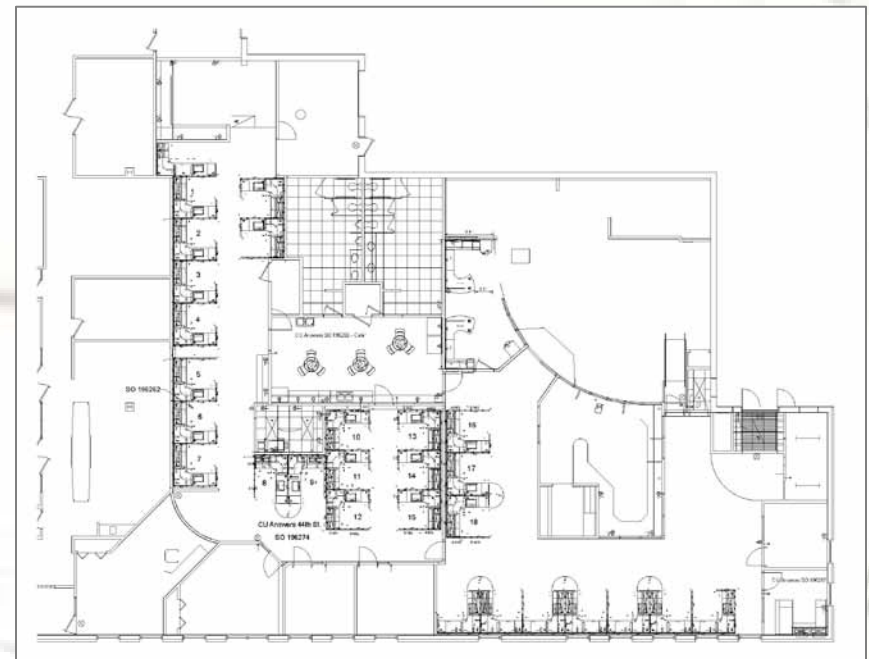


We'll also email an electronic version of these reports to you this later this week

Data Center Update

44th Street, Grand Rapids

- n The latter half of 2010 and all of 2011 will be an exciting time for our main Production data center
- n We will remodel the existing computer operations footprint (5,000 sq. ft.) to increase the potential for additional server and hardware capabilities
- n We will remodel the remaining 5,000 sq. ft. to create a new campus for housing Systems, Network, and Programming resources
- n We are intensifying our focus on 2nd shift credit union support
 - § New resources for overnight problem solving and systems innovation
 - § Additional team members for behind-the-scenes design work



Data Center Update

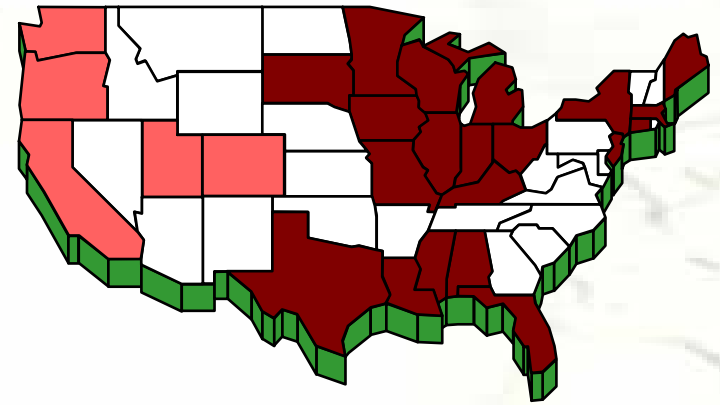
44th Street, Grand Rapids

- n Beginning with our 2011 fiscal year, we are planning to adjust our operational schedules to improve operations across the country with a split production cycle

 Zone 1: Eastern and Central time zones

 Zone 2: Mountain and Pacific time zones

- n When you consider the cuasterisk.com network, we have resources available to us across the country, with a sister data center in the Pacific, 2 data centers in the Eastern, and 1 in the Central time zone
- n It's time for us to think about how partners across the country can change something right here at home



When your industry peers who are not part of the network think about CU*Answers, do they have this picture in their minds?

How can we change what the CU industry thinks about CU*Answers?

Updating our Digital Intelligence

- n With all of the changes in our data center configurations, it's time for a revamp of the way we think about using our DR plan and presenting it to the market
- n One of the ways we can think global and act local, is by making sure our DR plan outlines are online and can serve from remote locations, should they ever be needed
- n In 2011 our DR teams will complete a migration of our Disaster Recovery and Business Continuity plan database to a new web-based, hosted service
 - § Like an intranet that is separate from our system, so it remains globally available even in the event of a local disaster
- n Look for more throughout 2011 on how this new service can keep *you* informed about your CU*Answers DR/BC plan

Have you been thinking about a remote management system for your DR plan? In a disaster, how will your team members connect with your plan?

Updating our Digital Intelligence

- n A growing trend across the country for DR/BC plans is to include a crisis management notification system as one of the tools in your toolbox
 - § These packages use email, true SMS, and outbound voice systems to send notification to your staff and important stakeholders in the event of a disaster
 - § Some even record the response of your key team members and track their locations during a disaster – “who’s missing?” is an important bit of information when responding to a real disaster
- n In 2011 CU*Answers plans to implement and activate this type of system for our DR teams
 - § What about you? Is this a resource our network should build for its participants? Could our centers throughout the country easily cover each other and the credit unions from alternate time zones?

On May 28, we proved that once in a while, these investments are worth our trust

It's time to consider what our national footprint could do for every network participant

Wrapping Up the Morning



Summarizing This Morning

- n I think we can all agree, it's been a tough 12 months since last we met
 - § It takes a real **artist** to **persevere** and perform in an environment like we're experiencing

- n I know everyone hopes the next 12 months are not dominated by responding to the regulator's agenda more than our members' agendas
 - § It takes a real **artist's creativity** to adjust a business plan when the outside world is setting the agenda

- n While we are all happy about the network's ability to respond, release after release, I'm sure we'd all like to return to a more normal pace in 2011
 - § It takes a real **artist's patience** to keep moving forward



Summarizing This Morning

- n How about one more award before lunch?
- n Our network comprises many things, from the infrastructure and facilities we talked about this morning, to the tools and ideas that forge our capabilities, to the people who vest their dreams through their participation
- n The key ingredient in a network's execution is **leadership**, but unlike the leadership that is exhibited *inside* a firm, in a network your leadership must win through alliances, cooperation, and vision to be bigger than you are when you stand alone
- n Based on that, this year's Robert H. Mackay Award goes to...





Let's eat!



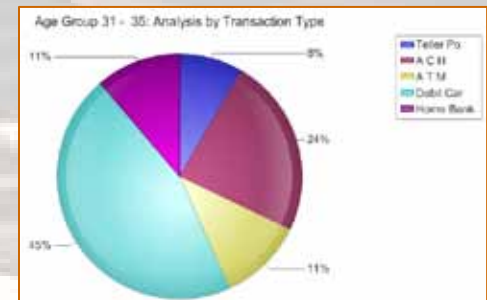
Your Credit Union is Everywhere

Does your strategy reflect the goal of having your member think of you *first* in every financial transaction, at every stop along their busy day?



Your Credit Union is Everywhere

- n Everyone knows it: the success of credit unions today is being top-of-mind with the member as they go about their daily lives
- n We wish to participate in every possible activity and transaction that a member experiences, whether it be in our lobby, at a retailer, on an ATM, through their phone, or on the 'Net
- n *We need to be everywhere*
- n To be everywhere, we must have our own realignment as to what is top of mind: no longer is what happens in our lobby the number one stimulus to our next activity



This morning we went through debit card and ATM concepts based on a regulator's agenda...what agenda do we have for our "everywhere" products in 2011?

Your Credit Union is Everywhere

- n These tools help with your micro-awareness of where your members act with you, outside of your offices
- n Do you use these tools proactively and as a result of your top-of-mind awareness that your members carry you with them everywhere they go?

The dashboard displays four main sections:

- Shared Branching Inquiry (Other CU Branches Used by My Members):** A table showing data for May 2010.
- Shared Branching Inquiry (Other Members Using My Branches):** A table showing data for May 2010.
- Where Your Members Borrow:** A form with filters for loan request date, display type, loan type, and order by.
- Where Your Members Shop:** A table showing merchant data with columns for Merchant, Payment type, City, State, Members, Transactions, Total Amount, and Avg. Amount/Transaction.

CU Name	Branch Name	Members	Transactions	Aggregate Dollars
FEDCOM CREDIT UNION	FEDCOM PALM OFFICE	70	305	359,913
FEDCOM CREDIT UNION	FEDCOM C U	49	126	73,291
SERVICE 1 FEDERAL CU	MUSKOGEE OFFICE	33	98	30,179

Member CU Name	My Branch Name	Members	Transactions	Aggregate Dollars
WEST MICHIGAN CU	WESTERN DISTRICTS MEMBERS PAL	95	203	97,514
GRAND RAPIDS FAMILY	WESTERN DISTRICTS MEMBERS PAL	77	253	74,509

Merchant	Payment type	City	State	Members	Transactions	Total Amount	Avg. Amount/Transaction
MELJER #199	QSI	CADERONIA	I	53	194	9,262	47
MELJER INC #011	Q	GRAND RAPIDS	I	94	188	5,335	29
MELJER INC #159	QNE	GRAND RAPIDS	I	77	190	6,940	47
MELJER INC #036	QSM	WYOMING	I	83	182	6,711	35
MELJER INC #050	Q	GRAND RAPIDS	I	70	154	6,620	40
MELJER INC #312	QNE	GRAND RAPIDS	I	58	149	7,370	49
MELJER INC #026	Q	JENISON	I	35	116	5,041	43
MELJER #221	QST	GRANDVILLE	I	53	110	5,189	47
MELJER #216	Q	GRAND RAPIDS	I	40	105	4,364	41

Dashboards are not for the isolated "I need to know" person – they are for a team, and they are for *action*

Have you activated your dashboard culture?

Video is worth a million words...

This year's video theme: *Your Credit Union is Everywhere*

- n We took this "everywhere" idea as the catalyst for our 2010 video contest
- n We wanted to combine the need to tell members that your credit union is everywhere, with the reminder that you must constantly be aware of this fact in planning for your 2011 activities
- n How will you use our network to touch more members outside of your organization and your direct employees in 2011, beyond anything you might have done in the past?



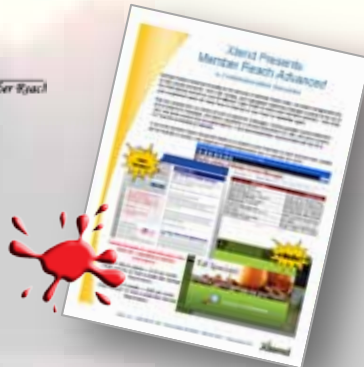
2008 Contest Winner:
"The Owners are Here"



2009 Contest Winner:
"Realizing Dreams"



2010 Contest Winner:
"Your CU is Everywhere"

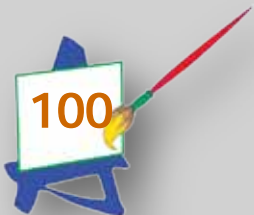


2011 Video Contest

- n Adding a new wrinkle to this contest next year: We will still have the \$1,500 prize for the best video idea (watch your email around Feb. 1)
 - § \$1,500 "Screenplay Idea" prize
- n Next time we are going to allow you to submit your own **finished videos** to win a prize as well
 - § \$1,500 "Director" prize
 - § 1-5 minute video
- n And for the musical artist in the room: Announcing our first-ever **jingle contest**
 - § \$1,500 "Recording Artist" prize
 - § 1-5 minute audio recording

For years, businesses have been calling to the 'net for solutions – from companies who post bounties for solving ideas, to companies who openly let software developers see their code

A network is a source of creativity and solutions...we need to tap that in more ways than ever in 2011



Your Credit Union is Everywhere

It's Me 24/7
Online Banking



The year began with a little regulator twist...

- n Last fall we saw a shift in the way examiners saw our software and its ability to be configured by our users
 - § They wanted to audit, through CU*Answers, which credit unions were choosing the “right” options
- n We were pretty sour on this idea, and pushed back pretty hard
- n But in the end, we now see this was a chance to turn lemons into lemonade

- **Your minimum online banking password length is set at less than 6 characters.**

If this is the case for you, this is an easy one. This change can be made with minimal difficulties for you and your members. Contact a CSR and we will change your configuration to a longer minimum (NCUA is recommending no less than 8, actually). The next time a member with a shorter password logs in, **It's Me 247** will simply prompt the member to set up a new password.

- **You have not activated login questions as a default for your membership.**

This is the PIB setting that requires a member to enter their password *and* answer one of their Security Questions every time they log in. This is often referred to as a “multi-layered” security feature. (Remember that Security Questions are automatically set for every member the first time they use **It's Me 247**, but unless you set your PIB default to require them upon login, they are only used when the member forgets their password.)

Changing this is a little more complex, but it can still be easily activated with just a little prep for



n Security enhancements recently made:
(9.6 release, February 2010)

- § Security questions required at login
- § Sunset of the 4-digit PIN
- § Masking account #s on e-Notices
- § Password strength meter

Subject: Checking Overdraft Transfer/NSF

(Your personal information is not displayed for enhanced privacy and security)

CARTOON CITY FEDERAL CREDIT UNION
PO BOX 99999
LOONEY TUNES, CA 99999
111-111-1111

Notice of Returned Checks

Account Number: XXXXX-001	Transaction Date: 01/07/0
Check Number: 2203	Amount: \$4,705.62
Fee Amount: \$25.00	

- Preferences
- My Site Options
- My Password**
- My Security Questions
- E-Statements Options
- My Personal Information
- My Contact Options

Change My Password

What are the requirements for my password?

- Your password must be at least 6 characters long, and you can use up to 10 characters.
- Use both alphabetic and numeric characters for a more secure password.
- Your password is **case sensitive**.
- Your Online Banking password is **not** the PIN used for voice access.

What is your current password?

Type your new password: ✘ Weak

Retype your new password:



- n Still coming later this year (all targeted for the 10.3 release)
 - Password resets done by CU employee will expire within 24 hours unless member sets a new password
 - New members must log in within 5 days or online banking will be deactivated/expired and member must contact CU
 - Redesign the **open enrollment process** to be less problematic for new conversions and annual open enrollment promotions
 - Configurable option for **initial password**
 - Choose from any combination of two letters of last name, full birth year, and last four or first four digits of SSN
 - Allow for login **user IDs** (instead of acct #) to be set independent of PIB
 - Stronger controls for **multiple login attempts** and other behind-the-scene enhancements
- n Moving forward on an overhaul of the PIB wizard to make it easier to extend even more layered security controls to your members

Mobile Banking Update

n **Mobile Web Banking** – we talked about this this morning, and it's doing very well

§ In 2011 we will work hard on our cooperative marketing materials and bring bill pay forward into this new channel



n **Mobile App Banking** – augmenting your browser phone strategy with a tactic for members who still carry the “other” type of phone

§ Ready for alpha August 1, and multiple betas by Sept. 1*



n **Mobile Text Banking** – for the text-crazy member who wants to text a computer system directly

§ Ready for alpha Sept. 1, and multiple betas by Oct. 1*



Mobile Strategy

- n Do you have a vision for how your mobile strategy will evolve over the next 24-36 months?
 - § You jumped on Mobile Web – do you need Mobile App?
 - § You think you need Mobile Text – have you figured out a pricing strategy where you'll make money?
 - § You know that Text and App require CU*Answers to use a third-party partner – how long do you think that partner will be in play?
- n What will you say about your evolving strategy?

The screenshot displays the CU*Answers website with several sections related to mobile banking for 'It's Me 247'. The main content includes:

- It's Me 247 Mobile Web Banking:** A section explaining that mobile web banking is ready to go now, allowing members to use their mobile devices. It mentions that the service is available to all CU*Answers members and is optimized for various mobile devices. A link is provided to read the mobile announcement.
- Take a Tour of the Member's Experience:** A section encouraging members to check out what the mobile banking experience will be like, including a link to a video.
- Online Banking User Agreement:** A section stating that the Online Banking Use Agreement has been updated to include mobile banking.
- Activating Mobile Web Banking:** A section providing instructions on how to activate mobile web banking, including a link to the activation tool.
- It's Me 247 Mobile App Banking:** A section announcing the launch of the mobile app, which is available for download on various devices. It mentions that the app is free to use and will be available to all CU*Answers members.
- It's Me 247 Text Banking:** A section announcing the launch of text banking, which allows members to interact with their accounts via text messages. It mentions that the service is free to use and will be available to all CU*Answers members.

The website also features a sidebar with various links and a search bar. The top navigation bar includes 'About Us', 'Home', and 'Talent Source Portal'.



Learn more in the kitchen

<http://www.cuanswers.com/kitchen/mobile.php>

Configuring Service Charges for Mobile App and Text

Session 1 CU*BASE GOLD - Configure Mobile Banking

← → ↑ ↓ ⌂ ? Network Links

Configure Mobile Banking

UPDATE

Please configure any fees for inclusion in Text Banking and Text Alerts

Enable text banking

Monthly Member Subscriber Fees

Regular monthly rate Includes up to transactions per month

Session 1 CU*BASE GOLD - Configure Mobile Banking

← → ↑ ↓ ⌂ ? Network Links

Configure Mobile Banking

UPDATE

Please configure any fees for inclusion in Mobile App Banking

Enable mobile app banking

Monthly Member Subscriber Fees

Regular monthly rate Includes up to transactions per month

Introductory rate/month # of months at introductory rate

Fee transaction description

Fee can take the account negative

Fee G/L offset account

Fee waivers

Low age High age

Aggregate savings Aggregate loans

Waive if OTB account is present Credit Loan Savings ATM Debit

Waive if enrolled in e-statements

Excessive Activity/Non-use Fees

Per transaction fee for transactions over monthly allotment

Fee transaction description G/L offset account

Monthly fee if less than transactions during the month

Fee transaction description G/L offset account

Backup F3
Update F5
Cancel F7

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But we did a lot more than mobile...

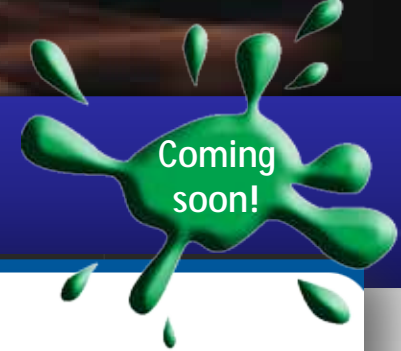
New features added during the past year:

- n Pending ACH transactions
- n Enter secondary transaction descriptions when transferring \$\$
- n New renewal options for certificate products offered online
- n View dividend details for closed accounts (tax prep time)
- n Principal and interest breakdown on loan payments
- n Display of zero-dollar memo transactions in **It's Me 247**



And don't forget about
Online Ballots!





In QC and getting ready for this fall:

- n A new way to add **joint owners** when opening new accounts
- n A new feature for certificates only: adding **beneficiary names!**

New Accounts

- New Accounts
- Shares
- Certificates
- Loans

Purchase Certificate

I would like to purchase: 13 MONTH CD SPECIAL

The minimum deposit required is: \$1,000.00

I am going to deposit:

Take my opening deposit from: 000 - REGULAR SHARES: \$113,617.05 ▾

Other names I'd like listed on the account: PORK E PIG
 Joint Owner Beneficiary
 BUGS BUNNY
[Add More?](#)

Put my dividends in: 000 - REGULAR SHARES ▾



Hover help will explain the member's choices

I would like to purchase: 13 MONTH CD SPECIAL

The minimum deposit required is: \$1,000.00

I am going to deposit:

Take my opening deposit from: 000 - REGULAR SHARES: \$113,617.05 ▾

Other names I'd like listed on the account: PORK E PIG
 Joint Owner Beneficiary
 BUGS BUNNY
[Add More?](#)

Put my dividends in: 000 - REGULAR SHARES ▾

✗ Want to add a name not shown here? To comply with regulations for financial institutions, we are required to gather certain information about joint owners and beneficiaries, including a Social Security number, Tax ID, or other identification. For privacy reasons, we request that you call or visit a credit union office to add this information to your records.

New Accounts

- New Accounts
- Shares
- Certificates
- Loans

Purchase Certificate

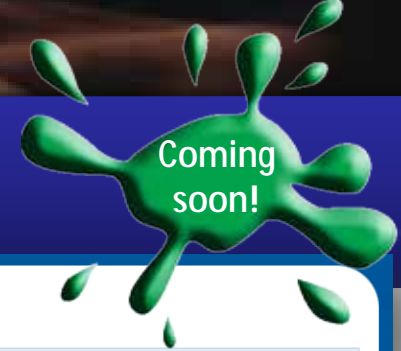
I would like to purchase: 13 MONTH CD SPECIAL

The minimum deposit required is: \$1,000.00

I am going to deposit:

Take my opening deposit from: 000 - REGULAR SHARES: \$113,617.05 ▾

✗ **Joint-owner:** an individual with shared ownership of the funds, and equal right to withdraw from the account. **Beneficiary:** the recipient of the account funds in the event of the primary holder's death.



In QC and getting ready for this fall:

n Certificate maturity management

§ Configurable options for new accounts, *and* to let your members respond online to renewal notices they receive

Purchase Certificate

I would like to purchase: 6 MONTH CERTIFICATE

The minimum deposit required is: \$1,000.00

I am going to deposit: 1000.00

Take my opening deposit from: 000 - REGULAR SHARES: \$113,617.05

Other names I'd like listed on the account: PORK E PIG Joint Owner Beneficiary
 BUGS BUNNY Joint Owner Beneficiary
[Add More?](#)

Put my dividends in: 000 - REGULAR SHARES

Maturity Date: 12/11/2010

Renewal Options:

Certificate Information

302 - 6 MONTH CERTIFI

Value if redeemed now: \$998.03

Annual Percentage Yield: 0.800%

Renewal Option:

Automatically renew

Transfer to 000-REGULAR SHARES

Transfer to 070-TEST NICKNAME

Mail via check

Actual Balance: \$1,000.00

Available Balance: \$0.00

Last Transaction Date: 5/6/2010

Accrued Dividends: \$0.00

Dividends Paid YTD: \$0.00

Dividend Payment Method: Add dividends back into this certificate.

Dividend Payment Frequency: Monthly



A precursor to "Smart Notices" – notices with clicks for action

Then Member Reach will follow up Smart Notices with "Smart Promos" – online advertisements with clicks for immediate action



In QC and getting ready for this fall:

n New flow for the Transfer Wizard

- § Now we will ask for accounts *before* the amount, so it can only present the right questions (this was a nice byproduct of the AFT enhancements project)
- § New AFT balance sweep option and member-friendly language for all AFTs (you'll hear more about that later)

Set up my transfer:

Step 1. When do I want it to happen?

Step 2. Where am I getting the money?

Step 3. Where's it going?

Step 4. How much do I want to transfer?

Enter the amount you want to transfer :

What I have so far:

When?
Right Away

From where?
000 - Shares: \$600.00

To where?
070 - Free And Easy: \$8.50

How much?

Continue with transfer



*Also in development:
Printing loan coupons from online banking!*

Multiple Membership Management

- n When it comes to managing a single member's money across multiple accounts, whether as an individual or a family, it's time to make the system more convenient

SEE

"Let me see all my accounts, no matter where they are at the credit union"

JUMP

"Let me move more easily to my other memberships"

TRANSFER

"Let me move money from my membership to others"



- n New feature for CU*BASE and It's Me 247: The ability to be in one membership and see basic details about all of your accounts that might be part of other memberships
- n Stay where you are, but see accounts where you are attached to other memberships
 - § The "SEE" list - a new kind of automated authority list, pulling in all accounts where you are listed as a joint owner or co-borrower



- n New feature for **It's Me 247** that will allow the member to jump quickly to a list of other memberships
- n CU can define the authentication:
 - § **Force credentials** – Member chooses an account from their “jump” list and then enters that account’s password and security questions
 - § **SSO (single signon)** – Member creates an access list of “who can jump to my account” without any additional authentication
 - Managed much like the current Transfer Control list, this list will speed members from one membership to the next, without re-authentication



A new kind of automation for total access to your **It's Me 247** accounts

- n Today we have two kinds of transfer features: **Wide open** (member enters an acct # manually) and **Transfer Control** (member gives you an account list)
- n We're planning to add a third kind and let your CU choose which method(s) you want to allow
 - § Transfer Control list (like now)
 - § "SEE" list (auto-approved list for all joint/co-borrower relationships)
 - § Wide open (enter the account # manually) but with new controls

- If Transfer Control is off, would require the member to enter both the account # **and the first 3 letters of the other member's last name** as a verification, similar to Name ID in the teller line

Set up my transfer:

Step 1. When do I want it to happen?

Step 2. Where am I getting the money?

Step 3. Where's it going?

Pick the account where you want to put the money.

My CU accounts:

- 000 - Shares: \$600.00
- 009 - Visa Payment Sh: \$100.00
- 050 - Special Shares: \$52.61
- 070 - Free And Easy: \$8.50
- 690 - Platinum Advant: \$3,311.90
- 706 - Used Auto Loan: \$7,262.99
- 830 - Home Equity Loc: \$28,179.37
- 874 - 1st Mortgage 36: \$40,748.14

Other member accounts:

- John Q Member (42): 800 - Revolving Line

Step 4. How much do I want to transfer?

[Continue with transfer](#)

What I have so far:

When?
Monthly
Starting On 06/16/2010
And Ending On 10/14/2010

From where?
050 - Special Shares: \$52.61

To where?
John Q Member (42): 800 - Revolving Line

How much?

Remember that this will control only the transfer TO authority – you will only be able to transfer *from* the accounts to which you have FULL access authority

OBC Refresh (2.OBC)

It's Me 247

Online Banking
Community

The screenshot shows a Mozilla Firefox browser window displaying the It's Me 247 Online Banking Community website. The browser's address bar shows the URL `http://new.obc.local/?cuid=001`. The website features a navigation menu with links for Home, PIB, Personalize It, Help, and About. The main content area includes the It's Me 247 logo, a sticky note that says "I'm New! Where do I start?.", and a "Online Banking Secure Login" section. The login section prompts users to enter their account number if they do not have a PIB Profile, and includes a "Login" button. Below the login section is a "Searching for..." search bar. To the right, there is a banner for "Spark your savings!" with a "LEARN MORE HERE" link. Further down, there is a section titled "Do We Have Your Email?" which explains the benefits of electronic communication and offers a chance to win a GPS. At the bottom, there are two promotional boxes: one for "CU SECURE Fight Identity Theft" and another for "Sign up for e-statements. The reasons why keep growing."

Online Banking Community - Mozilla Firefox

File Edit View History Bookmarks Tools Help

`http://new.obc.local/?cuid=001`

Online Banking Community

Home PIB Personalize It Help About

It's Me 247

Online Banking Community

I'm New!
Where do I start?.

Online Banking Secure Login

If you do not have a PIB Profile, please enter your account number.

Username

[Login](#)

Searching for...

Spark your savings!

[LEARN MORE HERE](#)

Do We Have Your Email?

Communicating with you electronically allows us to deliver the timeliest news and updates. The types of communications include information we want you to know, information we need you to know and information that you may wish to share with your staff and other partners. Our communications will always help you do what you do better.

Plus, if we receive a valid email address from you during June or July, your name will be placed in a drawing for a brand new GPS!

Do we have your current email address? An email can be added or verified within It's Me 247 under Personal Preferences at a branch.

CU SECURE
Fight Identity Theft
Learn How >>

Sign up for e-statements.
The reasons why keep growing.

Done

OBC Refresh (2.OBC)

It's Me 247
Online Banking
Community

Annual Survey – Online Banking Community - Mozilla Firefox

File Edit View History Bookmarks Tools Help

http://new.obc.local/annual-survey/?cuid=001

Annual Survey – Online Banking Com...

Home PIB Personalize It Help About

It's Me 247

Online Banking Community

*I'm New!
Where do I
start?.*

Online Banking Secure Login
If you do not have a PIB Profile, please enter your account number.


Username

[Login](#)

Searching for...

Fight Identity Theft Learn How >>

Sign up for e-statements.
The reasons why keep growing.



We value your membership!

2010 Annual Survey

We want to hear from you!

We want to hear about your experience with our credit union.

Please take a few minutes to complete the online survey inside **It's Me 247 Online Banking.**

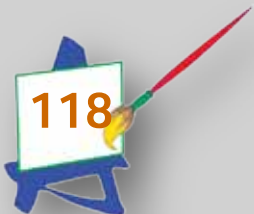
Done

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OBC Refresh (2.OBC)

- n New look, with available custom-color background to match your website
- n Login to **It's Me 247** right from OBC
- n Banner ads managed by ad management application
 - § If you sign up for a CU*Drive campaign (including CU*Drive+ and all of CU*Overdrive), and we manage your website, **the same campaign will appear on your website, on the OBC, and in e-Info!**
 - § Looking to expand touch points next year
- n A "New User" section with quick tips on how to use Online Banking
- n New pages that support every CU*Drive campaign (including CU*Drive+ and all of CU*Overdrive)
 - § Each campaign will have a webpage – no more linking to PDFs!

A similar treatment is also coming for PIB, along with a tighter integration into **It's Me 247** (no separate user ID!) and easier authentication management for the member



A glass half empty or half full?

- n We are extremely proud of the network and how far we have come when it comes to online services, and we have big plans and goals for the future
- n Do any of these stats surprise you?

Online Banking Service or Feature	% of <u>online</u> CUs using this service or feature
Transfer Control for inter-member transfers	86.7%
Check Requests	64.4%
Stop Pays	54.1%
Online Membership Application	48.9%
ACH Maintenance	44.4%
AFT Maintenance	25.9%
CU Tiered Services marketing messages	25.9%
CFT Maintenance	21.5%

- n Some goals for your 2011 activities, out of these changes:
 - § Push your members never to use their account number on the Web – it will soon be easier than ever to set up your user name right in It's Me 247
 - § Plan to have an online banking enrollment promotion every year using the new tools
 - § Revamp your new membership procedures and get people online faster
 - § Start using web page sales services inside of It's Me 247 – raise your members' expectations for purchasing and starting things through online banking (Mobile Web will be next)
 - § Refresh your security education materials and push another round of online security best practices at your members
 - § Plan to use OBC and become an online banking publisher
 - § Use SEE / JUMP / TRANSER concepts to create a portfolio management persona for your online banking channel – start with your internal accounts and expand it through A2A for all of your members' FI relationships

- n From videos, to all of the content in the OBC, to collateral marketing materials, to online help, to the collective vision...we believe having a **collaborative brand** is the best way to manage the investment in these channels
- n But not everyone agrees with us, and there is still an audience (and at least a marketing department hunger) for **private branding** of online and mobile banking products
- n In 2011, CU*Answers will announce a proof-of-concept project with 1-3 credit unions on designing our first privately-branded online banking site
 - § It won't be as expensive as you think – today we project a \$5,000 setup fee and a \$3,500/month e-commerce fee
 - § Are you one of the teams that wants in on this project?

Before you go running around the office doing back flips and cheering for this new revolutionary new online banking site, let's negotiate what "private label" means

Looking Forward to the 2011 Development Agenda

Some of our favorite projects in the works, on the drawing board, or prioritized as “get started soon”

It was hard to boil down the list to my Top 7!



#1

“Unlock the Date”

Never Say Never...

- n Some people call it “back-dating,” some people call it “effective dating” – we are going to give it a new name and apply it to a lot more than just account adjustments
- n Introducing “**Unlock the date**”
 - § This means to take a standard CU*BASE option for processing member requests, then allow the user to “unlock” and enter a prior date, and automate any necessary adjustments
 - Dividend or interest adjustments, dates on printed forms, etc.
- n The idea is to mainstream the tough calculations related to posting transactions that should have been posted in the past
 - § *Network champion:*
Heartland CU (Springfield, IL)

This is not just one feature: it’s a new standard
for how we look at all features

Where can we turn processes that require several
steps today, into a simple one-step process?

“Unlock the Date”

We're Going All Out

- n Effective date for **opening shares and loans**
(part of the 10.1 release, so people are still working their way through it)
- n Effective dated **account adjustments** for average daily and **simple daily** savings and 365-day loans (in beta over the summer, releasing this fall)
 - § New screen handling to walk the user through the adjustment process, pre-filling the adjustment and dividend/interest calculators automatically
- n Effective-dated **transfers** will be part of the normal member transfer feature, posting a single transfer with multiple adjustments for effective-dated dividends and interest (in beta over the summer, releasing this fall)
- n Effective-dated **teller posting** – a new Proc Code that will automate multiple adjustments for effective-dated dividends and interest (on the drawing board for next spring)
- n Effective-dated transaction **reversals** – to include multiple automated adjustments for effective-dated dividends and interest (on the drawing board for next year)

Effective-Dated Transfers

Session 2 CU*BASE GOLD - Member Account Transfer

Member Account Transfer

Transfer date Jun 11, 2010

Transfer amount 0.00

From account 000 IRA/HSA code

To account 000 IRA/HSA code

Description MEMBER TRANSFER

Print receipt

Network Links



Refresh/Calc	Ent
Post	F5
Post/Return	F6
Bypass	F8
Unlock Date	F10

HS (3826) 6/11/10 15:32:15

Session 2 CU*BASE GOLD - Member Account Transfer

Member Account Transfer

Transfer date May 15, 2010 [MMDDYYYY]

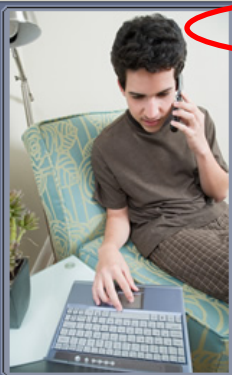
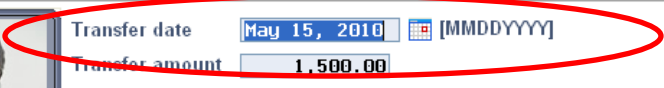
Transfer amount 1,500.00

From account 54718 000 IRA/HSA code

To account 1389 000 IRA/HSA code

Description CORRECTED CHK DEP

Print receipt



Refresh/Calc	Ent
Post	F5
Post/Return	F6
Bypass	F8
Unlock Date	F10

Effective-Dated Transfers

Session 2 CU*BASE GOLD - Transaction History

Transaction History

Name SUSIE MEMBER

Account 54718-000 SAVINGS **Current balance** 9,426.76 **Available balance** 9,421.76

Transactions 6 **Rate** 0.50% **Calc type** Simple Daily

Effective date May 15, 2010 **Adjustment days** 16 **Last date dividends were accrued** May 31, 2010

Date	Amount	(n/a)	Balance	Description	Transfer Acct	Teller ID
Jun 01, 2010	500.00		9,926.76	MEMBER TRANSFER	1389-090	/4
Jun 01, 2010	0.22		9,926.98	EFFECTIVE DATED ADJ.	1389-090	/4
Jun 01, 2010	675.00		10,601.98	CORRECT DEPOSIT ERR		/4
Jun 01, 2010	0.25		10,602.23	ADJUST DIVIDENDS		/4
Jun 02, 2010	755.00		11,357.23	MEMBER TRANSFER	1389-090	/4
Jun 02, 2010	0.34		11,357.57	DIVIDEND ADJUSTMENT	1389-090	/4

Name JOHN Q MEMBER

Account 1389-000 SAVINGS **Current balance** 55.34 **Available balance** 50.34

Transactions 4 **Rate** 0.50% **Calc type** Simple Daily

Date	Amount	Transfer Acct	Balance	Description	Transfer Acct	Teller ID
Jun 02, 2010	1,555.55		1,610.89	CORRECT DEPOSIT ERR		/4
Jun 02, 2010	0.76		1,611.65	ADJUST DIVIDENDS		/4
Jun 02, 2010	755.00		2,366.65	MEMBER TRANSFER	3199-000	/4
Jun 02, 2010	0.23		2,366.88	DIVIDEND ADJUSTMENT	3199-000	/4

Backup F3
Continue Ent

HS (3811) 6/11/10 15:34:50

A quick recap of recent transactions for both accounts

Effective-Dated Transfers

Session 2 CU*BASE GOLD - Member Account Transfer

Member Account Transfer

Transfer date: [MMDDYYYY]

Transfer amount:

From account: IRA/HSA code:

To account: IRA/HSA code:

Description:

Print receipt

Optional secondary transaction description:

Show on the TO account also

From Account		To Account	
Name	SUSIE MEMBER	Name	JOHN Q MEMBER
Mbrshp designation	Individual	Mbrshp designation	Individual
Secondary Names		Secondary Names	
Beginning available balance	9,421.76	Beginning balance	55.34
Transfer amount	1,500.00-	Transfer amount	1,500.00
Transfer adjustment	0.57-	Transfer adjustment	0.57
Fee amount	0.00	Fee amount	0.00
Ending available balance	7,921.19	Ending balance	1,555.91

HS (3826) 6/11/10 15:34:59 [Learn About This Feature](#)

Secondary trans description to explain the effective date

Automatic dividend adjustments

#2

Custom Posting at the User Level

Importing Files & Posting Transactions to Member Accts

- n *Network champion:*
Every creative CU out there who can dream up a reason to give or take money away from members
- n Every year, some creative CU team says, "We can identify the members, we know the formula to figure the debit or credit amount, and we understand why this would be a great option...if only we could post it!"
- n We are developing a new tool that will mark a turning point in how CU*BASE allows credit union teams to get creative with debiting and crediting batches of members
 - § Give a rebate to all members who use their debit card (% of transactions per month)
 - § Post a special reward for Platinum members
 - § Fee members a special assessment from a Query formula
 - § Post a new third-party fee for a new service, from an external source

Custom Posting at the User Level

Importing Files & Posting Transactions to Member Accts

Session 0 CU*BASE GOLD - Mail/Direct Transaction Processing

Mail/Direct Transaction Processing

ACH ORIGATION FOR MAGICWR

Branch: **1** FRANKENMUTH C U - MA Deposit payment: **0.00**
 Group: ACH ORIGATION FOR MAGICWR Withdrawal: **346.64**
 Date: Jun 09, 2010 Post code: G/L #: **870.00** Allow negative balance Total funds received: **346.64**

Copies: **1**
 Printer: **P1**
 Print register

Records imported: **0**
 Records in error: **0** [Sort](#)

Seq	S/A	Account #	Name	Tran Type	Amount	Description	IRA
1	A	16 001	LE... CO	U = Wthdrul	10.24	ACH FEES MARCH	
2		4 001	FB... NY INC	U = Wthdrul	10.00	ACH FEES MARCH	
3		21 001	FR... ITED H	U = Wthdrul	14.16	ACH FEES MARCH	
4		404 110	BL... KING I	U = Wthdrul	51.04	ACH FEES MARCH	
5		19 110	RA... STORE	U = Wthdrul	21.36	ACH FEES MARCH	
6		25 001	SC... TERLET	U = Wthdrul	22.40	ACH FEES MARCH	
7		27 111	BA... EST GR	U = Wthdrul	143.44	ACH FEES MARCH	
8		19 001	CI... HEALTH	U = Wthdrul	10.00	ACH FEES MARCH	
9		403 110	HI... SUPPLY	U = Wthdrul	40.00	ACH FEES MARCH	
10							
11							
12							
13							
14							
15							
16							
17							

CU*BASE GOLD - Import file to Post

Option: ACH Elat File to import:

Defaults:

Transaction: Deposit Payment Withdrawal

Description:

IRA/HSA code:

Buttons: [←](#) [→](#) [↕](#) [🖨](#)

FR (3833)

[Learn About This Feature](#)

Custom Posting at the User Level

Importing Files & Posting Transactions to Member Accts

CU*BASE GOLD - Import file to Post

Backup	F3
Import	F5

Option ACH Flat File to import

Defaults:

Transaction Deposit Payment Withdrawal

Description

IRA/HSA code

[Learn About This Feature](#)

n During 2011 we'll add additional formats beyond ACH and Flat:

- § User-defined fixed length
- § Comma-delimited
- § XML

We believe that when this is completed, CU*BASE will be much more attractive to creative marketing and IT teams who are used to direct input without the need for a standard program or custom project

#3

Two Slick Ideas for Certificates

n Amortized Certificates

- § Disburses both interest and principal as a cash-flow type investment
- § For the member who wants to earn dividends *and* have a budgeted principal disbursement back to themselves over the term of the certificate
- § *Network champion:*
Superior Choice CU (WI)

n “Bump Your Rate” Certificates

- § CUs will be able to configure certificates that let members bump to a higher rate a specified number of times during the term
- § Member can bump to the then-current rate via a self service option in **It’s Me 247** or via an employee in CU*BASE
- § *Network champion:*
Services Center FCU (SD)

In 2011, CU*Answers has several projects slated to better understand how member savings and member investment products could be enhanced

Do you have any ideas you would like Gividends to drive for your savings offerings?

#4

AFT Enhancements

n Full Balance Sweeps – an AFT without a specified transfer amount

- § For years, members have been able to regularly sweep money from their accounts to the credit union for things like credit card payments, third-party mortgage payments, or even third-party investment transfers
- § This new project allows members to use a similar feature as part of their personal money management, account to account
 - Using a special savings account to accumulate funds for a mortgage payment – helping members with weekly or sporadic mortgage payment budgeting
 - A new way for members to automate transfers to higher-earning accounts (e.g., “transfer everything over \$2,500 from my checking account to my money market account every week”)
- § We will eventually use this foundation to help businesses with cash management



AFT Enhancements

Walking Members Through Their Transfer Options

Set up my transfer:

Step 1. When do I want it to happen?

If you want this to happen right away, pick Right Away. Or, you can schedule it to happen at a later date and whether or not it repeats:

- Right Away
 - Annually
 - Bi-Weekly
 - Semi-Monthly 5th & 20th
 - Daily
 - Monthly
 - One Time Only
 - Quarterly
 - Semi-Annually
 - Weekly
- Start On 
- Never End
- End By 
- End After Transfers

Step 2. Where am I getting the money?

Step 3. Where's it going?

Step 4. How much do I want to transfer?

[Continue with transfer](#)

What I have so far:

When?

Monthly
Starting On 06/16/2010
And Never Ending

From where?

To where?

How much?

Set up my transfer:

Step 1. When do I want it to happen?

Step 2. Where am I getting the money?

Step 3. Where's it going?

Pick the account where you want to put the money:

My CU accounts:

- 000 - Shares: \$600.00
- 009 - Visa Payment Sh: \$100.00
- 050 - Special Shares: \$52.61
- 070 - Free And Easy: \$8.50
- 690 - Platinum Advant: \$3,311.90
- 706 - Used Auto Loan: \$7,262.99
- 830 - Home Equity Loc: \$28,179.37
- 874 - 1st Mortgage 36: \$40,748.14

Other member accounts:

- John Q Member (42): 800 - Revolving Line

Step 4. How much do I want to transfer?

[Continue with transfer](#)

What I have so far:

When?

Monthly
Starting On 06/16/2010
And Never Ending

From where?

050 - Special Shares: \$52.61

To where?

830 - Home Equity Loc:
\$28,179.37

How much?

Set up my transfer:





Step 1. When do I want it to happen?

Step 2. Where am I getting the money?

Step 3. Where's it going?

Step 4. How much do I want to transfer?

Enter the amount you want to transfer:

- I'd like to transfer this amount every time: 
- Make my standard loan payment 
- Pay my loan balance in full 
- Sweep the available balance from my Special Shares 

[Continue with transfer](#)

What I ha

When?

Monthly
Starting On
And Never Ending

From where?

050 - Special Shares: \$52.61

To where?

830 - Home Equity Loc:
\$28,179.37

How much?

\$

The way people use online banking is starting to change how we think about walking employees through CU*BASE options as well...

AFT Enhancements

Walking Staff Through Member Transfer Options

- n A similar step-by-step logic will also work great in making AFT setup more intuitive for employees
- n The screens are always smart enough to show only the decisions the user needs to make

Session 0 CU*BASE GOLD - Select AFT Transfer Type

Select AFT Transfer Type ADD

Transfer FROM account 2 000 GE ER SHARES
Transfer TO account 54 874 JA KE 1ST MORTGAGE

Transfer type S B = Make a regular loan payment to 1st MORTGAGE.
 B = Let me specify an amount to transfer every time.
 S = Sweep the entire available balance from SHARES to 1st MORTGAGE every time.

Backup F3
Cancel F7
Continue Ent

BT (3837) Learn About This Feature

After you choose the FROM and TO accounts, we can ask the right question to choose a transfer type . . .

AFT Enhancements

Walking Staff Through Member Transfer Options

- n A similar step-by-step logic will also work great in making AFT setup more intuitive for employees
- n The screens are always smart enough to show only the decisions the user needs to make

Session D CU*BASE GOLD - Automatic Funds Transfer Maintenance

Automatic Funds Transfer Maintenance

Transfer FROM account 2 000 GE ER SHARES
Transfer TO account 54 874 JA KE 1ST MORTGAGE

Transfer type S Sweep the entire available balance from SHARES to 1ST MORTGAGE every time.

Frequency H Monthly
Next transfer date [] [MMYY] Transfer day 01

End transfers 1 = End as of date [] [MMDDYYYY]
2 = After maximum # of transfers
3 = Never end

Optional secondary transaction description:
 Show secondary description in the TO account

Miscellaneous Controls	If Sweeping Available Balance
<input type="checkbox"/> Lock record to prevent changes in online banking	Minimum amount to transfer each time 0.00
Priority <input type="checkbox"/> (if other transfers are set on same FROM account)	Take only increments of 0.00
	After sweep, leave behind 0.00

Loan payment 417.16
Loan balance 40,748.14

Last maintained Jun 16, 2010
By *H

Learn About This Feature

... and then subsequent screens can ask only for the details you really need for that AFT

AFT Enhancements

Walking Staff Through Member Transfer Options

- n A similar step-by-step logic will also work great in making AFT setup more intuitive for employees
- n The screens are always smart enough to show only the decisions the user needs to make

Session 0 CUPBASE GOLD - AFT Payment on a Loan or LOC Account

AFT Payment on a Loan or LOC Account ADD

Transfer FROM account 2 000 GE ER SHARES
Transfer TO account 54 874 JA KE 1ST MORTGAGE

Transfer type S Sweep the entire available balance from SHARES to 1ST MORTGAGE every time.

Payment & Delinquency Controls

Selection 0 = Use the default settings configured in the loan category

- 1 = Make this payment every time, no matter whether I'm behind or whether a payment is made via another channel.
- 2 = Make this payment ONLY if a payment is not made another way.
- 3 = Make this payment ONLY if a payment is not made another way, and pay enough to catch up my loan completely.
- 4 = Make this payment every time. If the loan becomes delinquent, make transfers every day until the loan is caught up.
(This setting is recommended only for loans that cannot be paid ahead.)

Payment date control Delinquency control

CU (3140)

Simplifying the controls, and asking the question only when setting up an AFT loan payment

#5

Dashboard for Your New & Closed Memberships/Accounts

Session CU*BASE GOLD - Open-Closed Memberships

Network Links

Open-Closed Memberships

From To [MMDDYYYY] Status Account base Name

Gender Employee ID Branch Sort by Sort direction

Action	Account	# Accts	Name	Opened	Closed	Gender	Emp ID	Branch	ZIP
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	9	1	F A	Mar 05, 2010		O	60	2	48744
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	18	1	C J	Feb 09, 2010		O	JA	4	48757
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	27	2	S ARY A	Feb 19, 2010		M	TR	1	48734
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	30	1	T A	Feb 27, 2010		M	20	10	48415
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	33	6	R SAN G	Apr 09, 2010		F	27	5	48420
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	33	1	M NK B	Feb 08, 2010		M	RF	10	48768
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	35	2	F	Jan 18, 2010		M	JA	4	48757
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	36	1	B	Feb 12, 2010		F	27	3	48415
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	36	1	C	Jan 29, 2010		F	BB	11	48708
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	36	3	G	Feb 25, 2010		F	23	3	48420
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	36	1	V SEY J	Jan 24, 2010		M	20	10	48415
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	37	2	S J	Jan 16, 2010		M	RF	10	48415
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	37	1	S T	Jan 07, 2010		F	14	8	48604
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	37	2	H ETH A	Feb 02, 2010		M	RF	10	48768

↑ ↓

Backup F3

Cancel F7

Export F9

Member Connect F10

Summary F15

= Checklist

= Credit Report

= Inquiry

= Home

This is a placeholder for a helpful explanation of the story this data tells and how it can be used while planning the credit union's business strategy.

More helpful text can be placed here, perhaps to describe how this screen can be used. A clip from the documentation could be placed here for easy reference.

[Learn About This Feature](#)



New & Closed Memberships/Accounts Dashboard

Goals for the Project

- n An on-the-fly analysis and report system for new and closed memberships and their accounts
 - § Choose a “from” and “to” timeframe
 - § A palette presentation to process new and closed relationships, from a welcome basket to verifying an MSR checklist for when a member leaves
 - § Demographic breakdown for gender, employee, branch, and ZIP code
 - § A.S.A.P. tools for Member Connect strategies
 - § Summary analysis consistent with the Activity Analysis feature in the Loan Application queue
- n More than a set of dashboards, these analysis tools will come with a built-in report package as part of our new CU*BASE PDF project

#6

Privacy ~~2010~~ ~~2011~~ 2020!

Redesigning Member Authentication

n Parts 1-3 already in

- § New configurable Privacy Controls; sanitize teller/phone/inquiry screens; expand security audit files to include Shared Branch activity
- § These parts laid the foundation for segmenting “trusted individuals” both inside and outside of our CU staff, for working with members

n Part 4 coming soon (Target: 10.3 release)

- § This part automates the compliance and consistency of authentication, with new controls and the ability to audit trusted individual performance
 - Code word pop-up
 - Out-of-wallet questions

n *Network champion:*
Xtension Call Center

Session 0 CU*BASE GOLD - Member Identity Verification

Backup F3 Code word

Continue F5

Question mother's maiden name

Answer (10 characters, not case-sensitive)

⚠ After 3 invalid attempts the member must contact the credit union directly.

Learn About This Feature

Another tool in the Xtension toolkit to assure your team that your policies and the member's desires are being respected by a third-party call center

#7

GOLD Team Leads the Way

- n In 2011, we plan to use the power of PDF to change the way many people think about computer reports and forms
- n Three projects are slated for the development season:
 - § Analysis packages directly from CU*BASE dashboards – CU*BASE GOLD PDFs
 - § Improved graphical printing from CU*BASE reports – iSeries PDFs
 - § PDF forms for members from online banking – It's Me 247 PDFs
- n Not only does this produce a slick, high-quality output that looks like a finished product right off the printer, the ability for members to open and save even without printing makes it an easy way to communicate with members via the web
 - § Look for more during 2011
 - § *Network champions:*
Community CU (WI), Sioux Empire FCU (SD), and Alpena Alcona Area CU (MI)



An Artist's Editorial

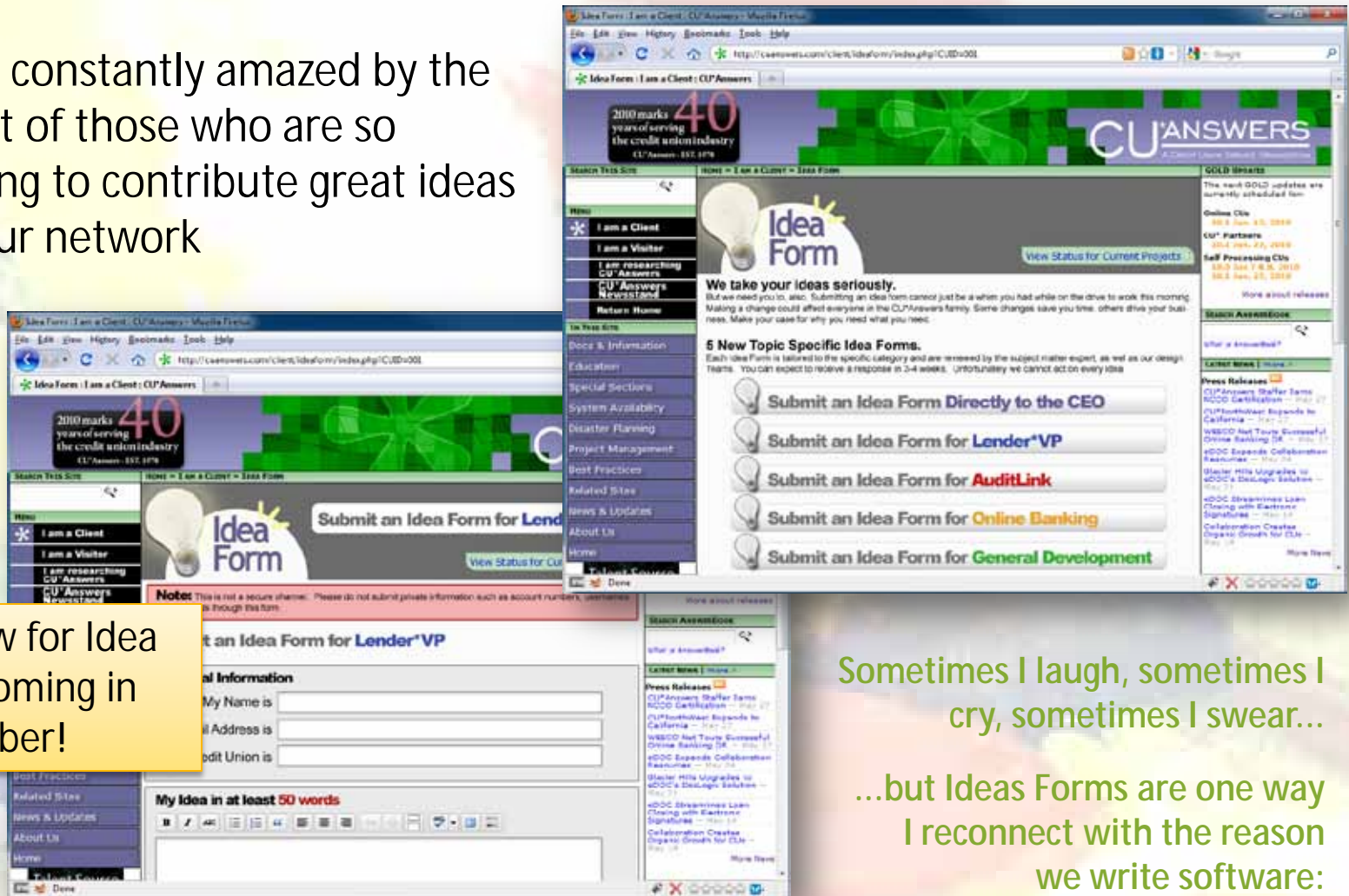
- n What past generations might have dismissed as frivolous attempts at cheap entertainment and salesmanship, the current generation simply accepts as “the way things are done”
- n Today, presentation is the competitive differentiator
 - § Video is a way to teach
 - § Color is a way to make things more intuitive and speed up comprehension
 - § Symbols are multi-lingual
 - § Good design just makes it more fun for everyone, from the developer to the end-user
 - § ...and yes, it *sells* – but unless we sell, there's no chance for it to evolve

“In the eye of the beholder” is a phrase we all attribute to compromising the critique of an artist's work

Sometimes it takes the spirit of an artist to consume as well as create – we're a cooperative of consumers and creators, exchanging our hopes and dreams, one project at a time

Speaking of network champions...

- I am constantly amazed by the spirit of those who are so willing to contribute great ideas to our network



A new flow for Idea Forms, coming in October!

Sometimes I laugh, sometimes I cry, sometimes I swear...

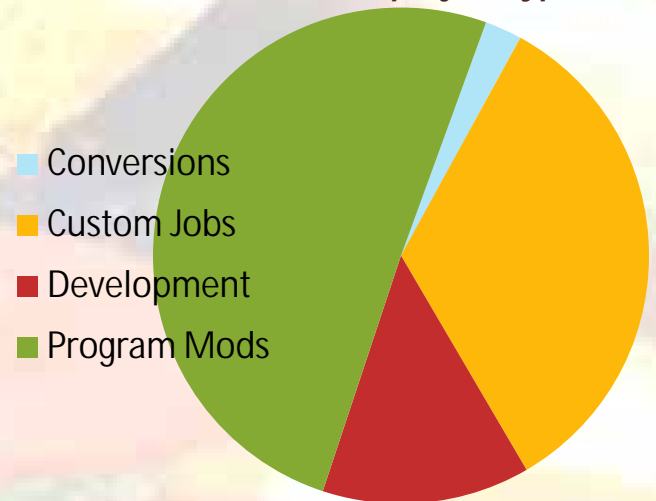
...but Ideas Forms are one way I reconnect with the reason we write software: the CU employee

Listening to Network Champions

Ideas and Projects

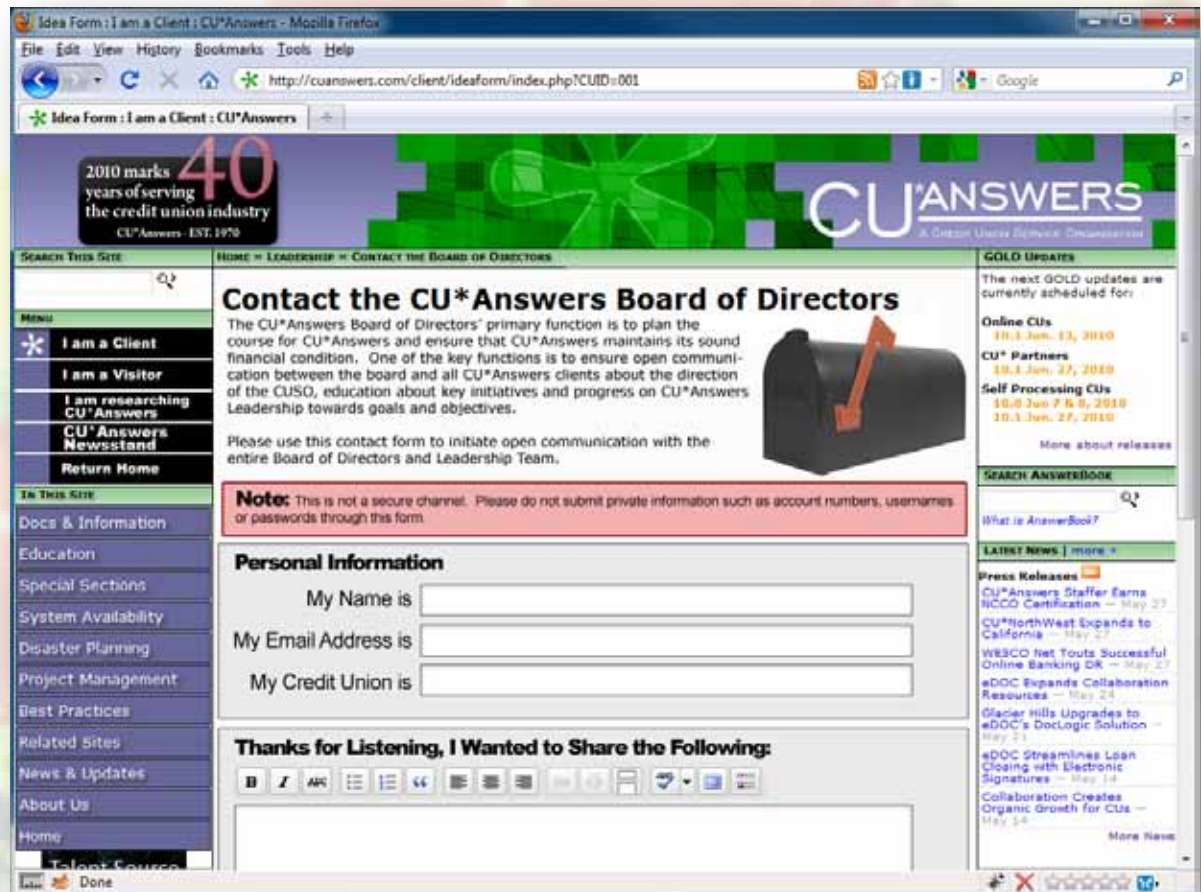
- n In the period June 1, 2009 through June 1, 2010, the team reviewed **2,105** project sheets (**86%** approval rate)
- n Of projects that were completed during the year:
 - § **1,588** were completed with changes
 - § **124** were duplicates of projects already in process
 - § **49** were education issues
 - § **524** will closed with no action taken
 - § **27** requests were cancelled by clients

Breakdown of project types:



Speaking of network champions...

- n At tonight's Stockholders Meeting, the Chair of the Board will talk about how the concept of Idea Forms might be used for Building a Business, from an owner's point of view



The screenshot shows a web browser window displaying the CU*Answers website. The page title is "Idea Form : I am a Client : CU*Answers". The URL is "http://cuanswers.com/client/ideaform/index.php?CUID=001". The page features a green header with the CU*ANSWERS logo and a navigation menu. The main content area is titled "Contact the CU*Answers Board of Directors" and includes a form for submitting inquiries. The form fields are: "My Name is", "My Email Address is", and "My Credit Union is". There is also a section for "Thanks for Listening, I Wanted to Share the Following:" with a rich text editor. The page includes a search bar, a menu, and various updates and news items on the right side.

2010 marks 40 years of serving the credit union industry
CU*Answers EST. 1970

SEARCH THIS SITE

HOME » LEADERSHIP » CONTACT THE BOARD OF DIRECTORS

Contact the CU*Answers Board of Directors

The CU*Answers Board of Directors' primary function is to plan the course for CU*Answers and ensure that CU*Answers maintains its sound financial condition. One of the key functions is to ensure open communication between the board and all CU*Answers clients about the direction of the CUSO, education about key initiatives and progress on CU*Answers Leadership towards goals and objectives.

Please use this contact form to initiate open communication with the entire Board of Directors and Leadership Team.

Note: This is not a secure channel. Please do not submit private information such as account numbers, usernames or passwords through this form.

Personal Information

My Name is

My Email Address is

My Credit Union is

Thanks for Listening, I Wanted to Share the Following:

SEARCH ANSWERBOOK

What is AnswerBook?

LATEST NEWS | more »

Press Releases

- CU*Answers Staffer Earns NCCO Certification — May 23
- CU*NorthWest Expands to California — May 27
- WEBSCO Net Touts Successful Online Banking DR — May 27
- eDOC Expands Collaboration Resources — May 24
- Glacier Hills Upgrades to eDOC's DocLogic Solution — May 23
- eDOC Streamlines Loan Closing with Electronic Signatures — May 14
- Collaboration Creates Organic Growth for CUs — May 10

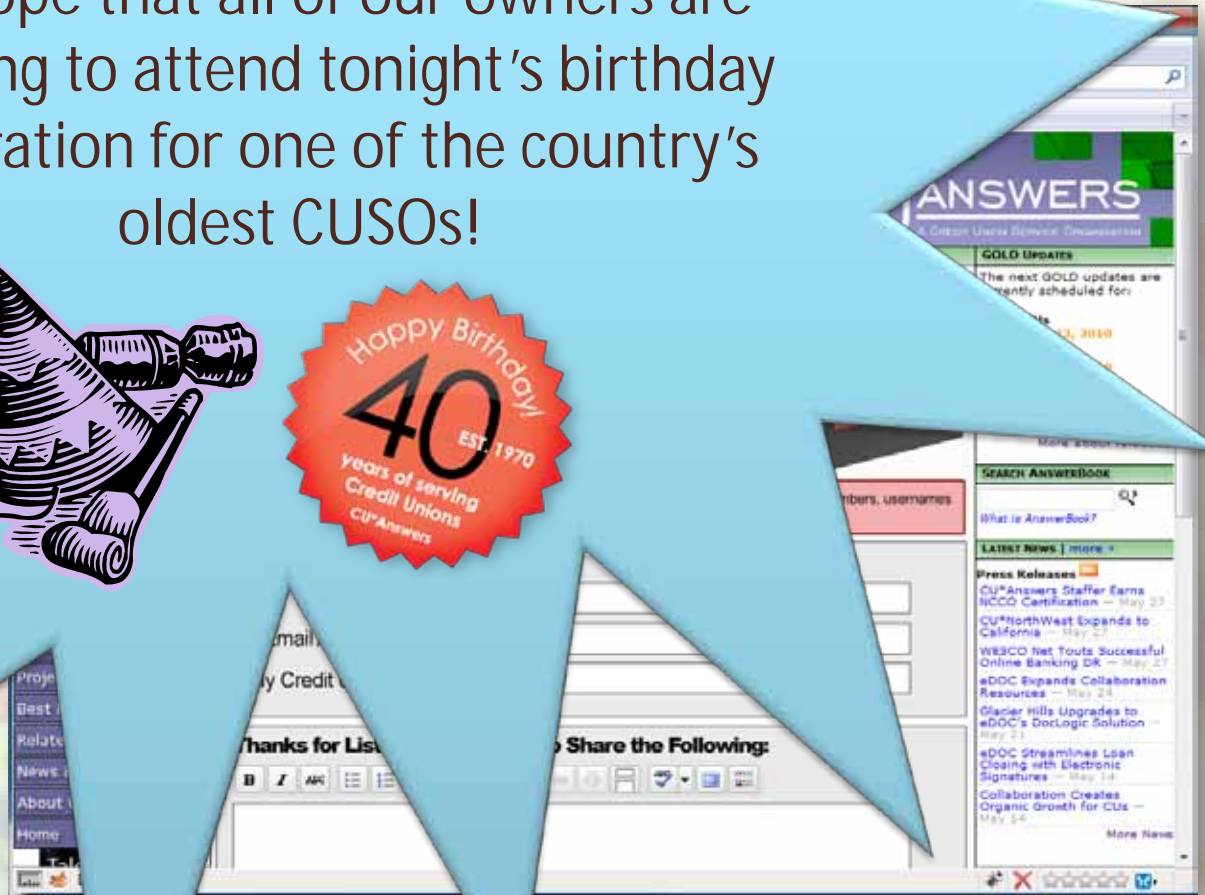
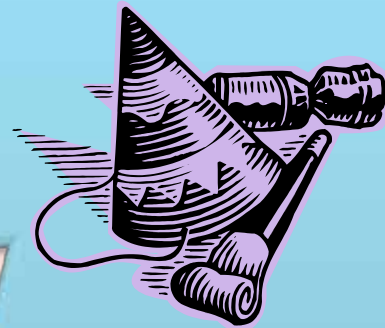
More News

Speaking network champions...

At tonight
how the co
from

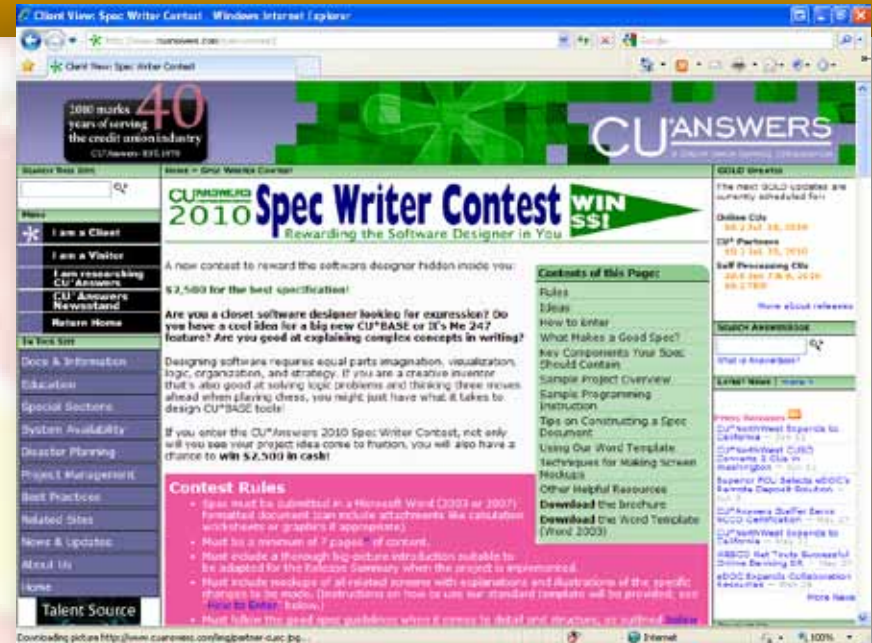
will talk about
Business,

We hope that all of our owners are planning to attend tonight's birthday celebration for one of the country's oldest CUSOs!



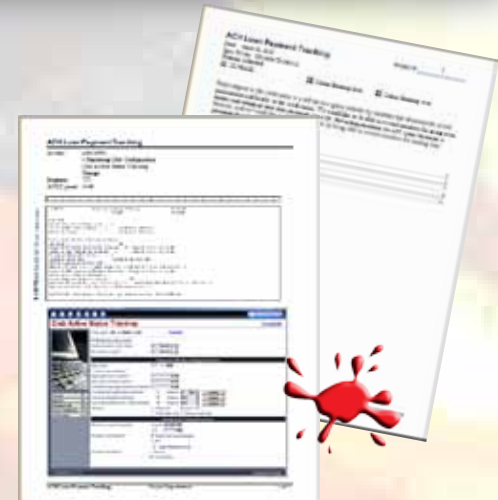
Moving Beyond Ideas

- n Last year we announced our first-ever Spec Writer Contest
- n This is for the Idea Form enthusiast who has no problem with the 50-word quota
- n This contest was in the spirit of “we’re on your team” and there are talented individuals in the network that could be on our team
- n It takes the idea of being a champion up several notches to being a *designer*, an architect of a blueprint



And the winner is...

Michelle Broderick from
Cumberland County FCU!



A Year Later

Lender*VP n Gividends n Audit Link n cuasterisk.com

 **CU*ANSWERS**
Management Services



Playing Up

- n A lot has happened since I saw you last June related to CU* Answers Management Services and the role they play in our network
- n Geoff Johnson was promoted to Executive Vice President of Client Interactions, and the CMS team was officially aligned with the overall Client Service response teams here at CU* Answers
 - § The design ensures that CU* Answers project management can now be coordinated from the conceptual, to the development, to the execution
 - § The products placed in our clients' hands come from the shared perspective of a management team ready to go to work with you
- n For our network to be successful in the future for *all* of its participants, we must work from the perspective of a credit union operator, with the talents related to being an *artistic* operator
 - § Not only for software, but for the day-to-day activities of a credit union

Favorites from the CMS Team

- n I've shown you some of my favorite new products and features that we've completed, plus my top 7 for what is on the development schedule
- n So I asked the Lender*VP, Gividends, and Audit Link teams to tell me some of their favorite accomplishments from the past year, and to give us all a project or two they are looking forward to for 2011

Gividends

**Audit
Link**

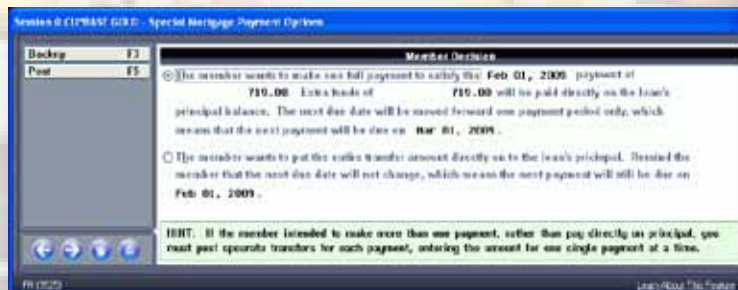


Lender*VP

2009-2010 Favorites Mortgage Projects



- n It was a great year for everything “mortgage” in the CU*Answers network
- n Lender*VP has been a driving force and is very proud of these changes
 - § Bringing smart mortgage payments to the online channel
 - § Smart mortgage messaging at the teller line and in transfers
 - § New handling for delinquency fines
 - § 365 escrows
 - § Mortgage balance sweeps (Randy already picked that for his favorite)
 - § Escrow statement enhancements



2009-2010 Favorites Mortgage Payoff



- n This work is nearly done, so it qualifies for the 2009-2010 favorites list, but with all the reg changes, it had to take a back seat and won't be out until the fall (Target: 10.3 release)
- n Nothing is more frustrating than all the little steps in preparing a mortgage for final payoff at the teller line
 - § Adjust interest due
 - § Pay delinquency fines
 - § Handle escrow funds
 - § Pay miscellaneous fees

This new tool automates these four big areas and sets the foundation for a back-office-to-front-office expertise transfer

Can't Wait to See in 2011



Participation Loan Upgrade

- n Mortgage account servicing continues to be an area where LenderRE and credit unions want to see more process automation, control, and intuitive design
- n We've already put a lot of work in the can, and here are some of the features you'll see this fall:
 - § All monthly tasks will be organized, step by step, on a new CU*BASE menu
 - § Specific logic for unique servicing and settlement requirements of FNMA, FHMC, FHLB, NMS
 - § On-screen tips for processing with the government investors (Freddie, Fannie, FHLB), and comprehensive new documentation for each with specific step-by-step instructions
 - § Help for 360 loans: Separate option to accrue 360 interest, new edits to ensure that monthly steps are done in the proper order
 - § New reports to help with the settlement process
 - § ...and more!

Can't Wait to See in 2011

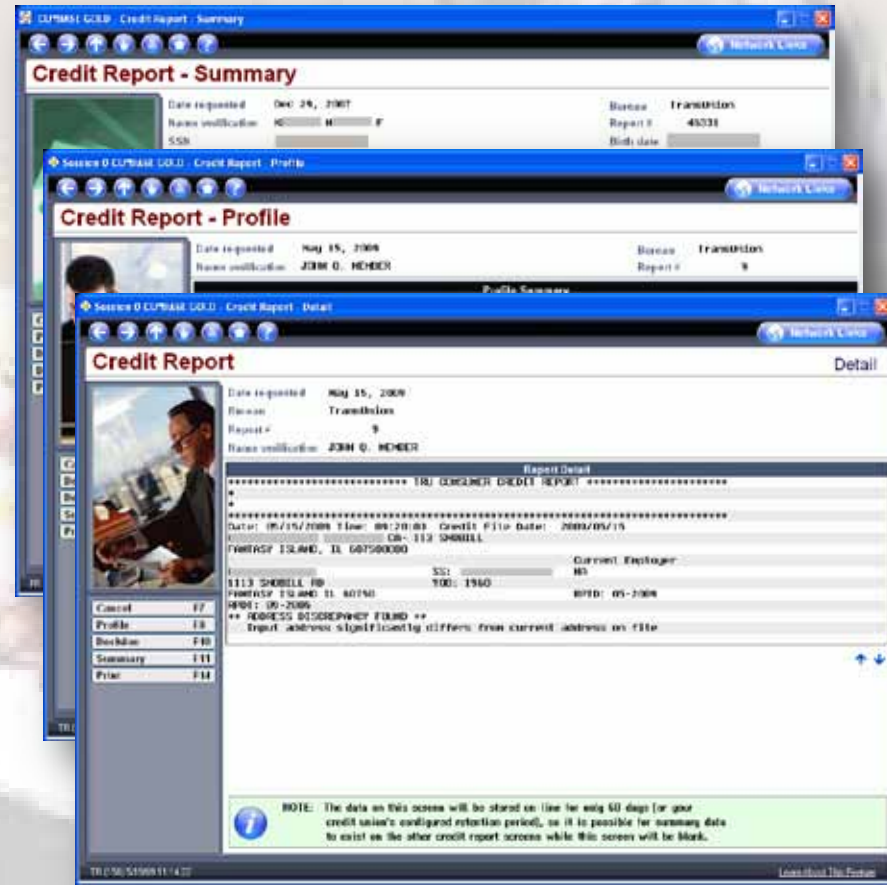


A Fresh Look at Credit Reports

n A project that is about to hit the drawing board is a complete review of how credit reports interact with applications, and a “what if?” review of how we handle credit reports today in comparison to new programming standards here at CU*Answers

- § Link to a trade line from a debt on the loan application
- § New trade line display controls
- § Quick links from Profile to special trade line conditions (e.g., public records, etc.)
- § Special project to reconsider smart analysis of trade lines

The new Lender*VP section for Idea Forms will be the collection point for your comments about this project later this fall



2009-2010 Favorites Instant Issue

- n Service 1 CU (5th/3rd) – launched as our first beta on May 27
- n Services Center (FIS) – launch date June 22 (yesterday!)
- n Frankenmuth (COOP) – card issue launch date July 13
(Instant Activation launches in August per COOP's certification)
- n Others in process: Fox Communities and Sioux Empire, with over 40 other clients starting the learning process with our Gividends team and DCS
- n What starts out as a cool thing to do when a new member wants a card, becomes a necessity when a national database is compromised



2009-2010 Favorites

Standard ATM/Debit Card Platform

- n ISO 8583 Conversion of ATM/Debit Card Processing Platform
 - § This is the now-infamous PFC (Pause For a Cause)
- n All day long we have been talking about issues related to ATM and debit card changes
 - § The industry already had enough goals for this technology; the industry was already dealing with the constant consolidation and logo changes at the switch level, then along come all the regulations as well
 - § Thank heavens we started this project a couple of years ago – there is no way we would have been able to handle the changes and the future need for even more changes if we were running multiple platforms per switch
- n This is just the beginning...
 - § We're reworking your reconciliation process, we are recertifying your network for Reg. E, and we are beginning to envision what it will take to have an ATM/Debit card platform that is smart enough to harvest service income in the future

Something we're especially proud of came out in the 10.0 release...

2009-2010 Favorites

Standard ATM/Debit Card Platform

Session 0 CU*BASI GOLD - Recorded Card Activity

Recorded Card Activity Viewing All Activity

Card # ***** Account **JOHN Q MEMBER** Card sequence # **00000**

Embossed name: Line 1 **JOHN Q MEMBER**
Line 2 **WENDY T MEMBER**

Date	Time	Type	Amount Requested	Location / Merchant Sort	ODP / ANR Used	Amount Available	Code	Response Description
Apr 04, 2010	20:29:39	AUT POS/UDR	6.94	DR PARADE ENTERPRISES L	Yes-Approved	160.27-00		Approved
Apr 04, 2010	18:44:05	AUT POS/UDR	24.41	DR WAL-MART	Yes-Approved	135.06-00		Approved
Apr 03, 2010	19:00:40	AUT POS/UDR	101.06	DR WAL-MART	Yes-Approved	34.00-00		Approved
Apr 03, 2010	18:24:19	AUT POS/UDR	34.00	DR WAL-MART	Yes-Approved	0.00-00		Approved
Apr 02, 2010	09:52:00	AUT POS/UDR	40.00	DR HESS 30518				
Apr 02, 2010	09:41:43	AUT POS/UDR	13.09	DR STANDARD TRUE VALUE				
Apr 01, 2010	19:35:58	PUR POS/UDR	19.12	DR NEW YORK FRIED CHICK				
Apr 01, 2010	10:35:58	AUT POS/UDR	19.12	DR NEW YORK FRIED CHICK				
Apr 01, 2010	11:16:00	AUT POS/UDR	9.35	DR HESS 30518				
Apr 01, 2010	11:16:00	PUR POS/UDR	9.35	DR HESS 30518				
Apr 01, 2010	04:40:53	PUR POS/UDR	6.52	DR BURGER KING #11686 Q				
Mar 31, 2010	15:05:33	AUT POS/UDR	6.52	DR PARADE ENTERPRISES L				
Mar 31, 2010	10:28:28	PUR POS/UDR	47.91	DR WJ GRAINGER				
Mar 31, 2010	10:28:27	PUR POS/UDR	11.52	DR WJ GRAINGER				
Mar 31, 2010	08:40:44	AUT POS/UDR	11.52	DR WJ GRAINGER				
Mar 31, 2010	08:47:24	AUT POS/UDR	47.91	DR WJ GRAINGER				

Backup F3
Show Exception F11

Offline activity may not be presented.
Multiple records can be selected using the Control key.

[3763] 5/06/10 15:16:02

Session 0 CU*BASI GOLD - Recorded Card Activity

Recorded Card Activity Network Links

Card # ***** Account **JOHN Q MEMBER** Card sequence # **00000**

Embossed name: Line 1 **JOHN Q MEMBER** Local activity date **Apr 01, 2010** Time **18:35:58**
Line 2 **WENDY T MEMBER** Settlement date **Apr 02, 2010** PIN or signature **S**

Original message type **0100 AUTHORIZATION REQUEST** ODP/ANR used **Yes-Approved**
Response code **00 Approved**
From account **1158 110** To account

Last message type **0110 RESPONSE TO AUTHORIZATION REQU** Amount available **0.00**
Response code **00 Approved**

Process code **002000 PUR From Checking Account**

Original amount	19.12 DR	Posted amount	0.00	Posted status	A	Description
Activity amount	19.12	ISA fee	0.00			POS/UDR 009123209687 NEW YORK FRIED CHICK ELIZABETH NJ
Surcharge	0.00	Activity fee	0.00			

Member Transaction Generated

Transaction Amount	Resulting Balance	Account	Secondary G/L Acct #	Transaction Date	Posting Date	Time	Transaction Description	Sequence #

Additional Network Information

Vendor	COOP	ISO seq #	22207168	Net ID	HCI
Bin	DEBIT CARD	Terminal ID	90700001		
Retrieval ref #	009123209687				
Auth ID response	207160	System trace #	209607	Maintenance date	Apr 01, 2010
Unique seq #	010091105	Message code	PST0000000	Maintained by	PISPST1
Event seq #	001	Trans desc link	C00010091105 001	Time	19:35:58

Backup F3
Cancel F7

[3763] 5/06/10 15:22:19 Learn About This Feature

Mark this release as
a change in how
things get done

A Shift From the Back Office to the Front

Questions your front-line staff can now answer right from CU*BASE:

- n Response code/description received from the switch
- n Local date and time (at the point of the member's transaction)
- n Settlement date (when the trans actually posted to the mbr's acct)
- n Indicators showing whether ODP/ANR amounts were used in the approval
- n Original amount *and* the final transaction amount including ATM surcharges
- n Available balance
- n ISO fees, surcharges and activity fees
- n Posted status (stand-in vs. active)
- n etc., etc...
- n Bottom line...you have a member on the phone who just got turned down at Walmart, and you're wondering how your switch is communicating with CU*BASE – go directly from the member's account and work the problem with the member on the phone, in the **front office**

What Gividends can't wait to see in 2011? High utilization rate for Instant Issue, and everyone getting more out of the new ATM/Debit platform

2009-2010 Favorites Red Flag (and the Advisor)

Audit Link

Audit Link Advisor by CUPAnswers

Search Results For: Red Flag

- 1. **Audit Link Advisor - Edition 8/March 8, 2010**
March 8, 2010 - 4:30 pm
- 2. **Reg. DO...and a Happy New Year to You, Too!**
December 22, 2009 - 1:19 pm
- 3. **CU*BASE Adds New Red Flag monitoring feature**
September 6, 2009 - 10:42 am
- 4. **SAR Activity Review - Trends, Tips & Issues**
October 15, 2009 - 8:31 am
- 5. **CU*Answers Offers FREE Tool to Assist Credit Unions in Completing Due Diligence Requirements**
April 30, 2009 - 9:59 am
- 6. **Red Flag Compliance in 4 Easy Steps**
June 1, 2009 - 9:32 am
- 7. **The Red Flag Are Flying!**
May 7, 2009 - 10:29 am

Audit Link Advisor by CUPAnswers

Categories: Audit Link, CU*BASE, compliance, From the Member Station, Price Reviews, Recent Publications, Reg. 2 / Credit CARD Act, Open Forum, Upcoming regulations

Red Flag Compliance in 4 Easy Steps

By **Jim Wilcox** / Published on Jan 21, 2009

Check you understand the tool. Program for loan originator to use website that offers available or based on a template (credit) protection laws, you will find (member) are identifying their...

This website, <http://www.cuanswers.com>, offers a tool to assist credit unions in completing due diligence requirements. This tool is available to members who have a valid account with CUPAnswers.

This article was written by **Jim Wilcox**, posted on Jan 21, 2009.

Identify Threat Program, Red Flags, Template, Bookmark It!
0 points / 1 comment or leave a testimonial / [Share](#)

« [Join Member 6346](#) » « [Join Member 6346](#) » « [Join Member 6346](#) » « [Join Member 6346](#) » « [Join Member 6346](#) »

Post a Comment

Audit Link Achievers
Audit Link Professionals
CU*BASE and tools for compliance and auditing
Featured Article
From the desk of our staff
Price Reviews
Recent Publications
Reg. 2 / Credit CARD Act
Open Forum
Upcoming regulations

Audit Link Advisor by CUPAnswers

Categories: Audit Link, CU*BASE, compliance, From the desk of our staff, Price Reviews, Recent Publications, Reg. 2 / Credit CARD Act, Open Forum, Upcoming regulations

New CU*BASE Tool For Red Flag Compliance

By **Jim Wilcox** / Published on Mar 22, 2009

We have a tool being rolled out in our programming department, but to begin, let's discuss the basics of what your new identity theft program must accomplish.

The regulator states that a financial institution program must be designed to detect, prevent, and mitigate identity theft in connection with the opening of a covered account or any existing covered account. If further details methods which a credit union can use to accomplish these tasks and how you must segment your existing IDP program to meet the intent of the regulation.

There are four main pieces of the regulation, many of which are related to the credit union's practices. However, there is at least one written that address identification of member information. That is where CUPAnswers has begun building programming time to help you meet the requirements of this complex new law.

The Advisor Summaries

« [Audit All the Numbers, the Value of MSB Telling The Story](#) »
« [Strong First Line for Major SARs Compliance Initiative](#) »

Audit Link Advisor by CUPAnswers

Categories: Audit Link, CU*BASE, compliance, From the desk of our staff, Price Reviews, Recent Publications, Reg. 2 / Credit CARD Act, Open Forum, Upcoming regulations

CU*BASE Adds New Red Flag Monitoring Feature

By **Jim Wilcox** / Published on Nov 24, 2009

New Release...
Grand Rapids, Michigan - November 24, 2009

In comply with red flag requirements to monitor things like address changes, a new red flag monitoring feature has been added to CU*BASE. This tool provides alerts to both the credit union and the member when changes are made to a member's personal information to provide an extra layer of security against fraudulent activity.

When changes are made to a member's name, email address, home phone or mailing address, CU*BASE records these changes for a rolling 90 days. If configured, warning messages are presented to both the member and the credit union employee. Better credit union employees more restricted terms (such as debit, equity, and Home Operation), they will receive a warning message noting how many changes have been made to these items in the last 90 days (the number is configurable to suit upon credit union preference). Members will also receive notification of the change in the form of a secure home banking message as it's too late. If the change is to a member's email address, the member will also receive an email notification to both the new and old email address, with the old address marked as a warning address.

Each time a change is made to the member personal information, a tracker entry is made on the audit tracker that records the old and new values. The Member Tracker system in CU*BASE is a helpful and easy to use tool to help credit union staff keep on top of important reports and issues. Tracker records can contain references to contact a member, follow-up payments due, schedule and appointment and more. These records remain attached to a member's account and manually purged, therefore serve as excellent...

This article was written by **Jim Wilcox**, posted on Nov 24, 2009.

Identify Threat Program, Red Flags, Template, Bookmark It!
0 points / 1 comment or leave a testimonial / [Share](#)

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Audit Link Achievers
Audit Link Professionals
CU*BASE and tools for compliance and auditing
Featured Article
From the desk of our staff
Price Reviews
Recent Publications
Reg. 2 / Credit CARD Act
Open Forum
Upcoming regulations

Audit Link Advisor by CUPAnswers

Categories: Audit Link, CU*BASE, compliance, From the desk of our staff, Price Reviews, Recent Publications, Reg. 2 / Credit CARD Act, Open Forum, Upcoming regulations

The Red Flagg Are Flying!

By **Terri Johnson** / Published on May 07, 2009

By Terri Johnson, Community Credit Union, La Grange, Missouri

The deadline is approaching for state chartered credit unions to comply with the rules of Title 16 of the Federal Reserve's identity theft ("red flag") rules. Many community credit union (CCU) employees have been looking for procedures that were put in place last fall to meet the requirements of the Fair and Accurate Credit Transactions (FACT) Act of 2003. This article discusses the process for a state-chartered credit union to help employees identify, detect and respond to patterns, practices or specific activities that may indicate identity theft.

Of all the areas the organization focused on, address changes touched the most departments. It is more than just what it means; it can also affect the delivery of plastic and PIN, the ability of a member's banks representative to complete applications and more. All address changes at CCU are handled by our Call Center. Any address change request - state-to-state or not - is sent via an electronic form to the Call Center for verification and completion. This creates a consistent always process throughout the organization.

At CCU, address changes fall into two categories - face-to-face or not. Face-to-face is easier because we can all for picture identification used to help determine whether the person is front of you is the account owner. As we walked our way through the guidelines, we know we wanted to move away from using the standard "Can you confirm the last 4 digits of your account?" We don't want to make the process too cumbersome for employees, so we use the CU*BASE tool system to help employees identify our members. Before an employee can begin to verify identity, they need to determine if the person has the right to change an address. At CCU, address can...

« [Audit All the Numbers, the Value of MSB Telling The Story](#) »
« [Strong First Line for Major SARs Compliance Initiative](#) »



2009-2010 Favorites

RMG (Part A and Part B)

Audit Link

- n It all started with the vendor risk assessment requirements thrown on credit unions last year
 - § As part of the first version of this new web tool, **96** active users have completed **182** risk assessment reports online
- n We look forward to 2011 as this project evolves into a full-out risk management site with the following new features
 - § **Risk Management Matrix** – quantitative risk analysis for due diligence on new opportunities
 - § **Risk Concentration Analyzer** – review where your greatest areas of risk lie
 - § **Compliance Audit Template** – understand how to fulfill your NCUA mandates

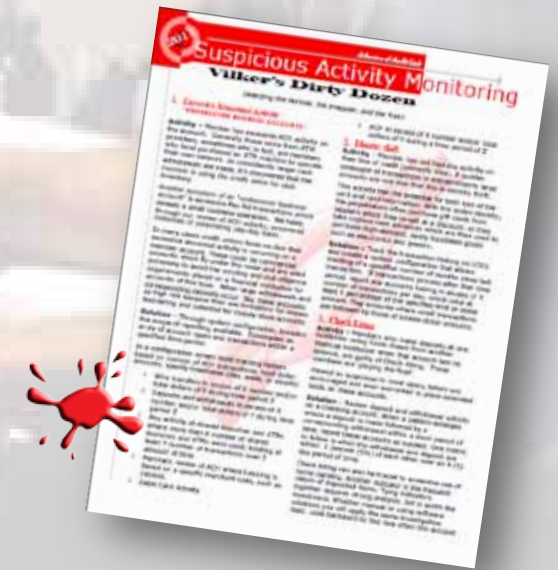


<http://rmrg.cuanswers.com/>



Can't Wait to See in 2011 The SARs "Dirty Dozen"

- n One of the areas that seems to be heating up for credit union compliance purchases is automated monitoring systems that scour what sometimes appears to be random data and kicks out hints about activities that might be normal, irregular, or risky
- n In many cases, these systems will require downloads from CU*BASE to third-party software, which can be expensive
- n The data is there, why not use it?
 1. Excessive abnormal activity
 2. Identity theft
 3. Check kiting
 4. OFAC scans
 5. Debit/credit card fraud
 6. ...oh, you can read for yourself



15 Minutes in the Sun

- n It's been said that every person has his 15 minutes of fame
- n I think you will agree with me that initiatives like CMS Audit Link and SRS Audit Link are destined to be stars for a long time
- n If you didn't have a chance to really interact with these two teams in 2010, I'd make it a priority to get to know them in 2011
- n Audit Link is going to be a strong player in the CU*Answers network for a long time to come

Audit Link

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The CMS MVP



This year's winner of the CMS "Most Valuable Partner" award goes to...the Xtend team!

Picking up the tools and doing the work at 100x



This Year's MVP



- n The Xtend initiative is one of the most important contributors to the whole idea of our network's execution
- n It is a key plank in CU*Answers Management Services
 - § Participation in design
 - § New business offerings
 - § High-throughput laboratory for CU*BASE tools (bookkeeping, mortgage servicing, internal auditing, call center, etc.)
- n It also provides the drive for new ideas and vision for doing things faster, more often, and in a new way for network efficiencies
 - § From this morning: **You can't just *want* innovation, you have to *need it***

163



Audit Link

Xtend as a Product Designer and Catalyst



- n Member Reach, Xtension, and the Collections team continue to be huge supporters and drivers of the CU*BASE Trackers system
- n In 2010, the Tracker system saw some impressive growth in both utilization and capabilities (*44 project sheets completed since last June!*)
- n From Cross Sales, to the automation of Audit events, to the improvements in the workflow and functionality, the Xtend teams are a major reason why our customer information database is tops in the market today

The screenshot shows a web application window titled "Session 0 CU*BASE GOLD - Member Tracker Review". The main heading is "Member Tracker Review". On the left, there is a profile picture of a man and a sidebar with buttons for "Backup F3" and "Sort Contact Date F11". The main content area displays account information for "MARY A MEMBER" (Account 2200, 30 Conversations) and a list of contact events. Each event includes the date, time, and a description of the action.

Account	2200	MARY A MEMBER
Conversations	30	
Position to date	<input type="text"/>	[MMDDYYYY]
Contact - Date: 10/09/2008	Time: 15:37:55	By Emp: ;Y
Name: MEMBER	MARY	A Memo Type: DD Dornancy Delete
Dornancy record was deleted on 10/09/2008 for account 2222-200		
Contact - Date: 06/18/2008	Time: 15:21:14	By Emp: 09
Name: MEMBER	MARY	A Memo Type: OP OFAC/PLC Pass
OFAC scan run on 06/18/2008. No suspected match.		
Contact - Date: 05/22/2008	Time: 09:29:02	By Emp: 02
Name: MEMBER	MARY	A Memo Type: FI FIDM
Member or Joint Member matched record on FIDM report on 06/22/2008 for account base 2222		
Contact - Date: 05/22/2008	Time: 08:56:16	By Emp: 02
Name: MEMBER	MARY	A Memo Type: BV Bank Sec Verifi
The BSA Record was verified on 05/22/2008		
BSA Record was verified on 05/20/2008.		

One of My Favorite Network Initiatives



- n Call centers are one of the most oft-cited initiatives for CUSO innovation
- n Everyone agrees with the concept of a shared call center, but not everyone seems to be as ready to jump in with a tactical plan to use one
- n The results are impressive, but a bit anemic from where I sit

For the first 4 months of 2010:

- § Xtension serviced **21,694** members with inbound operators
- § Xtension made **13,514** outbound calls to members
- § Xtension helped **16,662** members with its Conversion Call Center service
- § Xtension made **7,597 FREE** outbound calls (out of a potential **67,500+**) in the last year

Only 17 credit unions out of 135+ participated in the
FREE OUTBOUND CALL proof of concept

Saved CU* Answers a boatload of money...but what does it say
about credit union commitment to reach out to members?

Compare Xtension to Member Reach



For the first 4 months of 2010:

- § Weekly/monthly scheduled emails sent: **876,398**
- § Weekly/monthly scheduled online banking messages delivered: **689,686**
- § Custom emails: **59,963**
- § Custom online banking messages: **32,855**
- § e-Info promotional messages presented: **91**
- § OBC custom articles published: **87**

Credit unions have truly embraced the automation of matching
CU*BASE leads with electronic communication techniques

Can this kind of enthusiasm translate
to call center initiatives, or is the phone just passé?

(Hope 2-way text is a good bridge)

The Power of the Network



cuasterisk.com

The Power of Ownership is to create The Place To Be
and show the world the Power of the Network

The power for you to succeed





The Power of the Network

An Ongoing Debate...or Debate Over?

- n If you are still wondering why to use the networked world, you're behind the curve
- n Using the network does not mean you don't still act in your own best interest – you're independent; you are yourself in a crowd that helps you get things done
- n Everyone around you is learning to expect a network solution – CU*Answers isn't teaching this to them; they're learning it as part of their daily lives
- n Therefore, act with your stakeholders, and take advantage of the network

THE POWER OF THE NETWORK:

The other day I was being interviewed on Network Concepts and I was surprised by a very simple question: "Why should today's business leaders understand both the power of network designs? Why do they need to adapt these principals to their business models and operations?"

To be honest, I thought most business leaders were already past this question. Every consumer, potential employee, board member, and future leader is already immersed in the ideas of being connected. Every day they experience the flow of shared experiences, shared ideas, shared solutions, and shared challenges.

THE FOUNDATION FOR FUTURE MODELS, TODAY.

The Network has evolved from a simple concept of cooperation to the way business is done. And every day that belief system is pushing the boundaries of development and advancement in our society. My simple answer, then, was "If you are still wondering why use the networked world, you're behind the curve."

Of course using the network does not mean you don't still act for your own best interest. You're independent; you are *yourself* in a crowd that helps you get things done.

Breaking this down for a business leader then becomes very easy: The consumers you serve will expect your business solutions to take advantage of network opportunities. The employees you hire will have been trained to expect networks to be available to them in solving problems and succeeding. The volunteers who join your Boards will ask whether you are connected



The Power of the Network

An Ongoing Debate...or Debate Over?

- n What started as an idea about how to do things yesterday, has turned into a template for doing things tomorrow
- n CU*Answers was in the right place at the right time, and that means we can get started NOW on what others are just starting to think about
- n CU*Answers is **The Place To Be** – the proof of concept for network ideas

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Using the Power of the Network

Tapping Into Collective Knowledge

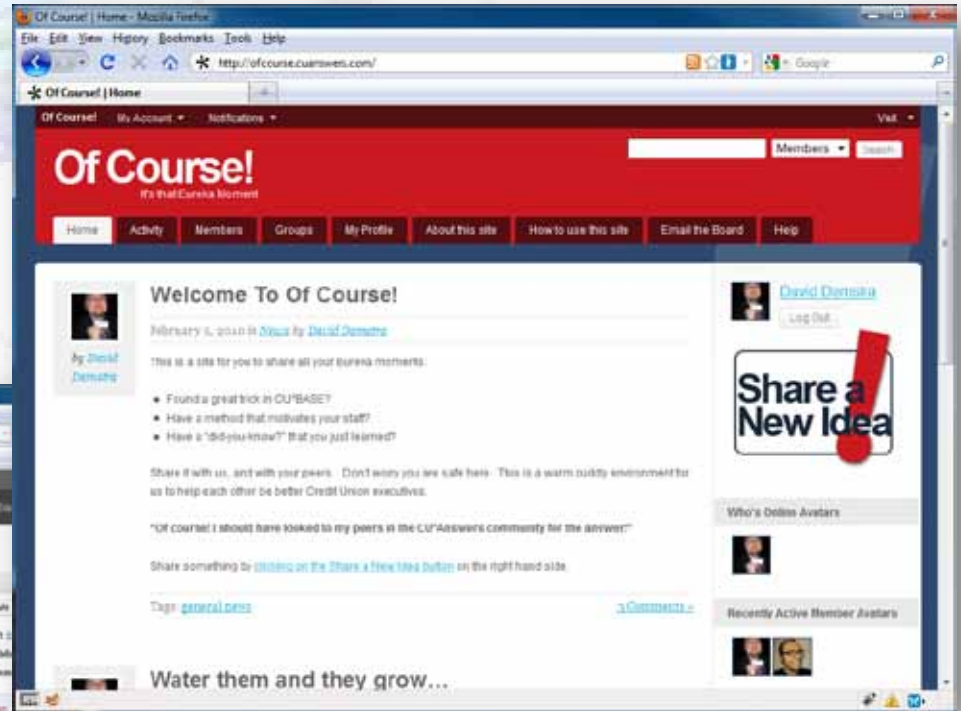
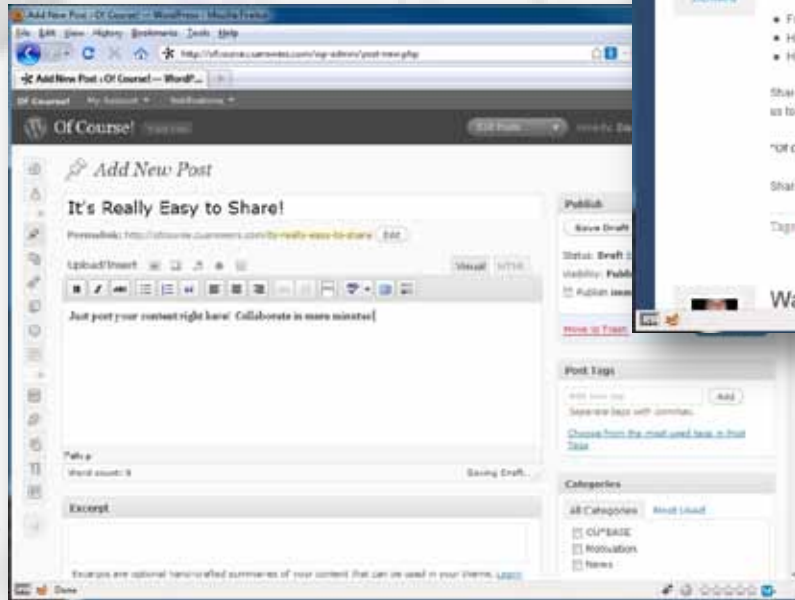
- n Recently a Board Chair from one of our network credit unions reached out to all of us to help his Board gain some insight on how to go about securing a new CEO for their credit union
- n More importantly, he wanted some feedback from experienced leaders as to what they as candidates would expect from the process, or what they would recommend to a CU Board of Directors about how to interact with potential candidates
 - § The Chair wanted candid answers direct from credit union leaders, not a consultant's theory wrapped around a package to buy
 - § He was asking what did the network know, and how could it help with his challenge
- n I think the answers might surprise you, and the quality of the exercise is something we should repeat over and over for other challenges





From holysh_t.com to http://ofcourse.cuanswers.com

n From special projects like the CEO Succession Plan brainstorming to everyday work...a new interactive community



The marketplace is not going to let us drop the idea of shared community sites – it's part of the culture of our society today

We need to keep doing this until we get it right



Using the Power of the Network To Earn and Employ More People

- n Once a hub becomes an open network, the aggregated participants create a potential economy for exchange and for serving each other
- n Every participant can be both **supplier** and **consumer** of the resources within a network...we've been talking about this for years, and the first player to take advantage of it was Xtend
- n This fall we want to talk about you and your team taking advantage of this same idea: **Start a business within the CU*Answers network**



Mark your calendars for
Wednesday, September 22, 2010





Goals for September 22

Encourage a CU to start a business to compete with a CUSO business

Encourage a CU to start a business within the network that is not currently offered by the CUSO

Encourage a CU to start a business to outsource resources and capabilities to another business within the CUSO network

Encourage a CU employee to start a business to sell their services to another business within the CUSO network

Consider this an innovation event, a job fair, or an intellectual exercise...I just hope to see you there and get your point of view



The Power to Innovate

Enlisting 150+ Accounting Teams to Design...

- n Networks create systems for innovation – how about one for innovating our pricing models into the future?
- n In 2011, I believe we will start a journey with our network participants that will revolutionize the way people think about building financial models in a cooperative environment
- n We've published two pricing studies covering the past 10 years, and through our focus groups, we have created the transparency into our financial dealings that our participants demand
- n This new website takes that to a whole new level

CU ***ANSWERS**
ACCOUNTING

Your CU*Answers Invoice. Explained





The Power of the Network

The Ability to Have Christmas in June



- n What better tradition could a network have than an expectation of increasing its value and lowering its costs every year?
- n In the most recent published quarterly Financial Performance report, here were my top 5 for investments we could make with our 2010 returns:
 - § Regulatory changes without fees
 - § DR/BC for online banking and web services without fees
 - § Announce more fee reductions (e.g., ATM/debit/credit)
 - § Continued COLA relief (2 years in a row)
 - § Match or exceed our 2009 Patronage Dividend of \$700K

If you don't get this newsletter, owner or not, contact us to be added to our distribution list, or check them out at http://www.cuanswers.com/client_financials.php



Christmas in June!

Savings for Your 2011 Business Plan

Goal	Christmas in June
1. Regulatory changes for free	You've heard all day that we are on track and I don't see that changing – this is a major investment by the CUSO
2. DR/BC for the web	You saw in the Gap Analysis that It's Me 247 is now part of our redundant services; Web Services is next in 2011
3. More fee reductions	Here's how far we can go today (Reg. E has even us a bit spooked): <ul style="list-style-type: none">• Reducing ATM/Debit card fees by 3%, starting with July 1 activity (for online switches)• 2011 Special: Waiving fee for converting from batch ATM/debit to an existing online switch• Eliminating the per transaction fee for CUSC shared branching• Eliminating the setup fee on Spanish CU*Talk
4. Continued COLA relief	We will waive the COLA increase for 2011 (2nd year in a row) – but don't count on this in 2012
5. Match 2009 Patronage Dividend	I won't steal the Board of Directors' thunder here, but boy does it look good!

It's been a tough year for credit unions, and looks like a rocky future until we get through special assessments
CU*Answers is vested in your future and will do all we can



The Power of the Network

Driving Growth

New CU*Answers Clients Since Last Time:

Michigan

- n Credit Union Plus
Bay City, MI
- n Grand Valley Co-op CU
Grand Rapids, MI
- n Amalgamated CU
Saginaw, MI

Utah

- n Horizon Utah FCU
Farmington, UT
(self processor)

Missouri

- n Table Rock FCU
Shell Knob, MO

South Dakota

- n Rapid City Telco FCU
Rapid City, SD

Iowa

- n EdCo Community CU
Des Moines, IA
- n Des Moines Police
Officers' CU
Des Moines, IA

Illinois

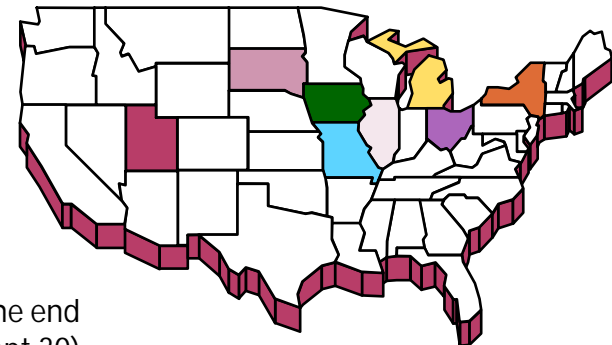
- n Heartland CU
Springfield, IL

Ohio

- n Vacationland FCU
Sandusky, OH
- n CommStar CU
Elyria, OH

New York

- n East River Development
Alliance FCU
Long Island City, NY



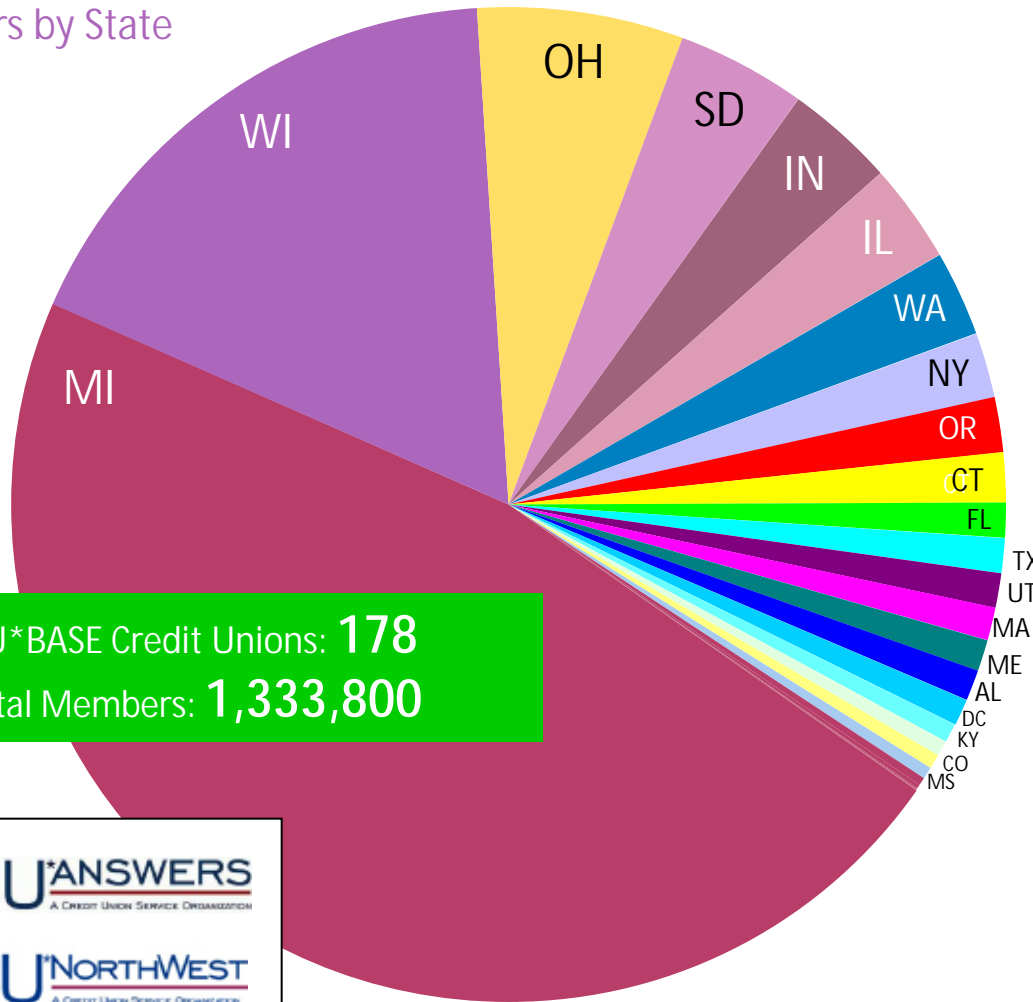
Includes all clients that will be converted by the end of the 2010 business year (Sept 30)



The Power of the Network

CU*BASE As the Common Factor

of Mbrs by State



- Michigan (625,300)
- Wisconsin (231,700)
- Ohio (89,400)
- South Dakota (56,000)
- Indiana (47,300)
- Illinois (42,900)
- Washington (37,100)
- New York (28,300)
- Oregon (23,700)
- Connecticut (21,400)
- Florida (15,400)
- Texas (15,100)
- Utah (14,900)
- Massachusetts (14,300)
- Maine (13,600)
- Alabama (13,400)
- District of Columbia (11,600)
- Kentucky (8,200)
- Colorado (6,700)
- Iowa (6,300)
- Mississippi (5,200)
- California (3,500)
- Minnesota (1,600)
- Missouri (400)
- Louisiana (300)
- New Jersey (200)

CU*BASE Credit Unions: **178**
 Total Members: **1,333,800**

148	CU*ANSWERS A Credit Union Service Organization
19	CU*NORTHWEST A Credit Union Service Organization
11	CU*SOUTH A Credit Union Service Organization

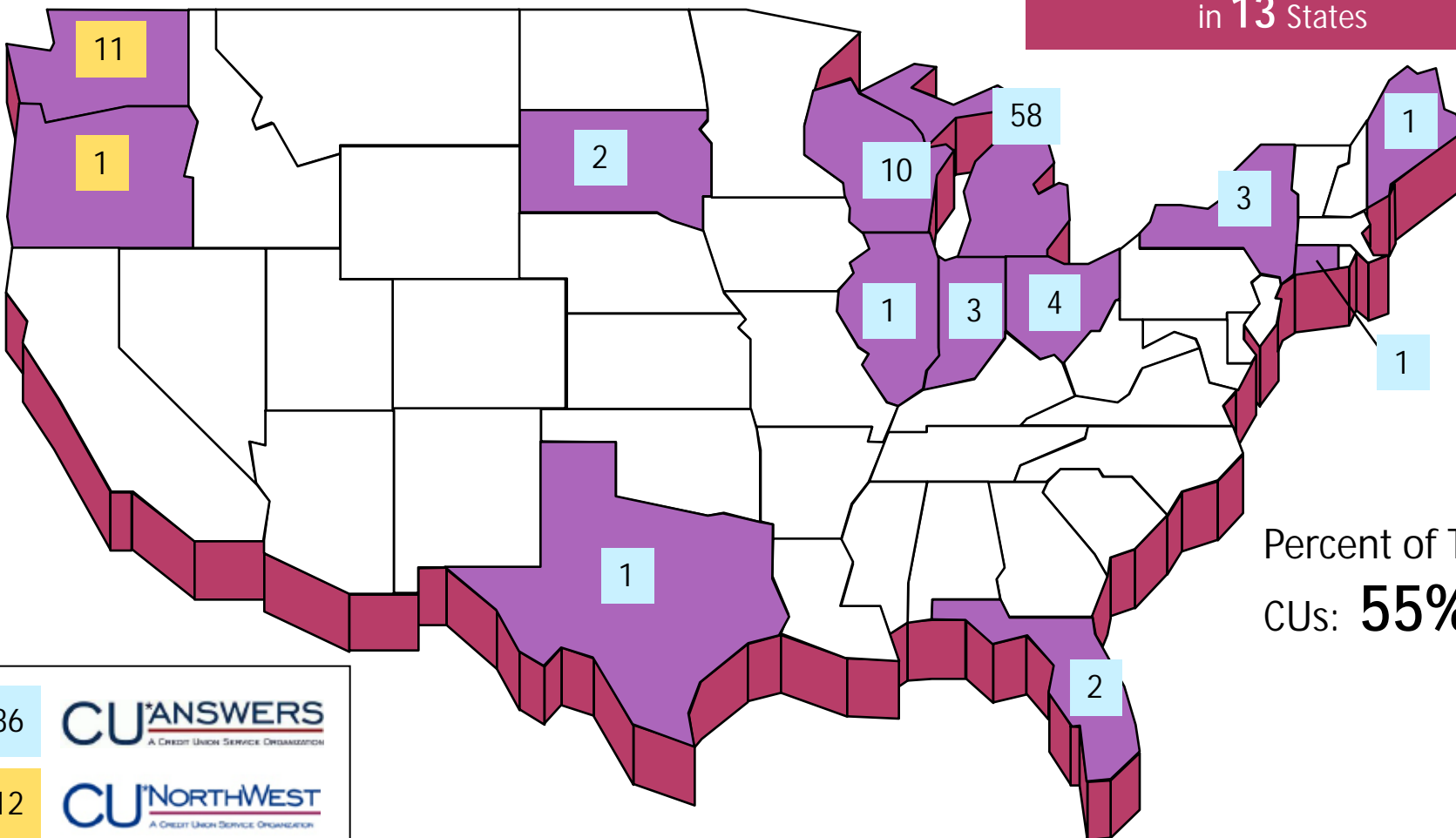
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The Power of the Network

A Network of Owners

98 Credit Union Owners
in 13 States



Percent of Total
CUs: **55%**

86	CU^{ANSWERS} A Credit Union Service Organization
12	CU^{NORTHWEST} A Credit Union Service Organization
0	CU^{SOUTH} A Credit Union Service Organization

Wrapping Up the Day



Pass It On...

- n Same as before, all materials related to this week's events will be posted on our website

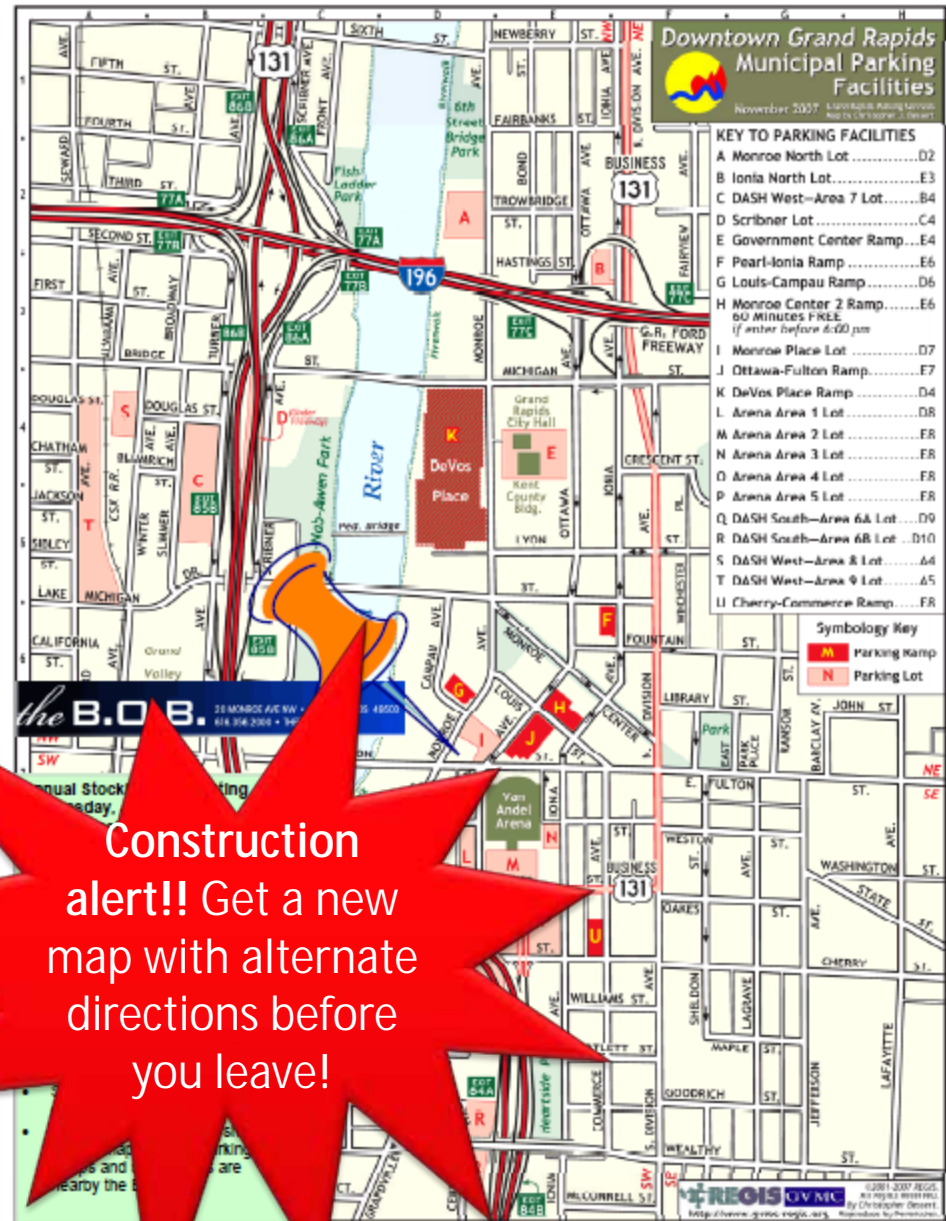
The screenshot shows a web browser window displaying the CU*Answers website. The page is titled "HOME - LEADERSHIP CONFERENCE 2010". The main banner features the text "leadership conference & golf outing" with dates "JUNE 2010" and a calendar grid showing the dates 21, 22, 23, 24, and 25. A red circular badge on the right side of the banner says "Happy Birthday! 40 years of serving Credit Unions EST. 1970". Below the banner, there is a section titled "Information" with the following text: "Join us for several days of special events surrounding our annual CU*BASE Leadership Conference. Designed for CEOs and senior credit union leaders from all CU*BASE clients, Wednesday's Leadership Conference provides a unique opportunity to get together with your peers and hear CU*Answers' vision for our partnership during the coming year." Below this, it says "And this year is extra special...come help us celebrate our 40th birthday! We hope you will join us for what always proves to be a fun, energizing and inspiring time together! Invitation" and "This year's events are scheduled for June 22, 23, and 24, 2010. All". At the bottom of the page, there are navigation links: "About Us", "Home", "Talent Source", and a list of links: "Open the Leadership Conference invitation", "Register to attend", and "Directions to the Annual Stockholders Meeting at the B.O.B.". The browser window title is "Client View: Documentation : CU*Answers - Windows Internet Explorer" and the address bar shows "http://www.cuanswers.com/lc2010/index.php".

<http://www.cuanswers.com/lc2010>

Tonight

n For our owners:
We'll see you downtown at
the B.O.B. for the
Stockholders Meeting
(cocktails start at 5:00)

n Hop on I-96 W and follow
the directions on your map
to the B.O.B. in downtown
Grand Rapids





Thank you to our
artists...



It takes a troop of
artists to pull off a
conference like
this...and every
year I forget to
thank someone





Thanks to a network
of artists...



Here's an illustration of how big
the talent pool is

