



Announcing . . .

CU*BASE Software Upgrade

Effective December 9, 2002*

11/21/02

Introduction

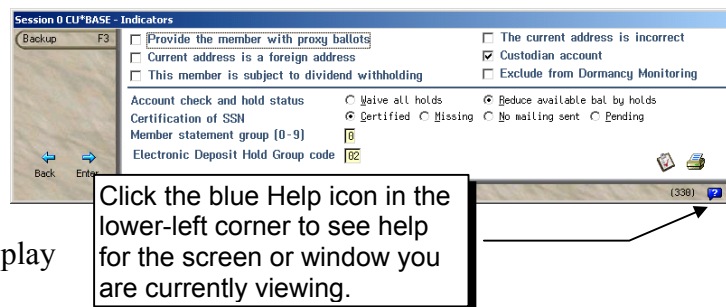
How quickly time flies. With two CU*BASE upgrades already in the can, we are preparing now for our third and final release for 2002. As usual, our year-end release is designed to incorporate any last-minute changes related to end-of-year and tax processing. However, this year we were also able to include several features that we think will be very exciting for your staff and your members.

As you'll see in the summary below, many of these products are "passive" in nature, meaning that they can be activated at your convenience, or they will blend seamlessly into existing programs to make it easy for your staff to incorporate the changes into their day-to-day work.

As usual, documentation related to this release will be available on our web site any time after December 1, or will be included with CU*BASE GOLD On-Line Help when you receive the release.

◆ On-Line Help Update

One change you will see right away is the addition of a new icon in the lower-left corner of every CU*BASE GOLD screen and pop-up window. This button works exactly the same as the "Help for this topic" option on the Help menu to display on-line help for that screen or function.



(NOTE: Although help has been written for the vast majority of CU*BASE screens, you may occasionally see an error message that reads "An error exists in this Help file. Contact your application vendor for an updated Help file. (1053)." This simply means that no help yet exists for that specific screen. You may use "Help Table of Contents" on the Help menu to navigate the help system manually.)

New "Standards" Guidelines for CU*BASE Data Entry

◆ Social Security Numbers

- **New Standards** - Social Security numbers (SSNs) are vital to CU*BASE for both members and non-members. To ensure that your credit union's records work smoothly in key areas such as delinquency notices, credit bureau reporting, backup withholding and tax reporting, and for other specialty applications such as the Financial Institution Data Match program, it is critical that your credit union be consistent in how SSNs are assigned when creating both member and non-member records.

To assist, we are pleased to release a new set of guidelines: "CU*BASE Standards for Social Security Numbers." This document describes the importance of the SSN for the internal working of CU*BASE, tips for handling members who have not been assigned this number by the Social Security Administration, and instructions on how to modify the SSN on existing records. The document is available now on our web site and will be added to CU*BASE GOLD On-Line Help.

*Self Processing credit unions will receive this release during the week of December 14, 2002.

- **New Reports** - In order to monitor your records for compliance to the new SSN standards, we have created a set of reports that will be available from a new option on menu MNRPTB. Two reports will be produced, one that shows duplicate SSNs within the MASTER file, and another that shows duplicates between the member and non-member files. Refer to the guidelines for details on working with any anomalies found on these reports. **These reports should be run on a regular basis to keep your files clean and avoid processing problems**, especially if you have a significant number of members who do not have “official” SSNs.

◆ **Foreign Addresses**

In September we released new standards for how foreign addresses should be entered in CU*BASE for your members. This information is available on our web site, and has also been added to CU*BASE GOLD On-Line Help to assist your staff in entering foreign addresses correctly.

With this release, we have also changed the way CU*BASE GOLD screens look whenever an address is marked as foreign. Depending on whether the *Foreign Address* flag is checked or not, field labels will change so that it will be clearer what should be entered and where. For example, when the *Foreign Address* flag is checked, the field label for City will change to read Country. In addition, fields such as State, ZIP Code, and County will not be shown for members where the *Foreign Address* flag is checked, to prevent data from being entered where it is not needed.

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CU*BASE Software Upgrade, December 9, 2002

Following is a brief synopsis of the new features and enhancements that have already been released or will be included in this upgrade (listed alphabetically):

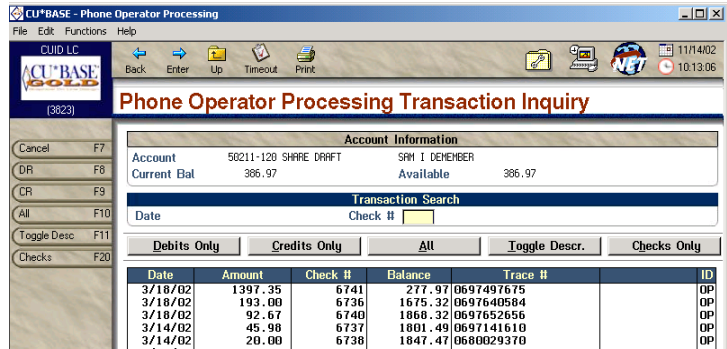
◆ **Bank Secrecy Act (BSA) Enhancements**

- **Changes to the Daily Report** - As you probably noticed, we recently modified the Bank Secrecy Act Cash Report (LBKSC2) to include Outside Check items where a member’s total transactions for the day exceed \$3,000. In the past, credit unions had to manually track these items for reporting under the Act. Although this will cause the report to be longer, this change brings the report into compliance with the BSA rules.
- **NEW Bank Secrecy Act Inquiry** - To make monitoring the reporting requirements under the BSA a little easier, a new inquiry feature will be added with this release. Similar to the Collections inquiry systems, this inquiry will list all members who processed transactions totaling \$3,000 or more for the day, and allow you to mark the items as “verified” as you check them against the Currency Transaction Report and/or Suspicious Activity Reports your credit union is required to file. Up to 60 days of transaction data will be available.
- **NEW Bank Secrecy Summary Report** - A new on-demand report will be added to the MNRPTD menu. This report summarizes data in the new file that is used for the new inquiry. Unlike the daily report, which shows individual transactions, this summary report will group all transactions for a member together, to show members where total cash transactions exceeded \$3,000. The report can be pulled for any date range, and data will be retained on line for the current month as well as the full previous month.

 For details, refer to the booklet, “Bank Secrecy Act Monitoring with CU*BASE.”

◆ **Cleared Checks Inquiry**

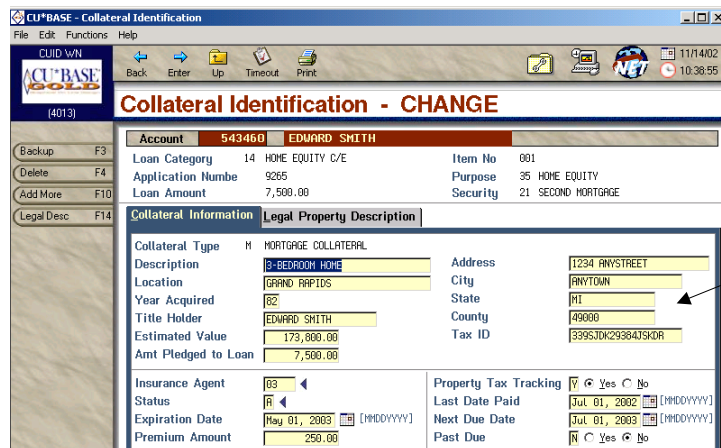
One feature that is popular with members in CU*@HOME PC Banking is the ability to view a list of cancelled checks for a share draft account. With this release, we have added that same functionality to the History feature in Phone Operator. Along with the existing command keys to list only debits or only credits, you will now see a new option for viewing only cancelled checks. This view also prominently displays the tracer number, which will be helpful when using CU*CheckViewer to view the cancelled check image.



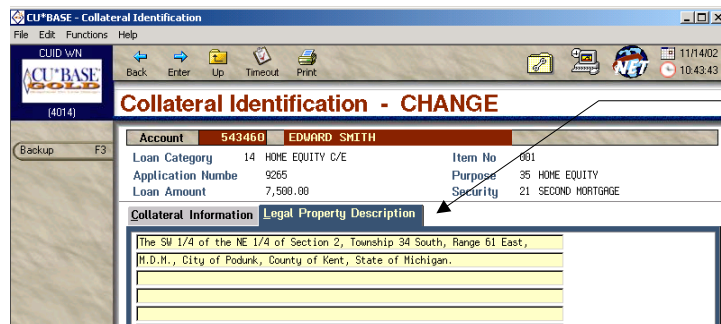
☞ Details about this feature will also be available via CU*BASE GOLD On-Line Help.

◆ **Collateral File Expansion for Mortgage Information**

This change will be a welcome one for credit unions that offer mortgages, home equity loans and the like where real estate is offered as collateral. In most cases, a real estate collateral record needs to include the full address of the property as well as its legal description. New fields will now appear on the collateral creation screen allowing you to enter a full address, Tax ID, and legal description. If desired, your custom loan forms can then be modified to include any or all of these fields.



New fields for address and Tax ID will now be displayed for real estate collateral records (definition type "R").



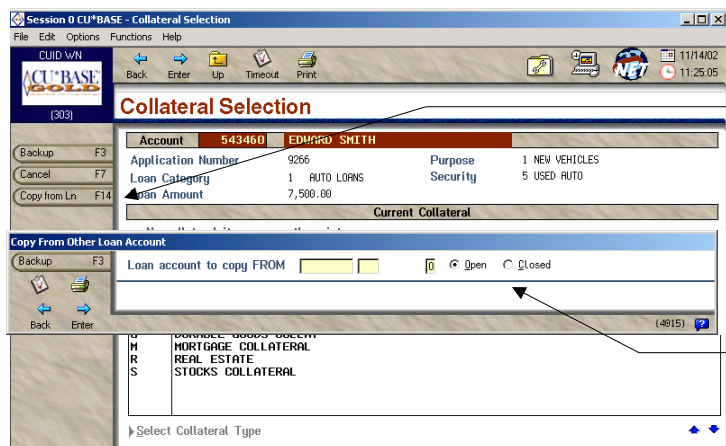
Notice the Legal Property Description tab, used to record the full, legal description for the real estate collateral. Up to 14 lines of information can be entered.

⇒ **IMPORTANT FORMS NOTE:** This information will be stored in your collateral files **ONLY** and will not appear on any forms at this time. If you would like these additional fields to appear on any of your CU's custom loan forms, a programming change must be submitted as usual, subject to standard custom programming charges (\$250/page) and lead time guidelines.

☞ Details about this feature will also be available via CU*BASE GOLD On-Line Help.

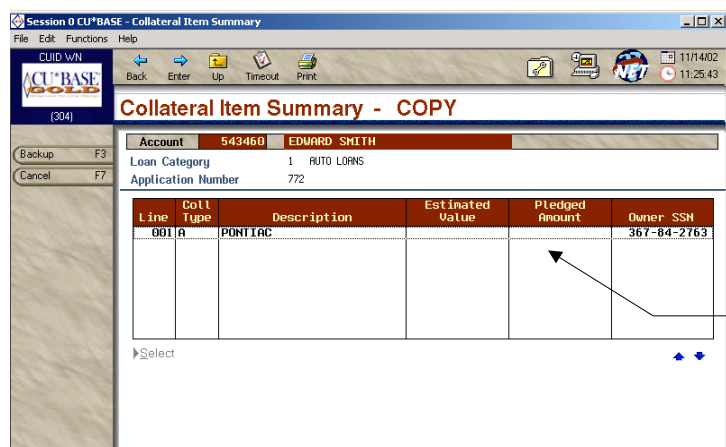
◆ Collateral Copy Feature

Another exciting feature related to loan collateral is the ability to copy a collateral record from an existing loan (or closed loan account) into a new loan request. One common use would be when rewriting a loan by closing the existing loan account and creating a new loan application. This is not a link; rather, it is simply a way to copy an existing collateral record so you do not have to re-type all of the details again for the new loan.

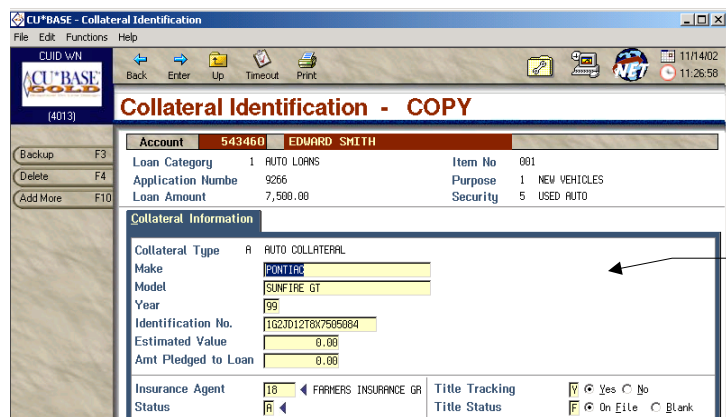


When creating a new loan request that uses the same collateral information that already exists on a current or closed loan account, use **F14-Copy From Ln** on the initial collateral selection screen.

In the window, enter the account number where the collateral information is coming from, and choose either Open (for loans in MEMBER5/6) or Closed (for loans in ACHIST5/6).



The next screen will show all collateral items found for the account number entered in the window. Select the collateral item to be copied and use Enter or Select to proceed.



This final screen represents a **NEW** collateral item for the new loan request, with all data from the old collateral record duplicated.

You may make any changes needed here (such as the amount pledged) then proceed as usual with this new loan request. There will be no effect on the original collateral record attached to the other loan.

In addition, by using the Misc. Loan Maintenance feature to access Collateral information on an existing loan account, you can use this same procedure to copy collateral from another loan or a closed loan into a current loan account.

☞ Details about this feature will also be available via CU*BASE GOLD On-Line Help.

◆ **Delinquency Report Changes for Participation Loans**

For credit unions that have begun using the new CU*BASE Participation Lending tools to track investor positions in their loan portfolio, a new option will now be available on the standard Loan Delinquency Analysis report (MNCOLL #19 “Print Delinquency Analysis”). This option will allow you to print the new “Participation Loan Investor Detail Report,” which breaks out all participation loans into a separate section of the delinquency analysis.

With this option, the standard delinquency analysis will not include participation loans, since the credit union is not solely responsible for the risk associated with these loans. These will be listed in a separate portion of the report so that delinquency can be tracked separately as appropriate.

In addition, a reminder message will now appear when viewing the Delinquency Summary window in the Collections Delinquent Loan inquiry. This warning simply alerts the user that those summary balances will include participation loans and therefore should be evaluated accordingly.

☞ Details about this feature will also be available via CU*BASE GOLD On-Line Help.

◆ **Employee Security Enhancement: “Auto Security”**

This new optional feature is designed to save time and keystrokes for credit union staff, especially those who are in and out of many different CU*BASE menu options during the day. In a nutshell, when Auto Security is activated, the Employee ID and password are entered automatically whenever a menu option is selected. Access to menu options is still controlled by the security settings attached to that ID; the user simply doesn’t have to type it over and over again.

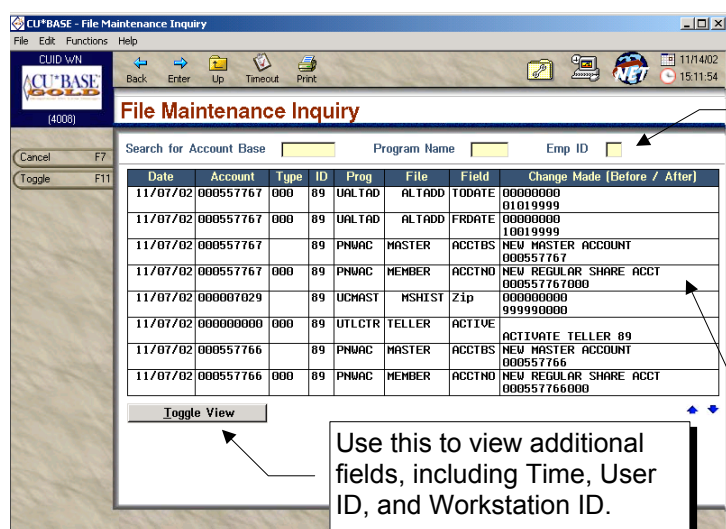
📖 For details, refer to the booklet, “CU*BASE Auto Security.”

☞ Details about this feature will also be available via CU*BASE GOLD On-Line Help.

◆ **File Maintenance Inquiry**

Another handy on-line inquiry! We are pleased to present a new on-line inquiry system for file maintenance activity. Replacing the previous Query feature on the Management Functions menu, this new tool will provide an easier way to track direct maintenance performed on your CU*BASE files.

MNMGMT #19 “CU File Maintenance Review”



Use the search fields at the top of the list to display only records with a certain account number, CU*BASE program name, or employee ID.
☞ HINT: CU*BASE GOLD On-Line Help will contain a list of commonly-used program names.

The top line shows the data before the change; the bottom line shows the new data.

Use this to view additional fields, including Time, User ID, and Workstation ID.

☞ NOTE: Remember that many different programs populate the CUFMNT file displayed in this inquiry. Some of these programs may use a different format for the date, account number, or other fields. We have attempted to adjust for these different formats in the inquiry, but cannot

guarantee there are no programs that create records that do not get sorted properly or work with the search fields. These older programs will be updated as they are discovered through using the inquiry. Please let us know if you find anything that needs attention!

🔗 *Details about this feature will also be available via CU*BASE GOLD On-Line Help.*

◆ Household Auto-Generation Enhancements

Changes were recently released to the feature that automatically generates records for your Household Database. These changes allow you to generate households just for members that are not already enrolled in a household, and to ensure that every household in the database has one member designated as “head” for use with mailing labels and custom downloads.

📖 *For more details, refer to the flyer, “CU*BASE Household Database: Automatic Generation of Households,” available on our web site. (An updated version will be ready after Dec. 1.)*

◆ Marketing Club Benefit Enhancement

A change was recently released to Marketing Club configuration that was designed specifically for credit unions offering share, certificate, and/or loan rate benefits for members of the Club. With this change, a credit union can introduce rate benefits to the Club without having to apply those benefits to members whose accounts were opened before a certain date.

For example, say you would like to begin granting a loan rate benefit for members of your VIP Club. However, many members of this Club already have loan accounts, and some of them have already been given special loan rates for their existing loan accounts. When the new benefits are introduced, you do not want to give these member *additional* benefits beyond the discounted rate they are already receiving. To accomplish this, you would simply set a starting date for benefits on the main Club Parameters screen. You could even set both a starting and ending date, to make the benefits available only to members who open accounts within a special promotional timeframe.

📌 **NOTE:** This date range will affect *all* rate benefits that are configured for this club (share, certificate and loan). If you wish to use a different date range for different product types, you would need to set up separate Clubs.

The screenshot shows the 'Club Parameters and Administration CHANGE' window for 'PRIME TIMERS CLUB'. The window title is 'Session 0 CU*BASE - Club Parameters and Administration'. The interface includes a menu bar (File, Edit, Functions, Help) and a toolbar with navigation buttons (Back, Enter, Up, Timeout, Print). The main content area is divided into several sections:

- Club ID:** PTC
- Club Name:** PRIME TIMERS CLUB
- Club Dues:** 10.00
- Frequency of Dues:** Monthly Quarterly Annually
- Dues Based On:** Club fee date Anniversary of member
- Club Dues Income G/L Account:** 870.00
- Collect Dues from Dividend Application:** ISH
- Transaction History Description:** CLUB DUES
- Club is a Tiered Service Marketing Club:** Yes No
- Apply configured rate benefits (if any) to accounts opened between:** Jan 01, 2003 (MMDDYYYY)
- and:** 99999999 (MMDDYYYY)
- (99999999=permanent)**

📖 *See also the “CU*BASE Marketing Clubs” booklet, available on our web site.*


◆ OFAC Enhancements

In June we released the new CU*BASE Data Match system used for OFAC compliance monitoring. Now that the system has been in place for several months, we have been getting valuable feedback from many of you and suggestions for improvements to make the system easier to use, more accurate and producing fewer “false” matches. Following are changes that were recently introduced or will be included in the December 9 upgrade:

- **Foreign Address Flag** - When scanning against names, records are now verified regardless of the setting of the *Foreign Address* flag. The *Foreign Address* flag is used only when scanning against country names. This was released during October and likely produced an increase in the number of matches on your reports.

- **First and Last Name** - Records will now be matched against both first and last name, instead of just last name. This should significantly reduce the number of matches on the report, making it easier to verify the remaining matches.
- **Date Option** - New date range fields will be added to the report screen so that you can check just members whose accounts were opened after a certain date. This will let you run the report once against your entire membership, then just verify new memberships from that point on.


 For details, refer to the “Using the CU*BASE Data Match System for OFAC Compliance” booklet, available on our web site.

 Details about this feature will also be available via CU*BASE GOLD On-Line Help.

◆ **Relationship Fees: Expanded Minimum Balance Service Charge Capabilities**


Enhancements were recently made to the CU*BASE Minimum Balance Service Charge feature. These enhancements provide more comprehensive “relationship” waivers including more flexible aggregate balance waivers and exemptions based on the presence of certain account or OTB types.

IMPORTANT: CU*BASE service charge options are very flexible, and therefore should be discussed with a CU*BASE Client Service Representative prior to implementation. We will configure and test the fee before the first posting, which generally occurs at month-end. For on-line clients there is a \$15.00 per month processing fee.

 Details about this feature are already available via CU*BASE GOLD On-Line Help.

◆ **Share Product Enhancement: Default Secured Shares**


If you wish, a share dividend application can now be set up so that a Misc. Secured Shares record for a specific amount is created automatically when the account is opened. Designed for high-yield accounts where a minimum balance is required to keep the account open, earn dividends, avoid a penalty, etc., this feature will save your member service representatives a step when opening new accounts. Contact a CU*BASE Client Service Representative for assistance in modifying your share product configuration.

 Details about this feature will also be available via CU*BASE GOLD On-Line Help.

◆ **Transaction Description Enhancements**

Changes have been made to the transaction descriptions used for two common transaction types, to provide more detailed information about the transaction for your members:

- **Corporate Checks** - When a corporate check or money order is cut from a member’s account, the system will now write out the check/money order number into the secondary transaction description field. This will appear on member statements, and can also be viewed using the Toggle feature in Phone Operator History.
- **Shared Branching Transactions** - When a transaction is posted for a member by a shared branch credit union, the system will now add the following as a secondary transaction description: “SHARED BRANCH TX AT (CREDIT UNION NAME).” Secondary transaction descriptions appear on member statements, and can also be viewed using the Toggle feature in Phone History.

 NOTE: Because the Phone Operator History screen can only display the first 20 characters of the secondary transaction description, you will not be able to see the credit union name on the inquiry screen. This change was made primarily so that the member can see where the transaction occurred on his/her account statement. Remember that you can view member statements via CU*SPY at any time!

◆ Other Miscellaneous Enhancements

- **Loan Accrual Calculation** - The calculator that is used to determine daily loan accruals has been modified to round the daily interest factor to 9 decimal digits instead of 7. This does not affect the size of any actual fields, just the rounding used during the calculation. However, for very large loans the daily accrual amount may be noticeably larger. This change was designed primarily to help credit unions that are now moving toward offering large real estate or other loans.

✉ NOTE: This change will not affect the loan amortization calculations at this time.
- **RMD Calculation Tables** - Per an announcement sent on October 29, updates have been made to the tables used to determine Required Minimum Distribution (RMD) amounts for IRA accounts, according to IRS specifications.
- **New Speed Sequence: OUTQ** - This new speed sequence can be used to access the Change Printer OUTQ Assignment (also available via MNPRTC #17). Remember that in order to use any speed sequence, access must be granted to your employee ID by your security officer (MNMGMT #1, F2-Menu Security).
- **Share Product Configuration Changes** - This enhancement will provide a way for members to manage their dividend income in a new way. Similar to the dividend payment options available with certificates, share products will include new options that allow members to receive dividend payments via a check or a transfer to another account, in addition to the current option of adding the dividends back into the same account.

IMPORTANT: This release represents the first phase, where configuration and inquiry screens will be updated to include new fields. **However, the monthly dividend payment program will NOT use these settings at this time.** Therefore, even if you change the configuration settings and set up members to use different dividend payment codes, for now the codes will be ignored and dividend payments will be handled as they have always been.

This feature has obvious implications for Truth in Savings disclosures and the way in which these products are sold to members, so now is the time to start *planning* for when and how you might take advantage of this new option, either to modify an existing share product, or to create a new share product that gives members new choices. Full roll-out of the feature is planned for early 2003.

- **Teller Checks/Money Orders** - The F3-Backup key is back! The key was removed some time ago because it was causing balancing problems when tellers cut a check and then backed up (instead of posting), so that the check was printed but never actually posted to the member's account. Now the key can be used to back up ONLY when no checks have been cut. If a check has been printed, you must use F5-Post to proceed out of the screen.

Other minor enhancements and changes have also been implemented based on reported issues. These will be reported in the next issue of the *CU&A* newsletter, as usual.