

July

2006

CU*BASE[®] GOLD Monthly Update

Online Credit Unions

July 17, 2006

A four-page release summary for a “normal” monthly GOLD update?!? Well, this release does include a few nice enhancements that your staff needs to understand and prepare for. One of those cases where the changes might be simple but they take a lot of words to explain!

As usual, updated online help, including the “What’s New” summary list of all changes, will be included when you receive the release.

! Credit Bureau Reporting Enhancements for Bankruptcies

Changes have been made to allow for you to enter Consumer Information Indicators on your loan accounts, for reporting bankruptcies to the credit bureaus.

To add the new codes to a loan account, you’ll use a new command key on the Loan Account Information Update screen (MNUPDT #2) that will display all credit bureau-related fields in one place. A lookup window will be available to allow you to select a valid code. (The new screen will even display descriptions of all of the credit bureau-related codes you’ve selected!)

To report bankruptcy, simply enter the appropriate Consumer Information Indicator on the loan account record. It only needs to be reported once and the loan will remain at the bankruptcy status until an appropriate removal code (Q, S, or U) is reported.

! Consolidation of Notice Events

As part of the new ODP and ANR features for online ATM/debit card switches (described below), we have done some major reorganization of the notice events that are related to all ATM/Debit card activity (including batch).

As you know, the lines are increasingly blurry between what “ATM” versus “Debit” means when it comes to your members’ day-to-day activity. When someone uses a debit card at an ATM machine, do they think of it as debit card or ATM activity? What about a POS transaction using an ATM card? The reality is that vendors typically only differentiate between PIN-based and signature-based transactions (if they differentiate at all), and for the most part, the terms ATM and Debit Card are often used interchangeably. It is definitely time to consolidate and simplify the processes to avoid confusion and duplication, and make it easier to evolve our programs over time.

Currently there are six different events that relate to this activity. We are whittling that number down to just three notice events, the same as how ACH and Share Draft events are organized.

Starting with this release, the following notice events will be the ONLY ones used for ATM and Debit card activity (for all ATM/Debit Card vendors, both batch and online):

- **ATMANR** - For ATM and debit card transactions that were covered by your credit union’s Courtesy Pay (ANR) program and a non-return fee charged.
- **ATMNSF** - For ATM and debit card transactions that overdrew available funds.
- **ATMODP** - For ATM and debit card transactions that were covered by an overdraft protection transfer.

As of the release, the following notice events will no longer be used: ATMDBT, DBTNSF, DBTODP. Depending on your situation, your credit union may or may not be using these events on any of your notice forms. Therefore, we need you to pay close attention on Monday, July 17, when you print your first batch of notices on the new release, as explained below:

*****Special Alert for Staff Responsible for Printing Notices*****

What You Must Do Before Printing Notices on July 17

With the release we will be running some conversion programs that will convert existing events as follows:

Old: ATMDBT → New: ATMNSF
Old: DBTNSF → New: ATMNSF
Old: DBTODP → New: ATMODP

Here's what you need to do on Monday morning, July 17, before you print notices:

1. **Check Your Custom Event Text** and update as needed. If you have customized the text on any of the old events listed above, check the corresponding new ones to see if the text reads the way you want it to read. *(Use MNPRTC #10 to access the configuration. Select a form and use F10-Event Details to customize any event text.)*
2. **Check Your Form Configuration** to make sure the right events are tied to the right forms. This will depend on how your credit union organizes its notices. For example, if your credit union has a special form for "ATM" activity and a separate form for "Debit Card" activity you will need to combine them into a single form covering both, and attach the appropriate events (ATMANR, ATMNSF, ATMODP) as needed. Or you might have a separate form for all "ANR" activity versus "ODP" activity; likewise you will need to make sure all forms have the correct events attached. *(Use MNPRTC #10 to access the configuration. Select a form and use the Change option and press Enter to see the attached events.)*

⇒ **Be careful not to remove any of the old events from your forms now**, or you will not get notices over the next week until the changes go in with the release. **These tasks should be assigned to the person who will be printing your first batch of notices on the new release, on Monday, July 17** (or the first date on which you will print notices after the release goes in).

Contact a Client Service Representative if you would like assistance deciding what to do with your configuration settings.

! Full Support of ODP and ANR for all Online ATM/Debit Card Switches

CU*Answers is very excited to announce the culmination of many months of planning, development, and testing to allow your credit union to configure exactly how you want your ATM/Debit Card switch to handle ODP (overdraft protection) and ANR (Courtesy Pay) for both posting and authorizations.

This project had two main goals: to make ODP work for ATM/Debit Card activity the way it does for other channels such as ACH and share drafts, and to add optional ANR functionality for all ATM/Debit interfaces. The new configuration and functionality is supported by all current online switches, including the following:

- CO-OP
- Fifth Third
- NYCE
- EDS/CNS
- STAR

When the changes are put into production on the 17th, your configuration settings will remain exactly as they are now, but keep in mind that the changes might mean that your existing configuration begins to work differently than before. For example, if you have activated ODP for posting for your ATM and Debit card activity, but in the past these settings were only used for force-posted (offline) ATM transactions, they will now be used for online activity as well, with no changes to your configuration. So even if you do not plan to make any changes, it is a good idea to at least look at the config. to make sure it is what you expect (see below for instructions).

Not sure what your settings should be? Contact a Client Service Representative and we will be happy to discuss the options that are best for your particular situation.

Step 1: Set Up Your Notices

In order to print member notices for ODP and ANR on ATM and Debit card activity, you will need to verify that the appropriate notice events have been configured and attached to one of your notice forms. Following are the related notice events that are used:

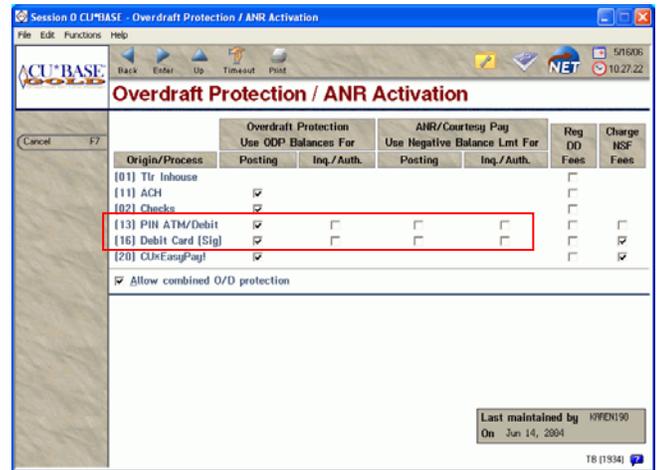
- **ATMANR** - For ATM and debit card transactions that were covered by your credit union's Courtesy Pay (ANR) program and a non-return fee charged.
- **ATMODP** - For ATM and debit card transactions that were covered by an overdraft protection transfer.

Step 2: Verify and Adjust Your ODP / ANR Activation Configuration

Once you decide how you want the configuration to work and get the notices ready, you'll need to update your CU*BASE configuration to activate any new settings you wish to use.

From the MNCNFA menu, choose option 9 "NSF/OD Transfer Configuration" then choose 1. Overdraft Protection Activation to display the screen shown here. Online help will explain the settings (remember that the changes won't be in help until you get the release on July 17).

Below are some tips on the new features you can choose to activate:



Notice the new labels: Origin code 13 represents any PIN-based transactions, regardless of whether the card used was an ATM or a Debit card. Origin Code 16 is for all signature-based transactions.

Origin/Process	Overdraft Protection Use ODP Balances For		ANR/Courtesy Pay Use Negative Balance Lmt For	
	Posting	Inq./Auth.	Posting	Inq./Auth.
[13] PIN ATM/Debit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
[16] Debit Card [Sig]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The "Posting" flag will now control ODP regardless of whether the transaction is online or force posted (offline mode).

The "Auth." flag controls how the member's available balance will be calculated when authorizing a transaction. Check this if you want ODP balances to be included in that calculation.

This flag controls how the member's available balance is calculated when authorizing transactions. Check it if you want to add the member's *Negative Balance Limit* to calculate available balance.

Check this to use ANR for incoming transactions as they are posted to the member's account. The same rules will apply as for draft postings, ACH, and bill payment (i.e., ODP will still be used before ANR kicks in).

NOTE: ATM inquiries and resulting balances on ATM receipts will still show the member's real, actual balance for just the specific account being viewed.

Step 3: Monitor Activity

Although we have been doing beta-testing for a while with some of the switches, and have performed a great deal of our own testing over the past several months, it was not possible to test every possible combination of every configuration setting, with every type of membership, for every set of possible ODP account relationships, with every set of account balance scenarios, with every transaction timing, on every... (you get the picture). In short, this will require some extra attention when it is put into place in the real world.

So make sure your staff knows to pay close attention to daily balancing, member inquiries, daily negative balance reports, notices, etc., and report any discrepancies or concerns to a Client Service Representative right away.

Other reference materials that will explain the new features (updates available now on our website):

- Automated Non>Returns
- Member Notices

Other ATM/Debit Card Interface Enhancements

- **Support for Surcharge Rebates (Star and Fifth Third)** - A new menu option (MNMMFD) has been added to allow credit unions that use the Star or Fifth Third ATM/Debit card interface to configure ATM terminals eligible for surcharge rebates. If transactions performed at these configured terminals include a surcharge, the surcharge amount will be refunded to the member in a separate transaction.
- **Support of ATM Deposit Image Transactions (Co-Op)** - The Co-Op Network interface will now accept transactions from the newest generation of ATMs, at which deposited checks are imaged directly by the machine. The posting programs will handle these transactions the same as regular deposits.

OFAC Enhancement

In addition to the Specially-Designated National (SDN) list, CU*BASE OFAC scanning features will now scan against the Palestinian Legislative Council (PLC) list. All features will work the same as now. Refer to the updated "Using the CU*BASE Data Match System for OFAC Compliance" booklet, available now on our website, for more details.

All other minor enhancements and changes will be outlined in the What's New feature of online help when you receive the release.