
Charge Off Savings/Checking Accounts

With Optional One-Time Reporting to
Credit Bureau

INTRODUCTION

CU*BASE has automated 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.

Collectors also have the option to send a one-time record to the credit bureaus when savings and checking accounts are charged off. Members who borrow need good credit to qualify for the loans and terms they need. By alerting credit bureaus about how members manage their deposit accounts as well as their loans, credit unions can further encourage members to be accountable for overdrawn accounts, with the goal of increasing collections and minimizing loss to the credit union.

The charge-off reporting to the bureau is a one-time process for that month only; any additional reporting, such as if the funds are eventually recovered from the member, must be done with a third-party tool such as eOscar, to adjust the member's credit history.

The charge-off feature is accessed via **Tool #201: Charge Off Savings/Checking**. Additional set up of a Charge-off code is required. This is covered in the first section of the booklet.

The one-time reporting to the bureau requires separate activation and is covered in the rest of the booklet. Contact a Client Services Representative for assistance activating this feature.

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For an updated copy of this booklet, check out the Reference Materials page of our website:
<https://www.cuanswers.com/resources/doc/cubase-reference/>
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FEATURES SUMMARY

GENERAL SAVINGS/CHECKING CHARGE-OFF FEATURES

Following are a list of general features of the charge-off feature in CU*BASE (Tool #201).

- **Tool #201 Charge off Savings/Checking Accounts** requires the configuration of a miscellaneous posting code (a charge-off code). This is configured using **Tool #534: Misc. Posting Codes Configuration**.
- Then the savings or checking account must be charged off using Tool #201. (Loans are written off using **Tool #1006: Write of Charge off Loans**.)
- Because of their unique properties, IRA and HSA accounts cannot be charged off using Tool #201.
- Because of par value and other factors, Tool #201 cannot be used to charge off the base membership share (000) account. [How do I charge off a base share \(000\) account so that I can take a loss on an overdrawn account? I understand that I cannot use Tool #201 \(Charge Off Savings/Checking\) to charge off the base share account.](#)
- Tool #201 does not include a write off stage. At charge off, the funds are transferred according to the G/Ls configured in the charge-off code and the account is closed.
- The details of the charge off using Tool #201 are saved to CUFMAINT.

ADDITIONAL NOTES ON THE ONE-TIME REPORTING TO THE CREDIT BUREAU

Following is a list of additional notes and features of the optional one-time reporting to the credit bureau at charge off.

- This feature requires special activation. Contact a Client Service Representative for assistance. *Self Processors refer to page 8.*
- This feature requires that the credit union employee use the CU*BASE savings/checking charge-off feature (Tool #201).
- Accounts are reported to the bureau *only once*, in the month following the date they were charged off/closed.
- Any additional reporting must be done by a third-party tool such as eOscar. (This method should be used if you wish to adjust a member's credit history if additional funds are eventually recovered from the member.)
- All fees and adjustments should be made prior to the charge off. The amount reported to the credit bureau should be the current negative balance of the account.

- Because there is no equivalent of a “write-off” stage for savings and checking accounts like CU*BASE has for loans, credit bureau reporting will not occur until the account is charged off and closed.
- During charge off with reporting to the bureau, employees use additional fields to indicate that the account should be reported and what status and Metro II codes should be transmitted to the bureau.
- When you charge off the account, credit union employees report a “total overdraft protection amount”. Use this field to enter the Automated Non-Return (ANR) or courtesy pay protection provided to the account according to your credit union policies and procedures.
- There is no credit bureau reporting on joint owners on the accounts.
- The feature cannot be used with organizational (MO type) accounts. For that reason, the ECOA code of 1 is always sent.
- Since the CU*BASE savings/checking charge-off feature does not support charging off the base share (membership) account, there is no mechanism to report closed (000) accounts to the bureau with this feature.
- The feature does not support reporting HSA and IRA accounts to the bureau either since Tool #201 cannot be used to charge off these types of accounts.
- The details of the charge off including the additional fields for credit bureau reporting are saved to CUFMAINT at charge off.
- The Closed Account Update screen can be used to adjust Metro II codes. If changes are made after monthly credit bureau reporting, this will be reflected in what is saved to CUFMAINT and will not be reported to the bureau by the automated charge off feature outlined in this booklet.
- Deposit account (savings and checking account) reporting will be submitted along with records for loans in the Metro II credit bureau reporting file.
- The addition of savings and checking accounts in the monthly Metro II credit bureau reporting file **will not change the monthly billing to the credit union** for credit bureau reporting.

CHARGING OFF A SAVINGS OR CHECKING ACCOUNT

CU*BASE automates the process of charging off a saving or checking account that has been at a negative balance and needs to be taken off your credit union books. This similar to charging off a loan account, except that instead of keeping the account open as is done with charging off loans, this charge-off screen automatically advances you to the step of closing the account and moving the money to a G/L.

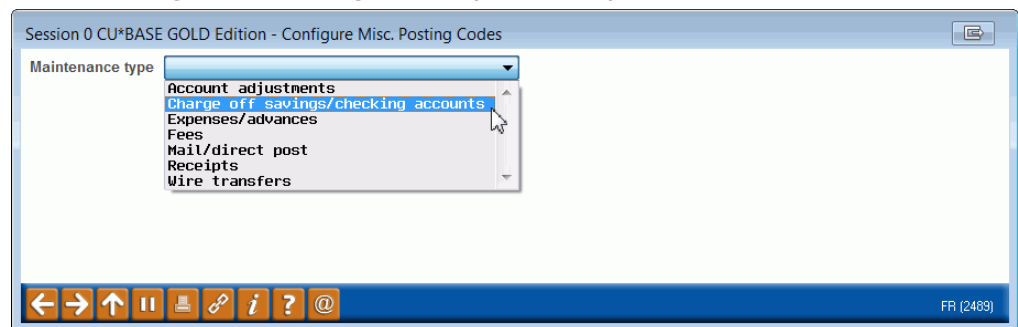
This feature is especially helpful for credit unions offering courtesy pay to their members.

- 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. [How do I charge off a base share \(000\) account so that I can take a loss on an overdrawn account? I understand that I cannot use Tool #201 \(Charge Off Savings/Checking\) to charge off the base share account.](#)

CREATING A “CHARGE-OFF” POSTING CODE

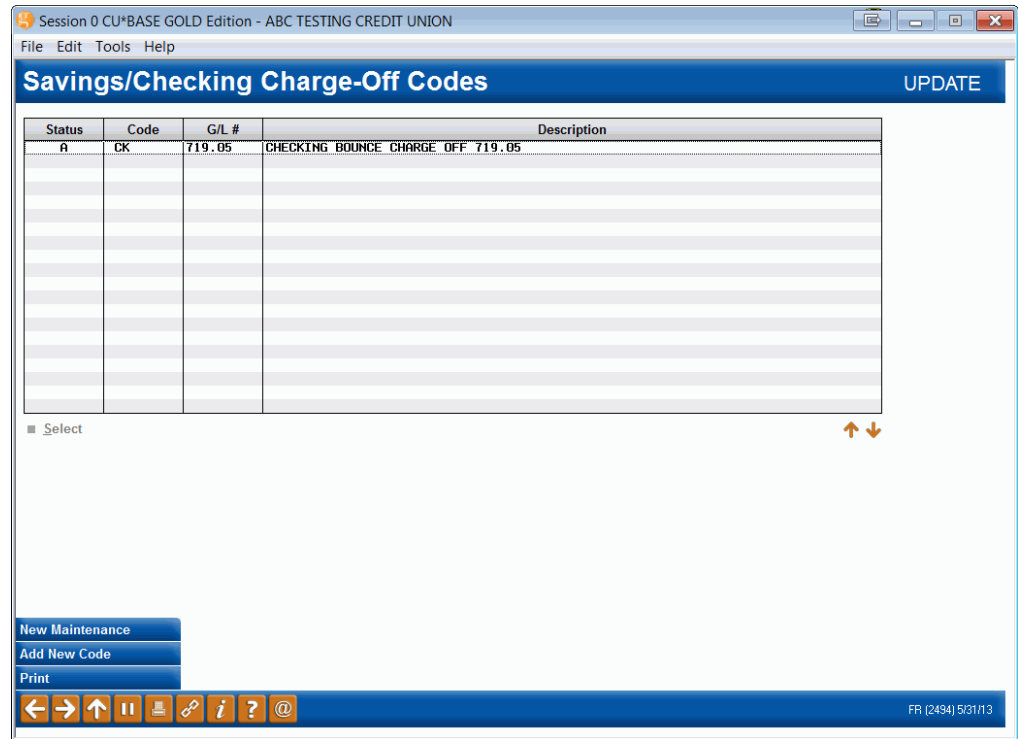
A miscellaneous posting code must be configured for this process. These charge-off codes are used to charge-off savings or checking accounts that have a negative balance and need to be taken off the credit union books. They are used when charging off the account using the charge-off option via **Tool #201 Charge Off Savings/Checking Accounts**.

Misc. Posting Codes Configuration (Tool #534)



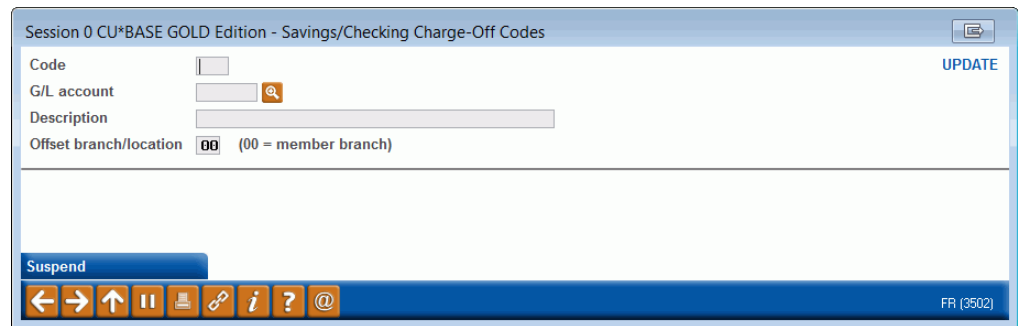
Select the *Charge off savings/ checking accounts* to configure your charge-off codes and press Enter. You will see a list of configured charge-off codes.

Savings/Checking Charge-Off Codes List



Use *Add New Code* (F10) to configure an additional charge off code.

Code Configuration



This window defines a description of the code and the general ledger account to which transactions will be posted. When done entering the details for the code use Enter to save and return to the previous screen.

Field Descriptions

<i>Field Name</i>	<i>Description</i>
Code	This is the charge off code that is being configured.
G/L #	Enter the General Ledger account number that should be charged when the negative account is written off.
Description	Enter a description for the code. This description will appear in help windows used by various configuration and processing screens to display available codes.
Offset branch/location	The offset G/L defaults to be the same branch as the member uses (00); however, you can change this so

Field Name	Description
	that all entries go to the same location (for example, 01). This selection depends on whether you choose to do branch accounting or consolidate your entries.

CHARGING OFF THE ACCOUNTS

Once the miscellaneous charge-off posting codes are configured, you can use Tool #201 to charge off the account.

Charge Off Savings/Checking Accounts (Tool #201)

On the entry screen, enter an account with a negative balance that you would like to charge off in this screen and press Enter to move to the next screen.

Select a Reason for the charge of and enter a configured Miscellaneous Posting code (that is a configured Charge-Off code). If the account has funds in it, you will receive a warning message alerting you that the account must be brought to negative before it can be charged off.

You can elect to add the member to the blocked persons list. (This will add the SSN, Type, and a comment to the file. The comment will include the date of the charge off. You can also choose to enter an optional secondary transaction description to help you identify the transaction record.

ONE-TIME REPORTING TO BUREAU

Collectors have the option to send a one-time record to the credit bureaus when savings and checking accounts are charged off. This requires activation. Credit unions should contact a Client Service Representative for assistance to activate this feature.

ACTIVATION IN CU*BASE OPERATIONS

To activate the feature, the CSR will check *Report marked negative balance accounts to the credit bureau* on the Master CU Parameter Configuration.

MNOP09 > 1 Master CU Parameter (3rd Screen)

The screenshot shows the 'Identify Master Parameters' screen in the CU*BASE GOLD Edition software. The screen is divided into several sections:

- Teller Processing:** Backup daily teller files
- CD Processing:** Check print ID: CD dividend checks ; # of days for renewal notice print
- Notice Print:** Notice to print ; Print CU name on notice
- Special Tax Forms Processing:** Activate 1042-S forms processing; Transmitter control code ; Contact name ; Contact title ; Phone # Ext
- Loan/Open Credit Processing:** Payment change monitoring; Available balance calc use interest due; Pay club benefits to DIVAPL (blank = pay to loan account); CPI insurance provider ; CPI grace days ; CPI premium term months
- Deposit Account Reporting:** Report marked negative balance accounts to credit bureau

At the bottom of the screen, there are buttons for 'Continue' and 'End Maintenance', and a status bar with navigation icons and the text 'F6 (3708) 4/23/18'. The CU*BASE operator edition logo is visible in the bottom right corner.

Once this box is checked, additional fields will appear when an account is charged off that will give the credit union employee the option to use the one-time reporting feature, enter the amount to report, and enter the appropriate Metro II codes.

TOOL #201: CHARGE-OFF SCREEN (WITHOUT ACTIVATION OF REPORTING TO BUREAU)

If reporting to the bureau at charge off is not activated, the charge-off screen will not have the fields used for credit bureau reporting, and there is no warning message on the screen. (See next page for how screen looks once it is activated.)

Tool #201 Charge Off Savings/Checking (Prior to Activation)

Session 0 CU*BASE GOLD Edition - SUCCESS CREDIT UNION
File Edit Tools Help

Charge Off Savings/Checking Acct

Account #	110	MATT Q MEMBER	
Dividend application	IP	INT PLUS CHECKING	
Current balance	1,249.95-	Date account opened	Jan 07, 2013
Negative balance limit	.00	Freeze code	1 No Dr
1st date negative	Apr 07, 2017	<input checked="" type="checkbox"/> 3rd-party marketing opt out	
# of days negative	382	<input checked="" type="checkbox"/> CU contact opt out	
Last transaction	Jan 22, 2018	<input type="checkbox"/> Add member to blocked persons list	
Reason code			
Misc. posting code			
If 999, G/L account			
Transaction description	ACCOUNT CHARGED OFF		
Secondary transaction description			

Comments
Post & Close Account

Navigation icons: back, forward, up, pause, print, link, info, help, search

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TOOL #201: CHARGE-OFF SCREEN WITH ONE-TIME REPORTING TO THE BUREAU ACTIVATED

Once the one-time reporting to the bureau is activated, new fields and messaging will appear on the second charge-off screen.

Tool #201 Charge Off Savings/Checking (After Activation)

Session 0 CU*BASE GOLD Edition - SUCCESS CREDIT UNION

File Edit Tools Help

Charge Off Savings/Checking Acct

Account # 110 MATT Q MEMBER
 Dividend application IP INT PLUS CHECKING

Current balance 1,249.95- Date account opened Jan 07, 2013
 Negative balance limit .00 Freeze code 1 No Dr

1st date negative Apr 07, 2017 3rd party marketing opt out
 # of days negative 381 CU contact opt out
 Last transaction Jan 22, 2018 Add member to blocked persons list

Reason code

Misc. posting code
 If 999, G/L account

Report to credit bureau Consumer information indicator
 Credit bureau comments Compliance condition code
 Status 97 Total overdraft protection amount

Transaction description ACCOUNT CHARGED OFF
 Secondary transaction description

Remember the current balance shown here will be reported to the bureau as the charged-off balance. Make sure you have posted all adjustments/fees before proceeding.

Comments

Post & Close Account

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Close-up of New Fields

<input checked="" type="checkbox"/> Report to credit bureau	Consumer information indicator <input type="checkbox"/>
Credit bureau comments <input type="checkbox"/>	Compliance condition code <input type="checkbox"/>
Status 97	Total overdraft protection amount <input type="text" value="0"/>



(See the following page for tips on filling in these fields.)

Close-up of Tip

Remember the current balance shown here will be reported to the bureau as the charged-off balance. Make sure you have posted all adjustments/fees before proceeding.

ADDITIONAL ONE-TIME CHARGE OFF FIELDS

Close-up of Additional Fields

<input checked="" type="checkbox"/> Report to credit bureau		Consumer information indicator	<input type="checkbox"/>	
Credit bureau comments	<input type="checkbox"/>	Compliance condition code	<input type="checkbox"/>	
Status	<input type="text" value="97"/>	Total overdraft protection amount	<input type="text" value="0"/>	

Below are recommendations for using the additional fields.

- The *Report to credit bureau* field is checked by default, but you have the option to uncheck it. Whether the box is checked or not determines if the charge-off data is sent to the bureau. If you elect to report and leave it checked, you must enter a *Total overdraft protection amount*. See more below on what amount you might enter in this field.
- A Status code of 97 (charge off) is the default and is the recommended code. Follow your credit union policies and procedures
- The *Status and Metro II codes* (of *Credit bureau comments*, *Consumer information indicator* and *Compliance condition code*) are optional. Follow your credit union policies and procedures.

What is the “Total Overdraft Protection Amount” Field?

The Total Overdraft Protection Amount field is used to enter how much Automated Non-Return (or courtesy pay) protection was on the account. For example, ABC Credit Union has an account with a \$500 signature loan and \$250 automated non-return (ANR), they would still only enter \$250 in this field. Follow credit union policies and procedures as to what you enter in this field.

- NOTE: If there was no automated non-returns protection assigned to this account, one option is to enter a 1 in this field. (This field cannot be left blank.)

UPDATING BUREAU CODES AFTER CHARGE-OFF

When the account is charged off, it is closed. To update the Metro II codes after charge-off or to remove the account from being reported to the bureau, use Closed Account Info Update.

Closed Account Update

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File Edit Tools Help

Closed Account Info Update

 Share Draft

On the screen shown above, click the “Credit Reporting Information” button.

Session 0 CU*BASE GOLD - SUCCESS CREDIT UNION
File Edit Tools Help

Credit Bureau Reporting Information

Report to Cr. Bureau
CB Comments
Status 97
Consumer Information Ind
Compliance Condition Code

Warning regarding Consumer Information Indicator
Blanking out an indicator does not remove it, use specific codes to accomplish removal of indicator.

Save
Skip
Reporting History

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This will open a Credit Bureau Reporting Information screen for savings and checking accounts. If you do not want the account to be reported, uncheck “Report to Cr Bureau.” This also allows you to change the comment and Metro II codes. Use Save (F5) to save your changes. Be sure to make the changes prior to the one-time credit bureau reporting. These changes will be written to CUFMAINT.

You may make changes after that time, but those changes will not be reported; however, they will be written to CUFMAINT.

REPORTING TO BUREAU (ACCOUNTS FOR THE PREVIOUS MONTH)

Checking or savings accounts that were closed in the month and have the “Report to Cr Bureau” box checked are included in the credit bureau reporting file. (This is generally sent during the next month’s beginning-of-day processing).

You can confirm these accounts were sent by the on-demand report access via **Tool #658 Print Account Info Sent to Credit Bureau**.

Print Account Info Sent to Credit Bureau (Tool #658)

You can select to break out this report to show only deposit accounts (Savings/Checking). The report only includes accounts that were reported to bureau during the previous month.

Report Sample

ACCOUNT NUMBER	NAME	C/B TYP	SSN	DATE OPENED	ACT STS	LAST TRANS DATE	NEGATIVE BAL LIMIT	CHARGED OFF AMOUNT	COMMENT	RPT Y/N
-110 L		8B	***-**-1	6/28/2012	97	2/10/2018	550	314		Y
-110 B		8B	***-**-1	4/11/2018	97	0/00/0000	550	387		Y
-110 T		8B	***-**-1	4/12/2018	97	0/00/0000		346		Y
FILE RECORD LENGTH-0756 SUBSCRIBER NUMBERS: CCA- 2404 Equifax- V000054802 Experian- D0120 TransUnion- 1106										
END OF REPORT										

(See next page for how to find reporting detail on individual closed accounts.)

REPORTING TO BUREAU FOR INDIVIDUAL ACCOUNT

You can find a record of the transmission for an individual account via the Closed Account Inquiry screen.

Closed Account Inquiry

Session 0 CU*BASE GOLD Edition - SUCCESS CREDIT UNION
File Edit Tools Help

Closed Account Inquiry

Member **NDAH**
Account **110 CHECKING**
Dividend apl

Opened **Apr 11, 2018**
Closed **Apr 10, 2018**
ATM ID **0**
AFT
Frozen **NO** Payroll base deposit **NO**
of withdrawals **0** Passbook **NO**

Current balance **0.00** Annual backup withholding **0.00**
- Secured **0.00**
- Uncollected **0.00**
Net available **0.00**

Dividends		Period Low Balances	
Paid			
Quarter 1	0.00		
Quarter 2	0.00		
Quarter 3	0.00		
Quarter 4	0.00		
Total	0.00	Period minimum balance	0.00
Accrued	0.00		

As of **Apr 11, 2018**

Transaction inquiry date [MMDDYYYY]

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From the screen above, select the “Report History” button to access the Summary screen (shown on the next page).

Credit Bureau Reporting History (Summary) Screen

Session 0 CU*BASE GOLD Edition - SUCCESS CREDIT UNION
File Edit Tools Help

Credit Bureau Reporting History

Account # 110 NOAH

Report Date	Status	Status Description	Reported
Apr 18, 2018	97	Charge Off	v

■ Select

i Whenever a credit bureau file is generated, a record is created showing the date and loan status information that was included in the file. This information is retained throughout the life of the loan, so over time the number of records in this list will grow. It will also be retained with the closed account record after the loan is closed.

Summary

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For savings and checking accounts there will be one record because reporting is done only one time. Select the item in the listing to see the detail of what was included in the transmission.

Credit Bureau Reporting History – Detail (Savings/Checking)

Session 0 CU*BASE GOLD Edition - Credit Bureau Reporting History - Detail

Account 110 NOAH

Reporting Period	
Date reported	May 01, 2018
Account status	97
Account type	8B
Portfolio type	0
Reported to bureau	v
Current balance	0
Amount past due	
Balance at charge-off	387
Status code	
Date closed	Apr 10, 2018
Last transaction date	04/10/2018

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This screen lists the information that was transmitted to the bureau. The fields are nearly identical to the information sent for loans. (Instead of the balance of the loan, the balance of the savings or checking account is sent.)

Refer to CU*BASE Online Help for assistance with field-level descriptions.