

FALL
2005

CU*BASE[®] Software Upgrade

Online Credit Unions	Self Processing Credit Unions
November 7, 2005	Week of December 12, 2005*

Autumn is here and the holidays are right around the corner...and so is a big CU*BASE release! Remember our handy coding system to help you scan this summary:



Immediate Effect

Changes automatically in place on the day the release is implemented.





Must be Activated

Your CU must make a decision either to activate it or modify configuration parameters. May require contacting a CSR.



Team Implementation

Work with CU*Answers before implementation.

All of the booklets  mentioned below will be available on our web site on or before November 4, 2005. Updated online help , including the "What's New" summary list of all changes, will be included when you receive the release.

The Star of This Show...The Member Service Rewrite!



Got your attention? This upgrade represents the first in what we know will be a series of releases to completely revamp CU*BASE member service tools. **This is one of the biggest releases we've ever done**, in terms of the number of programs touched and the impact on day-to-day member service personnel. **So make sure your teams are ready!** Keep reading for more information...



Projects are listed alphabetically:





Escrow Rewrite (Phase 1)

It seems to be the season for rewrites! We are pleased to introduce the first phase of a complete rewrite of the escrow processing system. This first phase is a comprehensive escrow "accounts payable" system designed to streamline the process of opening escrow accounts, setting up payment information, and processing payments from escrow savings to payees such as tax authorities or insurance companies.

The new system includes features such as configurable codes for escrow payees (vendors) and escrow types (i.e., summer taxes, winter taxes, insurance, etc.), a new automated process for opening the escrow account and linking to the loan upon loan creation, and much easier and clearer screens and flow for adding escrow payable information.

In addition, the new escrow payables system, patterned after payroll processing, lets you quickly gather all records for a particular payee (such as when you need to pay winter taxes for a local municipality), withdraw funds from member accounts, and cut a single check (or transfer to a G/L account), with a reconciliation report showing all members included in the payment.

Special thanks go out to Jim McClain at Isabella Community CU for his valuable assistance in getting this project off the ground. We also wish to thank Peggy Mortl and her team from Delta County CU, and Chris Ison from Tahquamenon CU, for spending time with us reviewing the system and offering ideas. These credit unions use escrow processing heavily and were invaluable in helping us develop an effective design for the tools. And coding is already underway for the next phase: escrow analysis!

	Refer to the booklet, "Escrow Processing with CU*BASE" for details.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

*Self processors will receive this release along with the year-end release.

! Loan Applications: Handling Duplicate Tradelines

One of the things we heard from the last Building Loan Channels focus group was a request for a better way to deal with loan applications where both the applicant and co-applicant have the same trade-lines on their credit report (as happens with an application from a husband and wife). You wanted a way to “remove” the duplicate debt from the co-borrower without wiping it out completely from that person’s household record so that that person still could apply for credit alone.

Well, we heard you! With this release you will see a new column called “Include Debt” which will appear on the Real Estate Loans, Loans/LOCs, and Credit Cards/Debts screens in the loan application. If this is checked, the debt will be included in the loan officer worksheet and in the summary financial calculations. Uncheck the box and the item be excluded from this application only. (This could also be handy when opening a loan that refinances an existing debt, to remove the old loan from the financial calculations.)

In addition, when you use the “Fill Debts” feature to pull debt information automatically from a credit report, the system will analyze the trades and **will automatically remove the checkmark on the co-borrower tab** for any debts that match the primary borrower’s information. You can easily adjust the flags as needed, but most of the work should already be done for you!

Incl. Debt	Institution	Credit Limit	Current Balance	Pmt	Freq	Rate	Last	Exp	Secured
<input checked="" type="checkbox"/>	CC-01	2,000	121	15	PT	0.000	305		<input type="checkbox"/>
<input checked="" type="checkbox"/>	CC-02	17,500	572	11	PT	0.000	305		<input type="checkbox"/>
<input checked="" type="checkbox"/>	CC-03	14,000	19,070	272	PT	0.000	305		<input type="checkbox"/>
<input checked="" type="checkbox"/>	CC-04	9,000	2,540		PT	0.000	105		<input type="checkbox"/>
<input checked="" type="checkbox"/>	CC-05	7,000	0	0	PT	0.000	305		<input type="checkbox"/>
<input checked="" type="checkbox"/>	CC-06					0.000			<input type="checkbox"/>
Total		49,500	16,319	306					

Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

Loan Insurance Enhancement for Delinquency

A new feature has been added to the loan insurance/debt protection configuration to give you more flexibility in designing your debt protection offerings. Now you can configure a number of days delinquent, and members that exceed that number of days will automatically be excluded from future insurance premium postings. These accounts will appear on your exception report with a “loan delinquent” message.

The new feature applies to Level Rate Disability and Life, Monthly Renewal Disability, Age-Rated Life, and all Debt Protection calculations. If you would like assistance adjusting your loan insurance settings to use this new flag, please contact a Client Service Representative.

Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

Marketing Club Enhancements

A creative credit union partner recently approached us and asked for some help setting up a couple of new marketing clubs that were to combine the best features of clubs and tiered service scoring to create a completely new way to reward participating members. We were excited to incorporate these changes into both Marketing Clubs and Tiered Services in a way that will give all our credit unions additional flexibility in designing membership rewards programs.

Our thanks to CorePlus CU in Norwich, Connecticut, for the inspiration!

In addition to some new configuration and fee waiver parameters, this project more closely ties Marketing Club features to the Tiered Services Lifetime Points feature. Here are some highlights of new features you can mix and match for your Marketing Club programs:

New Club Parameters

- **New Benefit Type flag - “Qualified” vs. “Guaranteed”**

In a nutshell, this new flag allows you to make the rewards from a Club subject either to eligibility rules (like now) *or* based on the member’s willingness to *pay* for the benefits.

For example, say you have a no-dues “Premium Members” club that offers special rates or lower fees on ATM transactions for any members that maintain a certain balance or have a certificate account. A member joins the club and begins enjoying those benefits, but something happens and his balance falls below the required minimum, or he needs to close his certificate account. Normally, club membership would automatically be suspended and the member would no longer receive the benefits.

With this new flag, as soon as the member is no longer “eligible” for the Club, instead of suspending him, the system simply begins charging dues, allowing the member to continue enjoying the benefits with no interruption. Later when his balance goes back up or he opens a new certificate, the system will stop charging the dues automatically. In other words, the benefits are guaranteed regardless of the member’s status.

- **Link to Tiered Service Lifetime points program**

This new flag ties into a new feature in Tiered Services (see below) that lets credit unions accumulate Lifetime tiered service points only for members of certain marketing clubs. In addition, you can choose to grant a certain number of lifetime points immediately upon enrollment into the Club...rather like when you sign up for a new credit card and immediately receive 1,000 frequent flyer miles.



- **Grant Courtesy Pay limit on enrollment**

This new flag lets you give a member a certain negative balance limit on all his or her existing checking accounts as of the time the member enrolls into the Club. This is a one-time benefit that will ensure a member has at least this limit at the time of club enrollment (will not reduce a limit that already is higher, and will not adjust it again from that point on).

New Active Status Tracking Parameters

You can now choose to include these new eligibility requirements in your Club active status tracking parameters:

- Enrollment in CU*EasyPay! bill payment
- Enrollment in E-statements
- *Combined* aggregate savings and loan balances (can be used instead of an individual savings aggregate or loan aggregate requirement)

	Refer to the booklet, “Marketing Clubs: Configuration, Benefits and Enrollment” for details.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

“Member Service Rewrite” Phase 1

Much has already been said about this project, which represents just the start of a multi-year endeavor to improve the process of opening, maintaining, and closing memberships and accounts on CU*BASE. This first phase focused on the flow and procedures used to open memberships and accounts, including new membership designation codes and a completely new way of managing the workflow for your member service staff.


Our special thanks to the participants of the Member Service Focus Group, who provided valuable input and assistance in getting us started. We will be scheduling another meeting of this group in the next few months to review what’s been done so far and to kick off the next phase of the project. Start jotting down your ideas now!

As you will see, this project has been perhaps the most ambitious, largest impact release in our history, at least in terms of the number of programs that were affected: over 600 CU*BASE programs and 500 custom programs were touched. **Make sure everyone on your staff is ready for the changes that will affect their work starting day one!** Here’s a summary of the major improvements included in this first phase:

Workflow Controls

The new Workflow Control configuration feature represents a whole new way of organizing day-to-day member service tasks. You can now control what steps a teller or MSR uses when setting up new memberships and sub-accounts, such as pulling a credit report or enrolling in e-statements.

You can also ensure better compliance to your database standards by defining which key fields will require an entry, such as Reason code or Mother's maiden name.

 Watch 'em in action! To view a demonstration movie showing the new Workflow Controls Configuration, go to www.cuanswers.com/client.php and click the Member Service Rewrite Sneak Preview button.

IMPORTANT: When the release goes in, the only control that will be turned on will be the OFAC scan, if your credit union already runs that scan interactively at the time memberships are opened. **All other features will be turned off.** That means if you want to pull credit reports, enroll in e-statements/bill pay, or take advantage of any other new workflow feature, an authorized manager or supervisor will need to adjust your workflow controls.

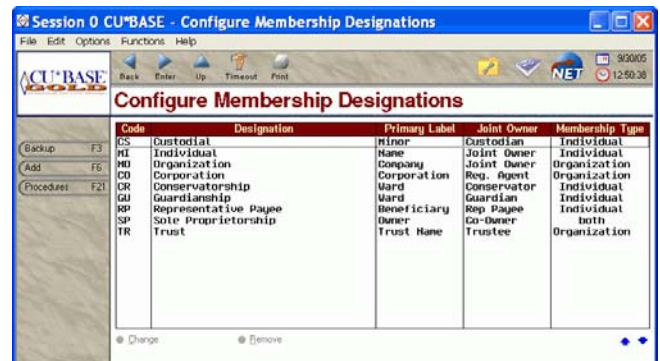
This feature will be available via a new command on menu MNCNFC. Now is the time to start planning and training your staff on the new procedures you will require.

Membership Designation Configuration


You asked for it! Now you can better organize your memberships and label them in a way that helps your staff service these memberships correctly. Membership Designation codes let you label a membership beyond the traditional categorization of "individual" and "organization," and label the relationships using precise terms beyond "member" and "joint owner."

In addition to CU-defined labels for the member and joint owner names (such as "Trust Name" and "Trustee" instead of "Primary" and "Joint"),

Membership Designations can be set up with procedure tips to assist MSR's with setting up the membership. (In the future we can even add access to these procedures from other places in CU*BASE - let us know where they would be helpful!)



Code	Designation	Primary Label	Joint Owner	Membership Type
CS	Custodial	Minor	Custodian	Individual
RI	Individual	Name	Joint Owner	Individual
NO	Organization	Company	Joint Owner	Organization
CO	Corporation	Corporation	Reg. Agent	Organization
OR	Conservatorship	Ward	Conservator	Individual
GU	Guardianship	Ward	Guardian	Individual
RP	Representative Payee	Beneficiary	Rep Payee	Individual
SP	Sole Proprietorship	Owner	Co-Owner	both
TR	Trust	Trust Name	Trustee	Organization

 Watch 'em in action! To view a demo showing the new Membership Designation Codes configuration, go to www.cuanswers.com/client.php and click the Member Service Rewrite Sneak Preview button.

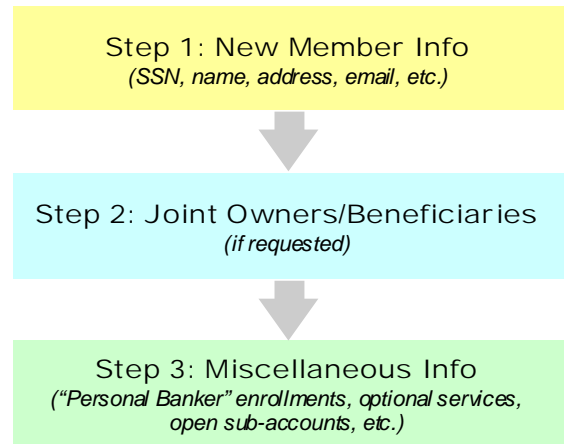
Opening Memberships


Talk about a rewrite! The process for opening memberships has been completely overhauled, and you will now see a sequence of screens that flows smoothly according to your credit union's preferences for workflow. Here are some highlights:

- For starters, each user can choose which initial "menu" style they like the best using CU*BASE GOLD workstation **Favorites**.
- The old "Run Sequence" concept has been replaced by central CU-defined **Workflow Controls** that will make the flow consistent for all employees.
- Instead of a single new member info screen with a bazillion fields on it, there will now be a **series of screens** that are cleaner and less intimidating, with conditional fields you can define.
- The **flow** has been improved to prevent having to enter the member's account number over and over again.

In a nutshell, there are now three main “steps” for opening a membership (see the diagram to the right). You create the membership, then add any joint owners and beneficiaries, then proceed through other miscellaneous optional services based on your preferences. Remember that each “step” may require several screens, depending on what workflow controls you have defined.

Other cool features include the ability to **deny** the membership at the end of the flow. This automatically generates a Misc. Member Service Denial Notice and creates a non-member record flagged as denied with a reason code and date. This “Deny Membership” flag will even prevent a new membership from being opened in the future for this person (assuming the same SSN is used, of course).



 Watch it in action! To view a demo showing how to open a membership, go to www.cuanswers.com/client.php and click the Member Service Rewrite Sneak Preview button.

Opening Sub-Accounts


To simplify the process of opening sub-accounts, there will now be a single front-end screen that gives you quick access to open savings accounts, certificates, ATM/Debit cards, OTB accounts, or even to start a loan application. (CU*BASE will even remember the account you are working with so you don't have to type the account number over and over!)

For checking accounts, the system will automatically prompt for ODP setup, and can proceed to print starter checks and/or access your online check ordering vendor at the time the checking account is opened.

In addition, a new optional flag has been added so that you can elect to prompt for a credit report pull upon opening a checking or other share account.



This configuration flag is available through Share Dividend Application configuration (MNCNFA #1), so you will need to update your products for any that need to prompt for a credit report.

 Watch it in action! To view a demo showing how to open sub-accounts, go to www.cuanswers.com/client.php and click the Member Service Rewrite Sneak Preview button.


Unlimited Joint Owners for all Sub-Accounts, New Beneficiary/POD Tracking

You've been asking for this for years, and here it is! Unlimited joint owners on ALL sub-share and certificate accounts! You can also store unlimited beneficiary (“payable on death” or POD) names for shares and certificates. Some tips to keep in mind:

- It is now easy to copy joint owners/beneficiaries from one account to another.
- The existing IRA beneficiaries tracking system will not be changed in any way. Because these beneficiaries are recorded by IRA Plan Type, not by individual account suffix, joint owners/beneficiaries for IRA accounts will be handled the same way they are now.

- **Remember that the new structure means that you must now obtain a SSN/TIN for all joint owners/beneficiaries!** Be sure your member service staff is comfortable with how to request this information from your members.
- For the time being, joint owner names entered when opening accounts in CU*@HOME will still be free-form text fields. But the file structure allows for these to be stored and then easily updated later as complete information becomes available.

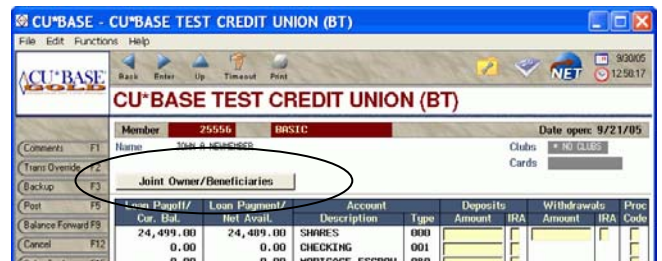
Please refer to the separate announcement (“Get Ready for the Member Service Rewrite!” available on the News & Updates page of our website) describing the process of converting your existing joint owner data into the new file.


 Watch it in action! To view a demo showing how to create joint owners while opening memberships or accounts, go to www.cuanswers.com/client.php and click the Member Service Rewrite Sneak Preview button.

JO/Beneficiary Lookup in Teller / Inquiry / Phone

See all joint owner and beneficiary names at a glance! New buttons in Member Inquiry, Phone Operator, and Teller Processing (both the Funds In and the Deposits/Withdrawals screens) make it easy to look up who is authorized to access funds in a member's accounts.

CU*TIP: The button name will even change automatically depending on the Membership Designation for the member - for example, instead of “Joint Owner” it will read “Trustee” for your trust memberships!



 Watch it in action! To view a demo showing the new joint owner lookup feature, go to www.cuanswers.com/client.php and click the Member Service Rewrite Sneak Preview button.

DBA / Secondary Member Name

A new field has been added to the MASTER file so that you can record a DBA name for a membership. Simply create the membership (individual or organization) as usual and enter the DBA name in the designated field. You can even use Global Search to look for a member based on DBA name.

Currently the DBA name will not appear on printed forms such as notices, statements, envelopes, receipts, and the like. However, in a future phase of this project we are planning to add a configuration flag so you can decide whether or not to print this name in place of the member name on various printed documents.

Email Address Expansion

We have expanded the length of the email address field from 35 characters to **100 characters**. With the increasing number of members signing up for electronic services, we're finding more email addresses that are just too long to fit within the current 35 characters. This is especially true for CUs where members work at schools or government agencies, whose email addresses tend to be very long.


Notice to ReportBuilder (Query) Users: To accommodate this change, it was necessary to move the email field from the MASTER file to the PCMBRCFG file. If you have any custom reports or inquiries that include this field, you will need to adjust the settings after you get the release.

Membership and Account Maintenance

Sometimes it's the simple things that mean the most...a new front-end screen has been added to the Account Information Update feature that displays all of the member's sub-accounts. All you have to do is pick the one you want to update - no more scratching your head trying to remember the suffix! Once you have accessed the account, a new command key lets you work with the joint owners and beneficiaries as

well. (CU*TIP: Joint owners/beneficiaries can also be updated using the Open/Maintain Memberships command on menu MNSERV.)

Finally, the same screens used when opening the membership are also used for updating membership information (although there are a few additional fields available when updating). Fewer screens to learn! Both features are still located on the MNUPDT menu, as before.

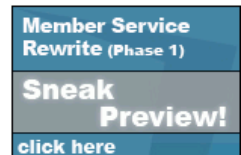
	Watch a demonstration movie showing how to update membership and account info! Go to www.cuanswers.com , click I Am a Client, and use the Member Service Rewrite Sneak Preview button.
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Other Member Service Enhancements

- **Deny memberships flag and reason code** - This new security feature was requested by a credit union partner that wanted a way to deal with problem memberships. A new checkbox will appear on both non-member and member records. If checked, the system will not allow a new membership with that same SSN to be opened in the future. There is also a field for the denied reason code and date for future reference.
- **Personal Banker** - A single place for all of the personal banking options a member can request. So far it includes all e-services (CU*@HOME/CU*TALK, CU*EasyPay!, and e-Statements), and it will eventually include other features such as account nicknames and other member preferences planned for the future.
- **FIDM Changes** - The Financial Institution Data Match (FIDM) system has been modified to accommodate the new joint owner file format so that names will be reported properly to the state (will look at all joint owners attached to any account).

Online Demo Available Now

Demo movies are available now for the major enhancements in this project. To watch the new software in action, click the Net button on any CU*BASE GOLD screen, choose cuanswers.com, click I Am a Client, then use the Member Service Rewrite Sneak Preview button.



Of course, details for all related screens will also be available via CU*BASE GOLD Online Help when you receive the release.



Nickname Maintenance in CU*@HOME

The ability for members to request a nickname for their individual sub-accounts was added to CU*BASE about a year ago and has been very popular. Nicknames appear in place of the standard product name throughout CU*@HOME, and can also be viewed using toggle keys in Inquiry, Phone Op, and Teller Posting. We even recently modified member statements so that the nickname and the account description will both appear on statements.



Now you can allow your members to update their own nicknames in CU*@HOME! If activated, a new link will appear on the left side of the Account Summary screen.

You can activate this flag yourself at any time using the "Home Banking VMS Configuration" feature on menu MNCNFE.

This project also added some new features that give your credit union a little more control over the nicknames stored in your member files:

“Restricted Words” Filtering

So you tell members they can set an account nickname...but what happens when they choose a word that staff members find offensive? As you can imagine, this was a touchy subject even to approach, but you asked us to find a way.

So, with this release, a new database file has been created so that your credit union can enter your own list of restricted words that should not be allowed in account nicknames. The file has been “seeded” with a list of words commonly found offensive or inappropriate. (No, we didn’t enter them ourselves--we found a database resource via the trusty Internet!) You can adjust the list with other alternate spellings or new words you wish to restrict via the new command on menu MNCNFC...although we don’t envy you having to assign this task to someone on your staff!

Controls by Product


Also by suggestion from a credit union partner, we have added new optional controls to Share Dividend Application (MNCNFA #1), Certificate Application Type (MNCNFA #2), and Loan Category (MNCNFB #1) configurations to allow your credit union to restrict certain products from being given account nicknames by members, either via CU*BASE or CU*@HOME.

 Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

Online Credit Card Processing Enhancements

Even as we are moving to convert more credit unions to the new CU*BASE online credit card system, we are already adding new enhancements (with even more on the way!). Here are some new features that will be added with this release:

- Automated penalty rates for over-limit and delinquent accounts
- Rate maintenance at the individual card level
- A new configurable database of “restricted” card numbers

 Refer to the booklets, “Online Credit Cards: Configuration” and “Online Credit Cards: User Guide” for more details.

Teller Posting / Auto Non>Returns Enhancement

A few changes have been made to teller processing related to the in-house checks feature. If a member presents a check drawn on his or her own account, the system will now use both overdraft protection and ANR (Courtesy Pay) when posting the check through teller in-house drafts. (Previously, if there were no overdraft protection settings on the member’s account, the system would not allow the account to go negative, regardless of the member’s negative balance limit.)

In addition, when clearing an in-house check on a member’s own account (i.e., the account # for the in-house check is the same as the account # currently being serviced) the message, “**WARNING: Clearing check 12345 will cause fees to be charged,**” will appear to warn the teller that a fee will be charged if ODP and/or ANR will be used to clear the check. Tellers should relay this warning to the member.

Tiered Services Enhancements

A companion to the Marketing Club changes described above, this project expands on the Tiered Service Lifetime Points program that was introduced several years ago, and links Tiered Services to Marketing Clubs in a new way.

Lifetime Points Program Changes

- **Automatically populate Lifetime points...or not**
The Tiered Service Lifetime Points feature was designed to accumulate points a member receives every month and allow them to be redeemed for special rates, credit union services, or other rewards.

This enhancement lets your credit union decide whether these points will be accumulated automatically, or if the accumulation only occurs for members who also belong to a certain Marketing Club.

■ **Configure a Lifetime Points “Catalog”**

You can set up an online catalog with credit union services and other “goodies” that members can purchase by redeeming some of their accumulated lifetime points. For example, your catalog could include things like an extra quarter-percent bonus rate on a new certificate, or ten basis points off their next auto loan. Or you could offer special credit union merchandise so members can show off their loyalty to the credit union.



Currently the catalog will be available via the Sales Tools window in Inquiry, Phone, and Teller, and in the future we will be adding it to screens used for opening new accounts, applying for loans, etc., for true point-of-purchase sales.

If your credit union wants to start rewarding members for long-term participation to the credit union, now is the time. To help with the launch, you can even clear out all old accumulated points (they’ve been accumulating since November, 2000!) and start with a fresh slate whenever you are ready.

Separating Configuration from Maintenance

In order to facilitate future growth and take care of credit union security concerns, with this project we pulled apart the options that are currently available via the Tiered Services Configuration command into two separate programs:

- **Tiered Service Configuration** - Will be used strictly for configuration features such as setting up point values, rewards, and the new lifetime points redemption catalog.
Access will still be via the command on menu MNCNFD; an inquiry-only version will also be available through the Sales Tool window in Inquiry, Phone, and Teller.
- **Tiered Service Maintenance** - Will include the other maintenance commands to be used by staff other than those authorized to set up the program.
Access will be through the Sales Tool window in Inquiry, Phone, and Teller, as well as via a new command on menu MNUPDA.

	Refer to the booklet, “Tiered Service Levels - Implementation Guide” for details.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

 **Miscellaneous Enhancements**

- **ACH Suspense File Exception Report (PACHSU)** - This report can now be printed on demand from a new option on the MNACHP menu. There is also a new option to exclude NSF items, to reduce the size of the report and make it easier to use for working invalid account numbers.
- **Alternate/Secondary Address screen** - This screen will now include a field for a phone number.
- **Minimum Balance Service Charge Enhancement** - A new waiver option has been added to the Minimum Balance Service Charge configuration (MNCNFA #8). You can now elect to waive the charge for any members that are currently enrolled for e-statements.
- **PLI Loan Analysis Report** - A new option has been added to this report (MNEXL2 #28) so that it can be sorted by PLI (Participation Loan Investor).
- **Print Miscellaneous Checks** - This screen now has a lookup button ◀ you can use to choose a G/L number from a list of configured accounts.
- **Account Information Update** - The *Last rollover balance* field has been added to the Account Information Update (MNUPDT #2) screen for certificates. It will be controlled by Maintenance Tier 2 employee security, and any maintenance to this field will be included in the CU File Maintenance inquiry/report.

Other minor enhancements and miscellaneous fixes will be noted in the online help “What’s New” topic when the release is implemented.