

Online Credit Unions

Self Processing Credit Unions

March 16, 2009

April 6-7, 2008

Updated booklets mentioned in this summary will be available on our website no later than **March 12**. Updated online help, including the "What's New" summary list of all changes, will be included when you receive the release.

More Features in It's Me 247 Online Banking!

This release is full of online banking goodies!

! Members can see their Pending ACH Transactions Online!

Want to reduce the number of calls from members checking on when their payroll will be posted to their account?

The new **ACH Transactions** tab will

allow members to view all their pending ACH transactions and when they will be posted. (Notice that the button also shows the number of pending transactions.)

If you already offer your members the ability to maintain their ACH distributions in online banking, this same button will be used, and the list of deposits that can be maintained will appear on the same page, below the new list of pending transactions.

Account Summary		Pending Electronic Transactions			
Transfer Money		Company Name	Amount	To Be Posted	Posting To
Nicknames		Tiaa-cref Distr.	\$333.12	10/01/2007	000 - Ownership Share
Scheduled Check Transfers		Tiaa-cref Distr.	\$1,005.12	10/01/2007	009 - Basic Share Draft
ACH Transactions (3)		Us Treasury 312	\$334.48	10/01/2007	009 - Basic Share Draft

! Members Can Enter a Secondary Transaction Description

Now when members make an online transfer, they can click on the "Enter optional transfer description" link to reveal a field that allows them to enter a memo or note to help them identify the transfer.

This entry will be recorded as a secondary transaction description that will appear on the member's statement, in online banking and in Phone Operator transaction history.

Nicknames	How much? \$75.00
Scheduled Check Transfers	From where? 030 - Secondary Share: \$901.00
Electronic Deposits	To where? Bugs Q Bunny (29): 002 - Christmas Club
Checks Cleared	When? Right Away
Check Stop Payment	Enter optional transfer description
Check Withdrawal	Memo: Bugs lent me some money so I'm paying it back
Get IRA Advice	Accept Back
Dividend/Interest	
Downloads	

! More Options for Online CD Products

Now you can offer additional types of certificates for members to open via online banking. Previously, you could configure online certificate products with one of two renewal options: Check or Auto-Renew. We've added the third option so that you can set up the certificate to automatically **Transfer to** another account upon maturity. When the member opens a new CD, he will choose which of his own savings or checking accounts should receive the funds (won't allow accounts such as IRAs or HSAs, of course).

Also, if your online certificate product is configured to pay dividends via a transfer to another account, **It's Me 247** will now let the member choose the account to which the dividends will be paid (instead of just assuming the base share 000 account).

This is just the start...we're starting work on another project that will let you choose multiple renewal and dividend disbursement options when configuring your products, if you wish, so members can choose their own terms when opening the account online. We'll also make it possible for a member to use It's Me 247 to modify

the renewal option on a certificate that's nearing maturity...so when they get a notice they will no longer have to call you to ask for a change to how the CD will roll over! Watch for more details later this year.

! View Dividend Details for Closed Accounts

Now the Dividends/Interest screen in **It's Me 247** is easier to understand—members can now view the dividends and interest of the accounts they closed last year, in addition to their current accounts.

Data is shown for both the current and previous year (and we now show the actual year, instead of the ambiguous “Current” and “Previous” labels we used before). We hope this change will clear up many member questions, especially at tax time!

(Remember, as always, the summary at the bottom of the page includes data for all accounts under the member’s Social Security number and may include data from different memberships.)

Dividend/Interest Summary

Active Accounts

Account	Name	2009 Interest	2009 Dividends	2008 Interest	2008 Dividends
000	OWNERSHIP SHARE	\$0.00	\$2.47	\$0.00	\$4.09
009	BASIC SHARE DRA	\$0.00	\$0.00	\$0.00	\$0.00
820	HELOC-DRAW	\$2,323.36	\$0.00	\$1,351.65	\$0.00

Accounts Closed During 2008

Account	Name	2008 Interest	2008 Dividends
009	BASIC SHARE DRA	\$0.00	\$2.21
030	SECONDARY SHARE	\$0.00	\$3.24
821	LOAN	\$2,279.49	\$0.00

Previous Year's IRS Information

Includes paid dividends and mortgage interest for ALL accounts under your Social Security Number.

Year	2008
Reportable Dividends	\$9.54
Reportable Interest	\$3,631.14
Reportable Savings Bonds	\$0.00

Members will be able to learn more about all of these new features by clicking the Help button in **It's Me 247** online banking.

🔒 Experian Authentication Services – Level 1 (AS1)

We are excited to announce that Experian AS1 functionality has now been integrated into CU*BASE! Leveraging our interface with ZOOT and the existing tools and features of the CU*BASE platform, we have created an interface to Experian’s Authentication Services Level One (AS1) as the tool to help you meet the requirements of new Due Diligence and Red Flag-related procedures and policies.

In a nutshell, when opening or updating a membership, member data you enter into the CU*BASE screen can be submitted directly to Experian, and CU*BASE will return instructions on the results of the authentication. You will be able to correct typos and resubmit up to 3 times before making a decision about the ultimate “pass” or “fail” of the authentication, and any changes you make will be pulled back into CU*BASE to be used if you proceed to create the membership (no rekeying!).

Audit Tracker notes will be added with a separate memo type for “ID Scan Passed” or “ID Scan Failed” or “ID Partial Pass,” and a companion Identity Authentication Inquiry will provide detailed historical data about the information received from Experian.

⇒ **All of this for only 75 cents for each submitted request!**

Whether you are an existing Experian client using the web-based tool, or if you are considering developing new identity authentication policies, check out the separate flyer to learn more about getting signed up and configured to use the new features.



Refer to the “CU*BASE & Experian Authentication Services Level One (AS1)” flyer for an overview and pricing.
 Details for all related screens will also be available via CU*BASE GOLD Online Help with the release.

Reg. D Report Enhancements

We've completely revamped the daily Regulation D Statistics Report (PREGD) to make it much more useful for completing your required **FR2900/2910 reports** for the Fed. The report will now have four sections:

1. Savings and checking products with the Reg. D transaction account flag turned on
2. Savings and checking products with the Reg. D transaction account flag turned off

Both of these sections will include Application Types SH, SD, IR, and TX, broken out by individual DIVAPL with sub-totals by Appl Type. This is so that you can make the decision, if appropriate, which products to include in your reporting totals and which not to include, independent of the Reg. D monitoring flag that also controls other things besides this report.

3. Certificates (all CD types combined)
4. Vault cash (a simple reporting of total vault cash as of that date)

Products will show a separate count of accounts and balance for personal (membership type MI) and non-personal (membership type MO) accounts, as well as a tally for accounts with balances equal to or over \$100,000 (handy for filling in your **5300 Call Report**).

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

ALM-Related Enhancements

Additional Fields included in the ALM File

New fields have been included in the ALM file which you can download for use with third-party ALM analysis. As described below you can now enter re-pricing settings on all of your Variable Rate Loan codes to be included when producing your ALM file for loans. In addition, ALM files will now include online credit cards.

The following new fields will be appended to the end of the ALM file. Most vendors will simply ignore them, but you will need to notify your vendor to make any adjustments to use the new data with their tools.

- Corp ID
- Next re-pricing date*
- Last re-pricing date
- Rate change frequency*
- Lifetime ceiling
- Lifetime floor
- Periodic change ceiling
- Periodic change floor
- Origination date
- Original rate
- Original balance
- Participation percentage sold (if applicable)
- Participation loan status (Existing, Closed, New)

*You will need to update your Variable Rate Codes (MNCNFB #2) to include the next re-pricing date and frequency. These fields are informational only, and are used ONLY by the ALM file download process.

New Re-pricing Informational Fields on Loan Variable Rate Codes

New fields have been added to the Group Variable Rate Code configuration (MNCNFB #2) that will be used to report a next re-pricing date in your ALM files. You will need to specify both a general re-pricing frequency (such as monthly or quarterly) and whether price changes typically occur on the last day of the month (adjusting for months with different number of days) or on the same calendar day each period.

When the ALM file is generated, if there are no pending changes scheduled that can be used for a next re-pricing date, then the system will need to calculate a date when the rate will change next based on the new settings. Remember that this is just an estimate based on the settings you configure and the last date on which you updated your rate (regardless of how often you *actually* change that rate!)

 Refer to the "ALM Downloads" booklet for more details.

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

! Escrow Processing Enhancements

Flexible Escrow Payments for 365-Day Interest Calc Types

As mentioned at the Leadership Conference, CU*Answers wants to be known as one of the most aggressive mortgage servicing networks in the industry. One big step toward this goal is to change the way multiple payments on 365-day interest loans are processed. We're calling this "Escrow 365," and members will love the flexibility this offers, since they now can pay weekly on their 365 calculation loans, each time they get a paycheck, without causing problems for their escrow payment!

- Now your members can make multiple payments in the same month on their 365-day interest calculation loans, but the system will be smart enough to make only one payment towards their escrow per period without manual intervention on your part or having to use a sweep account.
- CU*BASE will accept the payment and spread it over the payment matrix while advancing the next due date appropriately. CU*BASE will understand when the escrow transfer has been satisfied and when it is delinquent.
- It doesn't matter what method the member uses to make the payment—online banking, teller, phone transfer, direct mail post, AFT, etc.—all of the relevant posting programs have been changed to keep track of partial payments toward a full escrow transfer on 365 calc type loans.

This change affects only 365 calculation type loans. Partial escrow transfers are not supported for 360-day mortgages nor for interest-only loans.

Suspend Specific Loans from Escrow Analysis

Previously when you ran an escrow analysis, you had the option of either running the analysis on all of the escrows together or running it on one account at a time. Now you can mark selected escrow accounts so that they are not included in your analysis. This allows you to remove accounts from the analysis while you research problems with the account. You now can, for example run an analysis on category 7 loans, while not including specific loans with an incorrect Private Mortgage Insurance (PMI) date. Then once these accounts are updated, simply remove the exclusion and rerun the analysis including them.

To mark the escrow accounts you wish to include, use MNUPDT #2 Update Member Account Infor, enter the specific escrow account and check the *Suspend escrow analysis* checkbox. (This change is recorded as a Y in the MEM4F2 field in MEMBER4 so you can later use Query for a listing of all escrow accounts that have been excluded.) When you are ready to include these escrow accounts in your analysis again, simply use Member Account Update again and uncheck the checkbox.



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

! Fee Enhancements

Standardizing the Fee Waiver Hierarchy

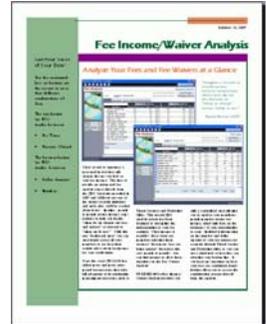
This is another one of those huge projects where most of the work is behind the scenes, invisible to the end user. We changed almost every fee posting program on the system to use a more consistent hierarchy for how waivers are assessed. Previously, some programs checked age waivers first, while others looked at Tiered Services and Marketing Clubs before checking the member's age, or checked aggregate accounts balances before looking at Tiered Service level...and so on.

Since our ultimate goal was to allow for trending of fee income and waivers (see below), these variations made it impossible to analyze fee waivers consistently. So we dove in and developed a new posting routine that could be flexible enough to work for all of the configurable fees routines that use waivers (and considering that not all fees have the same exact *types* of waivers available, this was no mean feat!). Along the way we discovered many quirks and oddities in the way fees were being recorded in the Fee Master Inquiry log and the Fee Waiver history file, so we did a lot of miscellaneous cleanup and streamlining as well.

Bottom line...watch your fees! Not just because of the cool new analysis feature described below, but because we did touch just about every fee posting program we have, and as usual, we need your help to make sure that everything is running smoothly. The fees themselves were not changed, and although a member might show as waived for a different *reason* than in the past for a particular fee (because of the new order for checking the waivers), the end result should still be a waiver for that member.

Analyze your Fee Income and Fee Waiver Figures Online!

We're proud to announce a new analysis tool that will change the way you look at your fee income! The idea to provide an automated fee analysis comes directly from the CEO Strategies meetings in 2007 and 2008—it was one of the group's favorite initiatives and we're sure you'll be excited about it too! Imagine...month to month service income comparisons to help you analyze when you charge your fees and when you don't.



Available via the MNCNFD #11, with this one “dashboard view” you can view trends across all your members to see how their activity plays out in fee income for your credit union. Use the handy buttons at the top of the screen to change your view between fee reasons or fee waivers, and then look at this data by dollar amount or by number. There is a lot of information packed into this analysis!

This new tool is accessed via the MNCNFD menu because it allows maintenance access to several fee configuration programs. We are working on making view-only versions of these tools, at which time we will be able to move this tool to a management analysis menu. In the meantime, putting it on a configuration menu makes it easier for your security officer to control access to the tool. Also remember that this is a trending tool, not a back office accounting function. Data is rounded at the fee (or fee waiver) level.

(For a complete list of which fees are part of this analysis, as well as a discussion of the waiver hierarchy being used, refer to online help when you receive the release.)

	Refer to the “Fee Income/Waiver Analysis” flyer for an overview and sample screens.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

 Qualified Dividends

The CU*BASE Answer to “Reward” or “High Interest’ Checking

If your credit union is thinking about getting into reverse-tiered rates and qualifying members for dividends based on certain behavior, then CU*BASE Qualified Dividends might be just the thing!

In a nutshell, you can configure a checking dividend application with specific eligibility requirements, then set up two rate schedules: the **qualified** rate schedule, which can have multiple ranges for regular or reverse tiers (i.e., lower rate at higher balances); and the **base** rate for non-qualified accounts, which can even be set to 0% if you wish. When dividends are posted at the end of the month, CU*BASE will automatically evaluate members and calculate dividends according to the appropriate rate schedule. Other feature highlights:

- Set general qualification parameters including e-Statement enrollment, bill pay enrollment, minimum online banking logins, and/or minimum audio response calls.
- Set transaction requirements, either by number of transactions or total \$ amount. Transactions are specified by origin code and can be separated by debits and credits, so you could, for example, require the member receive at least one ACH or Payroll deposit per month in order to be eligible for the qualified rate schedule.
- Includes flexible controls for ATM/PIN-based and debit card/signature-based transactions, since every ATM/Debit card vendor handles these transactions a little bit differently.
- For members who don't qualify during a particular month, you can choose to generate a zero dollar transaction record with a description such as “DIVIDENDS FORFEITED” showing the amount of

dividends that *would* have been paid to the member if they had qualified. Members will see this in their transaction history to encourage them to increase their participation during the next month.

- When dividends are posted, a new Qualified Dividend Scoring report will be generated showing which members received which rate, and why, to help you answer member inquiries. Two database files will be created in your QUERYxx library so you can use Member Connect tools for further marketing, if desired.
- You can even run this same scoring report as a “simulation” during the month, prior to actual dividend posting, to keep an eye on how members are falling within your rate tiers.



Qualified dividends can only be used on products that use the **Average Daily Balance** dividend calculation method, and dividends must be paid **monthly**. Be sure to review the configuration booklet carefully, and contact a CSR for assistance setting up and testing a program that will meet your needs.

	Refer to the “Qualified Dividends” flyer and reference booklet for more details.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

! New Savings Tool: Donate Your Dividends

Referred to as the “Save the Whales” program at the Leadership Conference last year, this new automated dividend payment feature allows members to donate a portion (or all) of their share product dividends to a charity via a new dividend payment code. Members can select what percentage of their dividend they want to donate, and your credit union can set up multiple charities from which the member can choose.

Dividends are paid to the member’s account as usual, including updating the member’s YTD dividend amounts for later tax reporting. Then the designated portion is simply transferred back out of the account to the designated G/L payable account to be sent by the CU to the appropriate charity. The transaction description on the member’s account will include the G/L account description (such as “HABITAT FOR HUMANITY CHARITY DONATIONS”) on the transfer transaction.

There are a couple of ways you could set up a dividend donation program for your members:

- For *any* savings product, if you check the **Allow change on account open** flag on the dividend application configuration (MNCNFA #1), then when opening a new account the MSR can simply select this dividend payment code to transfer the funds to a G/L account and then indicate the G/L account to receive the transfer and the % of dividends to be transferred.
- You could also configure a special savings product that is automatically configured to denote dividends this way. On the dividend application configuration, you would choose Dividend pay code 4=Transfer to G/L account. (You would probably turn off the *Allow change on account open* flag in this case.) Then when opening a new account, the MSR would enter the G/L account that represents the charity the member has selected.

Thanks to Dean Wilson at FOCUS Credit Union in Wisconsin for his help in spearheading this project! If you are curious, we’re sure Dean or someone on his team would love to talk to you about how they have implemented a dividend donation program for their members.

This is just our first, small foray into this type of savings product, and now we want to open the door for other credit unions to contribute to how this product evolves. What other controls or configuration settings might you want to see? What special handling might you want at year-end to remind members how much of their dividend income was donated? Do you think your members might want to do this via online banking? Let us know your ideas!

	Refer to the “Dividend Donations: Setting up a Plan for Your Members” booklet for more details.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

! New Tools for Collectors

Enhancements to the Work Collections Screen

New fields and new sort options allow you to manage your collections accounts more effectively! On the Work Collections screen (MNCOLL #1) we changed the last two columns to show the last payment/deposit amount and the date of the last payment/deposit. Click a button or use F9 to toggle back and have these columns show the balance and last transaction date, respectively. We also added additional sort options you can use by clicking sort buttons located above the columns.

In addition, the Notices option now takes you directly to a pop-up displaying your configured Misc. Member Account form layouts and a new All Relationships option allows you to perform a global search for all accounts attached to the selected member SSN. Your collections team now has even more vital information at their fingertips!

	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.
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Collections Tool for Charging Off Savings/Checking Accounts

We've created a simple tool to automate the process of charging off a savings or checking account that has been at a negative balance and finally needs to be charged off your credit union books. This process is comparable to writing off a loan except that, instead of keeping the account open under a separate category as you do with loans, you are sent directly to the final step of closing the account and moving the money to a G/L. Although this tool can be used for savings* and checking accounts, it will be especially useful for credit unions who offer a Courtesy Pay program.

**Because of their unique properties, IRA and HSA accounts cannot be charged off using this tool. In addition, because of par value and other factors, this tool cannot be used to charge off the base membership share (000) account.*

⇒ **ATTENTION LOAN AND COLLECTIONS OFFICERS:** We have added this new tool to menu MNCOLL (Collection Processing). We also moved the Write Off Loans command from its previous position on menu MNLOAN to the MNCOLL menu. Make sure your security officer adjusts access to this new location as appropriate.

You will need to configure new "Charge off" type posting codes to define the G/L account, configured via MNCNFA #5 Misc. Posting Codes Config.

	Refer to the "Automated Non>Returns" booklet for more details.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

! More eDOC Innovations Integration

Both CU*Answers and eDOC Innovations teams are working hard on a series of projects that will allow for standard CU*BASE loan and member service documents to be integrated into eDOC Innovations electronic document handling tools. The first major portion of that project is coming with this release.

Now, **all generic loan forms from CU*BASE can now be sent to the eDOC software.** This includes the generic 5-page Loan Application, the Short-form Loan Application, the Loan Officer Worksheet, and Denial Notices (both loan denials and misc. member service denial notices). Additionally, you can print the blank loan forms you access via MNLOAN #20-Print Loan forms via the eDOC software.

It's easy, too: all you have to do is select your configured eDOC printer when printing the form and the system will automatically launch the ProDOC software to generate the form, ready for a signature and archiving. Or choose a standard CU*BASE printer instead to bypass eDOC software as before.

Next on our list: Misc. Member Account Forms and Certificate Forms. We're *very* close on these parts of the project, so stay tuned!

	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.
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! Skip-A-Pay for Online Credit Cards

Last fall we sent out an email asking input from credit unions with online credit cards about a new batch skip-a-pay feature that would allow you give eligible members a \$0 minimum payment for a particular month. Based on that input, during the holidays we ran the program for several credit unions. Now, with this release, you can set up a batch skip-a-pay program for your online credit cards any time you wish and run it in an automated fashion, at no charge and with no intervention needed by our staff.

Using the new configuration on menu MNCNFB #14, you can define multiple programs (such as a “Holiday Visa Platinum Skip-Pay” or “MasterCard Summer Break”) according to loan category and statement period. Set up eligibility rules such as delinquency status, how long the account has been opened, presence of a block code, etc. Simulation reports help you to tweak the settings as needed ahead of time.

The program is automatic for all eligible members (no opt-in is necessary), so for the designated statement period the minimum amount due for the account will be set to \$0.00 for one month only. The following month the normal payment will resume automatically. You can define a marketing message that includes the required “finance charges will continue to accrue” language, and it will appear in the transaction detail area of the credit card statement.

Members can still make their regular payment if they wish, and automated payment features such as ACH distributions or AFT will continue to work as before. (HINT: If you’ve set up any AFTs to automatically pay the minimum payment amount, since the minimum will be \$0, those members won’t have a transfer that month.)



Because this is a batch program with no opt-in mechanism, there will be no fee charged to eligible members. We are also planning to design a separate, on-demand skip-a-pay feature that would allow you to offer something similar to members on other types of loans, with an opt-in mechanism and fees. This idea is still on the drawing board, so let us know if you have suggestions!

	Refer to the “Skip-A-Pay for Online Credit Cards” flyer and reference booklet for details.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

! Miscellaneous

- **Third Party File for Convenience Checks** - If your credit card vendor offers convenience checks, we’ve made it easier to download the file your vendor will need. A new option on the MNFILE menu lets you gather a list of eligible credit card loan accounts with specific exclusions, such as account open date, available credit amount, delinquency status, and more. CU*BASE generates a file formatted for Equifax (LetterChecks) that is placed in your QUERYxx library, ready for your secured delivery. And the system will automatically check the card status and exclude cards with any block codes that stop incoming transactions from being authorized, so that hot cards are not included in the file you will send to the vendor.
- **Access Last 10 Accounts from Follow-up and Sales Tracker Screens.** We’ve added the lookup for your last 10 accounts to the Follow up (MNTRAK #1) and the Work Sales Tracker (MNTRAK #15) screens.
- **Source # Now Included on G/L Inquiries** – If you use the *Source #* field when creating journal entries, that data will now appear on G/L history inquiry screens as well as associated reports, and will use a consistent label wherever it does appear. (Previously that data was labeled as “Voucher #” on the LGLETB report and as “Check #” on report LGLJOU). Data for these fields can also come from accounts payable (check #) and account adjustments (acct #).
- **Use the Trial Balance Listing Report to Select Negative Balance Accounts.** You can now use MNRPTB #1 Trial Balance Listing to find your negative balance accounts. Use a new field on the first selection screen of this report to select multiple application types such as SH and SD, then on the

fourth selection screen select only those accounts that are overdrawn. Previously you could select accounts with balances less than zero to \$1.00 but not just the overdrawn accounts. Now you can!

- **Select a Specific Loan Category on the Loan Interest Analysis Report!** A new selection option for this lending report, accessed via MNRPTD #4 Loan Interest Analysis, allows you to view loans by loan category, security code, or purpose code.
- **New Variable Rate and Index Code Fields** - We've included a new field for optional free-form comments on both the variable rate and index code configuration screens, as well as a record of the last time the rate or index configuration was maintained.
- **Account Update Label Clarified** - We've cleared up some confusion on the loan account update screen (MNUPDT #2) by changing the "%calc" label to "Interest Date" (this shows the last date on which interest was calculated for that loan).

 **Immediate Effect** Changes automatically in place on the day the release is implemented; no additional configuration required.

 **Must be Activated** Your CU must make a decision either to activate it or modify configuration parameters. Sometimes requires contacting a CSR.

 **Team Implementation** Work with a CU*Answers Client Service Representative before implementation.