
“Bump” Rate Certificates

Changing the Rate of a Certificate During its Term

INTRODUCTION

A different certificate marketing strategy is available in the credit union’s savings arsenal. Bump Rate Certificate products allow members to change the rate of their certificates (a configured number of times) when it is to their advantage to do so such as when the current rate is better than the existing rate. Members will be intrigued by this option to get better returns, and you have a marketing tool to sell more certificates, even when interest rates are low.

To offer this product credit unions simply configure Certificate Types to allow the rate to be “bumped” a specific number of times. When a certificate is opened the Certificate Type is used to determine the number of times a member can use this feature. It is easy for employees to assist the member to “bump” the rate via CU*BASE or even for the member to make the change themselves via online banking.

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For an updated copy of this booklet, check out the Reference Materials page of our website:
<http://www.cuanswers.com/resources/doc/cubase-reference/>
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BEING AN INTERNET RETAILER

Internet retailers utilize all online banking tools at their disposal to maximize the targeted exposure of their products.

This section covers the Bump Rate Certificate tools built right into CU*BASE and **It's Me 247** your credit unions can use to be more effective in selling products online. Use these tools as part of your arsenal to provide special pricing and discounts, and to create meaningful differentials between what is offered via other channels and what is offered via online banking.

What is the member's experience online?

When you sell bump rate certificates on your rate board, your member can view marketing text to learn about the bump rate feature. At any time, the member can see the "Current Available Rate" for the certificate. If the current rate is higher than the rate of the certificate and the member has not exceeded their number of allowed bumps, the member can select (whenever they want) to "jump to" a greater rate.

See Page 12 for examples of what the members sees online.

How does the member see the DIFFERENCE in participating with you online?

The member sees the difference in participating with your credit union online when this results in a higher certificate rate. It is more likely they will know that it is a good time to "bump" their rate because they can look at any time in online banking.

Who can I turn to for more assistance?



Don't have time to set it up? Engage the Earnings Edge team to help you design and execute this initiative.

What is a breakdown of the steps for my credit union?

- Activate the Bump Rate feature in the Certificate Type configuration and select the number of times the member can change their rate. *See page 4 of this booklet for more details.*
- Enter the sales text the member will see online that explains this special feature and any other marketing text you want the member to see. This is done in the Member Sales Text information screen accessed from Rate Maintenance. *See the certificate section of the ["Selling Products Online"](#) booklet for more details.*

http://www.cuanswers.com/pdf/cb_ref/sellingonline.pdf

- Activate this product so that it will show on the rate board for purchases. This is also accessed from the Rate Maintenance area.

CERTIFICATE TYPE CONFIGURATION

An *Allow member to bump the current rate XX times during the CD term* field on the Certificate Type configuration screen controls how many times a rate can be “bumped” during the term of the certificate. Credit unions may wish to create a new Certificate Type specifically to market this service as a special offering to members. Or credit unions may decide to change the configuration of an existing certificate product so that all newly opened certificates with this Certificate Type have this feature.

Certificate Products Configuration (Tool #194), then Certificate Type

Session 0 CU*BASE GOLD Edition - ABC TESTING CREDIT UNION

File Edit Tools Help

Certificate of Deposit Maintenance

Certificate type 03
 Corp ID 01 ABC TESTING CREDIT UNION
 Application CD Description 6 MONTH CERTIFICATE
 Allow principal distributions Allowed Required Blocked

Certificate Length		Certificate Penalty		General Ledger	
Days	<input type="text"/>	Penalty code	<input type="text"/>	Certificate	908.02
- Or -		Days	<input type="text"/>	Premium penalty	131.00
Months	6	Penalty grace	10	Accrued dividend	830.20
				Dividend expense	340.50

Options: IRA CDs flag, Add funds to CDs, Report dividends to IRS, Laser certificate form CDB02

Renewal: Default renewal code Manual Auto Renew Transfer to Check, Default renewal CD type (blank = same CD type), Allow member to change renewal code on existing account via online banking

Allow member to bump the current rate 02 times during the CD term

Dividend Rate(s)			
Minimum	500.00	Maximum	99,999.99
Minimum	100,000.00	Maximum	9,999,999.99
Minimum	0.00	Maximum	0.00
Minimum	0.00	Maximum	0.00
Minimum	0.00	Maximum	0.00
Minimum	0.00	Maximum	0.00
		Rate	0.050
		Rate	0.050
		Rate	0.000
		Rate	0.000
		Rate	0.000
		Rate	0.000

Suspend, Skip, Delete, Checklist

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This indicates how many times a certificate of this Type can be “bumped.” The changes to the certificate are recorded for the term of the certificate.

Allow member to bump the current rate 02 times during the CD term

“BUMPING” THE RATE VIA CU*BASE

Employees can assist a member and use *Bump CD Rate* in Phone Operator to change the certificate rate for the member if:

- The certificate allows the rate to be “bumped”
- The current rate is higher than the original rate of the certificate
- The member has not exceeded the allowed number of “bumps”

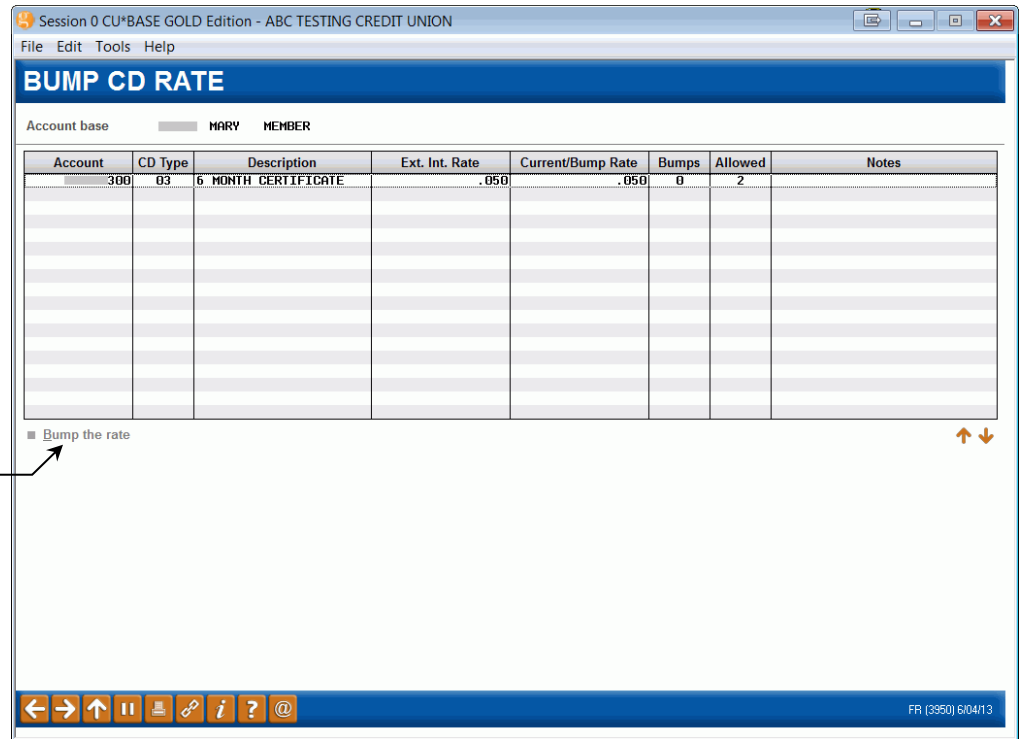
The employee selects the account and then *Bump CD Rate*.

Type	Description	Loan Payoff/ Current Balance	Loan Payment Net Available	Next Payment/ Last Trans/ CD Maturity	IRA	P/R	ATM	AFT	FRZ	TRK	ACH	ODP	BOX	J/O
000	REGULAR SAVINGS	32.25	27.25	Jun 04, 2013	.	.	.	V	0	V	.	.	.	.
080	GROWTH SAVINGS	35,835.44	35,835.44	Feb 17, 2013	.	.	.	.	0	.	.	.	.	.
300	CERTIFICATE	500.00	0.00	Dec 04, 2013	.	.	.	.	0	.	.	.	.	.

If a rate change is allowed, the employee selects the certificate from the list and then *Bump the Rate*.

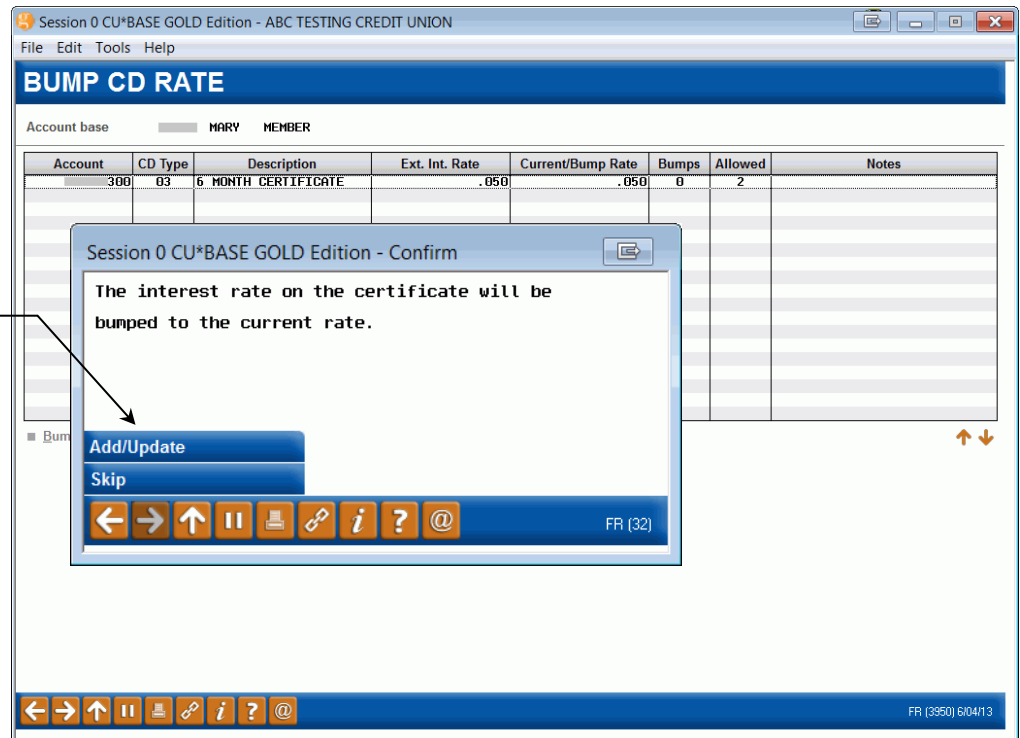
The following screen informs the employee on the rates, how many times the rate has been “bumped,” and how many times it is allowed for it to be changed. If the rate cannot be “bumped,” that is indicated in the Note column.

“Bump CD Rate” Selected



After selecting the certificate, the employee selects *Bump the Rate*.

“Bump the Rate” Selected



A confirmation screen appears once *Bump the Rate* is selected. The employee selects Add/Update (F5) to confirm the change.

Rate Change Updated

The rate is now updated and the screen indicates that one more rate change is allowed.

Session 0 CU*BASE GOLD Edition - ABC TESTING CREDIT UNION

File Edit Tools Help

BUMP CD RATE

Account base MARY MEMBER

Account	CD Type	Description	Ext. Int. Rate	Current/Bump Rate	Bumps	Allowed	Notes
300	03	6 MONTH CERTIFICATE	.060	.060	1	1	

■ Bump the rate ↑ ↓

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- The change in rate and the number of rate changes is recorded on the screen as well as in the MEMBER3 file. This change is also written to CUFMNT.

POSSIBLE SCENARIOS FOR CERTIFICATES

Rate Can Be “Bumped”

BUMP CD RATE

Account base JOHN MEMBER

Account	CD Type	Description	Ext. Int. Rate	Current/Bump Rate	Bumps	Allowed	Notes
301	02	3 MONTH CERTIFICATE	.050	.050	0	0	Rate cannot be bumped

This certificate can be “bumped” to a new rate. The current rate is greater than the rate attached to the existing rate of the certificate. The certificate has been “bumped” zero times and two times are allowed.

Rate Change Not Allowed

BUMP CD RATE

Account base JOHN MEMBER

Account	CD Type	Description	Ext. Int. Rate	Current/Bump Rate	Bumps	Allowed	Notes
300	01	3 MONTH ALPHA TEST	1.600	1.600	0	2	

The rate of this certificate cannot be changed. The Note indicates that the “Rate cannot be bumped.” This message will appear if the Certificate Type does not allow a “bump” or if the maximum number of “bumps” have been taken.

Current Rate Not Greater

BUMP CD RATE							
Account base		JOHN MEMBER					
Account	CD Type	Description	Ext. Int. Rate	Current/Bump Rate	Bumps	Allowed	Notes
300	RI	3 MONTH ALPHA TEST	1.600	1.700	0	2	

The rate of this certificate cannot be changed. The current rate is equal to the rate of the certificate. Even though a change is allowed by the Type, the employee cannot “bump” the rate at this time. Attempts to “bump” the rate will result in the following messaging:

1857 - Bump Rate must be greater than Existing Rate

TRANSACTION HISTORY

Once the “bump” is performed, the change is recorded in the transaction history of the certificate:

Transaction Description of a Rate Change

Business Date	Activity Date	Activity Time	Amount	IRA Cd	Balance	Description	Transfer Acct	ID	Sup	Print Receipt
6/04/13	6/04	13:33	500.00		500.00	CD ACCOUNT TRANSFER	2002-000	;v	N	
6/04/13	6/04	14:12	0.00		500.00	RATE BUMPED		;v	N	

Secondary Transaction Description

Session 0 CU*BASE GOLD Edition - Additional Transaction Information									
Account		-300 MARY MEMBER				Transaction sequence # 03611			
Description						FRM .050 TO .060		Activity Date	Activity Time
								Jun 04, 2013	14:12:48
Business Date	Amount	IRA Cd	Balance	Description	Transfer Acct.				
Jun 04, 2013	0.00		500.00	RATE BUMPED					

MEMBER ACCOUNT INQUIRY

The Inquiry screen includes information on the number of times a rate has been “bumped.” Using *Renewal History* (F13) from this screen will also show the number of times the rate has been “bumped.”

Inquiry

Inquiry lists the number of time the rate has been bumped and how many times are allowed.

Session 0 CU*BASE GOLD Edition - ABC TESTING CREDIT UNION

File Edit Tools Help

Member Account Inquiry

This is the Account
Detail screen used to display detailed info about a certificate account, including IRA certificates.

Account # **MARY MEMBER** Date opened **Jun 04, 2013**
G/L account **908.02-01**

Account type **300 CD CERTIFICATE**
CD type **03 6 MONTH CERTIFICATE**
IRA plan type

Rate bumped **1 of 2 times**

Current balance	500.00
- Secured	0.00
- Penalty	0.00
+ Accrual dividend	0.00
= Redemption	500.00

Current rate **0.060**
Daily accrual **0.00**
Original purchase **500.00**
Last rollover balance **0.00**
Partial renewal amount **0.00**
Principal distribution amount **0.00**
Renewal code **1 Auto Renewal**
Trnsfr/redempt/princ distrib account
Term dividend earned **0.00**
Term dividend withdrawn **0.00**
Available dividend **0.00**

MSR	;Y
Frozen	0 NO
IRA	N
AFT	N Payroll N

Variable rate code
Original purchase **Jun 04, 2013**
Last renew/roll **Jun 04, 2013**
Present term **01**
Current maturity **Dec 04, 2013**
Renewal incentive **0.000 Type 03**
Dividend disburse code **1 ADD DIV. TO CURRENT**
Dividend transfer account **00000000-000**
Dividend frequency **MONTHLY**
Calc method **DIVIDEND COMPUTED ON BALANCE**
Penalty code **Days 0**
Current YTD dividend **0.00**
Accrued club benefit **0.00**
YTD club benefits **0.00**

Transaction inquiry date **Jun 04, 2013** [MMDDYY]

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OPENING A NEW CERTIFICATE

When a new certificate is opened, the credit union employee will see the number of times the member can “bump” the rate of the certificate. This way the employee can educate the member of this feature.

- NOTE: If the certificate type does not allow the rate to be “bumped,” this text will not appear on the screen. (The text is conditional.)

This conditional text appears if the Certificate Type allows the rate to be “bumped.”

Session 0 CU*BASE GOLD Edition - ABC TESTING CREDIT UNION

File Edit Tools Help

Create/Open New Certificate

Account # CD type **03 6 MONTH CERTIFICATE** **MARY MEMBER**
CD amount **500.00** Rate can be bumped **02** times per term **123 MAIN STREET**
Issue date **Jun 04, 2013** Maturity date **Dec 04, 2013** [MMDDYY] **ANNCTY MI 49000**
 Joint owner/beneficiaries

How Should the Dividends be Paid?

Dividend disburse code **Addback**
Dividend payment/transaction frequency **Monthly**
Dividend rate **0.050** %
Dividend variable rate code

How Should the Certificate be Handled at Maturity?

Renewal code **Auto Renew** Transfer/redemption account
Renewal CD type **03**
Renewal incentive **0.000** %
Renew only this amount and put the rest in

Post Skip Procedures Pay to

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ADAPTING AN EXISTING CERTIFICATE TO A BUMP RATE CERTIFICATE

Some credit unions may want to change a certificate that does not allow a “bump” in rate, to allow it. In these cases, both the Certificate Type attached to the certificate, as well as the individual certificate need to be adjusted. During the term of the current certificate, the employee must use Account Update to update the data on the individual certificate (stored in the MEMBER3 file). The credit union must also update the Certificate Type attached to this certificate, thereby ensuring a smooth transition at certificate renewal. Once the certificate is renewed it will use the updated Certificate Type configuration, which will automatically allow “bumps” in rate, both through Phone Operator and via **It’s Me 247**.

Update Account Information (Tool #20)

Update allows maintenance on the number of rate changes, as well as the number of allowed changes. (This is subject to Tier 2 security.)

- Changes made to the “bump” fields in Account Update are recorded to the File Maintenance Report (CUFMENT).

Account Update can also be used in rate situations where a rate is manually changed for a member via another method and the number of “bumps” needs to be updated.

“BUMPING” THE RATE VIA “IT’S ME 247”

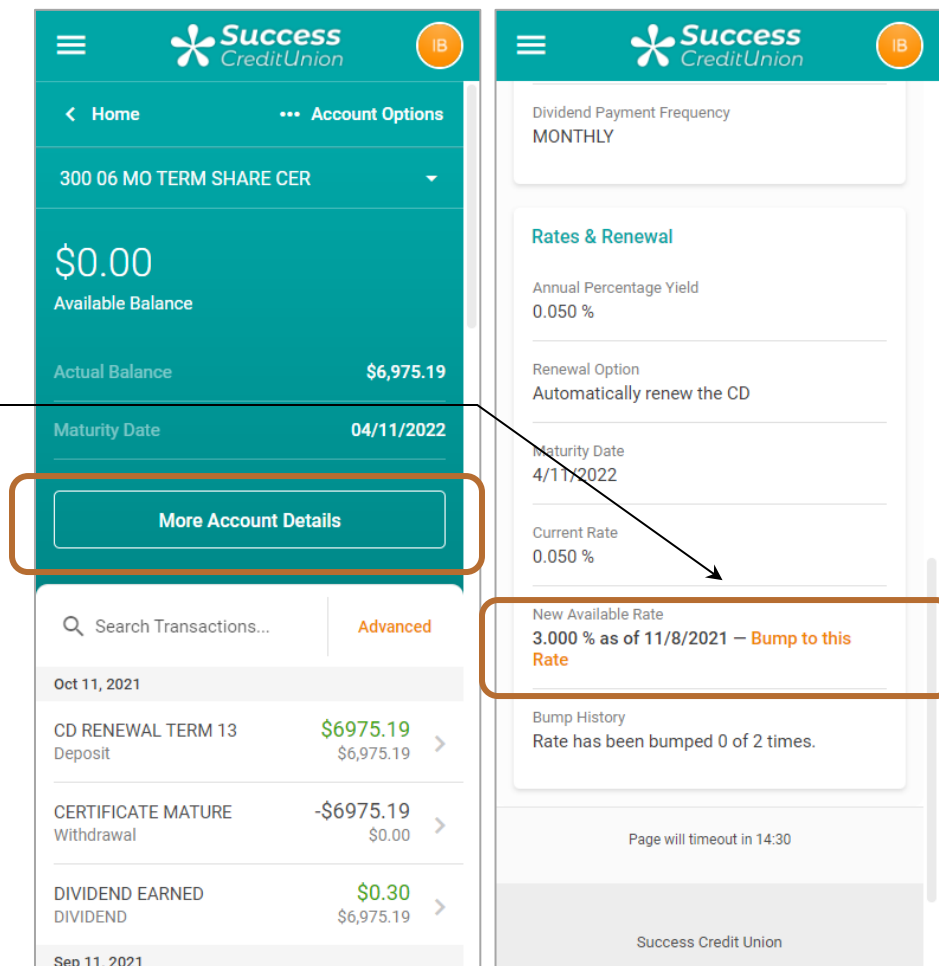
The member can also “bump” the rate of a certificate via online banking if the following conditions are met:

- The certificate allows the rate to be “bumped”
- The current rate is higher than that rate of the certificate
- The member has not exceeded the number the allowed number of “bumps”
- Online banking is not in Stand-in mode.

If all of these conditions are met, the member will view a “BUMP to this rate” link next to the Available New Rate line in the “More Account Details” page.

To get to this page, the member selects *Account Details* from the contextual drop-down menu next to the certificate in the list on the Favorite Accounts page. Then at the top of the page, the member selects *More Account Details*. At the bottom of this page is information on the dividends. In this section, the member can elect to bump the rate by clicking the *Bump to this rate* link.

If a rate “bump” is allowed, the member will see this link.



After selecting the link, the member will be presented a new window listing the original and new rates. The member can select to make the change or not at this point. If the member selects, *Yes, Bump the Rate!* the rate will be changed on the certificate to the new rate.

Confirmation of “Bump”

The screenshot shows a mobile application interface for Success Credit Union. At the top, there is a teal header with the Success Credit Union logo and a user icon labeled 'IB'. Below the header, the screen title is 'Confirm Rate Bump'. The main content area displays 'Rate Bump for 300 06 MO TERM SHARE CER'. A yellow warning box with an exclamation mark icon contains the text: 'Rates are subject to change at any time without notice. Call or visit our [website](#) for more information.' Below this, the question asks: 'Do you want to bump the rate on this certificate for 0.050% to the new rate of 3.000%?'. There are two buttons: 'No Thanks' and 'Yes, Bump the Rate!'. The 'Yes, Bump the Rate!' button is highlighted with a red border. At the bottom of the screen, there is a footer with the text 'Success Credit Union' and a disclaimer: 'This site contains links to other sites on the internet. We, and your credit union, cannot be responsible for the'.

When the member returns to the *Account Detail* screen the member can see that the rate is changed. The *More Account Details* shows the rate change.

Account Details and More Account Details Document Bumped Rate

Here the change is noted in the Transaction History.

The image displays two screenshots from the Success Credit Union mobile application. The left screenshot shows the 'Account Details' screen for a '300 06 MO TERM SHARE CER' account. The available balance is \$0.00, and the actual balance is \$6,975.19. The maturity date is 04/11/2022. A 'More Account Details' button is visible. Below this, a transaction history is shown with a search bar and an 'Advanced' filter. A transaction on Nov 9, 2021, is highlighted with a red box and labeled 'RATE BUMPED DIVIDEND' with a value of \$0.00. The right screenshot shows the 'More Account Details' screen, which includes sections for 'Dividend Information' and 'Rates & Renewal'. The 'Current Rate' is highlighted with a red box and shown as 3.000%. A footer message states 'Page will timeout in 14:35'.

REPORTS

The Certificate Product Configuration Report lists the number of times Certificate Type allows the rate to be “bumped.” The bottom of the report lists the high and low value for the interest rate.

Print CD Configuration Report (Tool #635)

The number of allowed rate “bumps” is listed here by Product.

1/05/11 10:56:40		TEST CREDIT UNION				LCDCFG	Page	1
RUN ON 1/05/11		CERTIFICATE PRODUCT CONFIGURATION REPORT					User	
		AS OF 1/05/11						
Corporate ID - ALL CORPORATIONS								
CD APPLICATIONS								
APPL			DIV PMT	DIV CALC	FIRST DIV	ACCOUNT TYPE		
TYP	DESCRIPTION		FREQ	TYPE	PMT	LOW	HIGH	
CD	CERTIFICATE		M	C	I	300	350	
CQ	CERTIFICATES - TC		Q	C	F	300	325	
CR	IRA MARKET INDEX CERTIFICATE		R	C	I	400	450	
IR	IRA CERTIFICATE		M	C	I	400	450	
SS	2009 SAVE TO WIN		Q	C	I	45	45	
ST	2010 SAVE TO WIN		Q	C	I	46	46	
CD TYPES								
TY	CO	APL	IRA	PR	DIST	DESCRIPTION	BUMP	-LENGTH- -PENALTY- -GENERAL LEDGER- -ADD LAST
							TIMES	DAYS MON CODE DAYS GRACE CERT PNLTY ACCR EXP IRS \$ FORM
01	01	CD	N			7 MONTH CERTIFICATE	03	7 10 90802 13100 83020 34050 Y Y CD07
02	01	CD	N			3 MONTH CERTIFICATE	01	3 10 90802 13100 83020 34050 Y N CD02
03	01	CD	A			6 MONTH CERTIFICATE	02	6 10 90802 13100 83020 34050 Y N CD02
04	01	CD	N			9 MONTH CERTIFICATE	00	9 10 90802 13100 83020 34050 Y N CD02
05	01	CD	N			12 MONTH CERTIFICATE	00	12 10 90802 13100 83020 34050 Y N CD02
06	01	CD	N			18 MONTH CERTIFICATE	00	18 10 90802 13100 83020 34050 Y N CD02
1/05/11 10:56:40								
RUN ON 1/05/11		TEST CREDIT UNION				LCDCFG	Page	4
		CERTIFICATE PRODUCT CONFIGURATION REPORT					User	ALYCIAM
		AS OF 1/05/11						
Corporate ID - ALL CORPORATIONS								
CD TYPE	DESCRIPTION	RATE	MINIMUM	MAXIMUM				
71	3 MONTH IRA CERT	.050	500.00	99999.99				
72	6 MONTH IRA CERT	.050	500.00	99999.99				
73	9 MONTH IRA CERT	.100	500.00	99999.99				