

**Lender\*VP**

# FREQUENTLY ASKED QUESTIONS

**Variable Rates Edition**



Group Variable Rates | Contract Variable Rate  
Update Variable Rates | Mini-Contract Variable Rates

## Section 1

# Group Variable Rates

### QUESTION 1 .....

What if I forgot to update my group rate codes so the rate did not change on the members loan account when it was supposed to?

#### ⋮... ANSWER 1

You will need to schedule the rate change, effective for the following day in **Tool #935 Variable Rate Code Configuration** (see page #10 of Variable Rate booklet). Then, once the rate has been changed, you can inquire on the members loan suffix and utilize the interest calculator (located on the bottom left of the loan inquiry screen) to calculate the over/under accrued interest and apply through an account adjustment via **Tool #492 Member Account Adjustment (Full)**.

### QUESTION 2 .....

What if I have a group rate that is attached to our Prime index?

#### ⋮... ANSWER 2

If you have a group rate that is attached to your Prime rate index, keep in mind that you will **ONLY** need to go in to update your Prime Index code with an effective date of when the rates should change. Once you update your Prime Index code in **Tool #935** by selecting 'update index', it will update your group rate codes, accordingly.



## Section 2

# Contract Variable Rates

### QUESTION 1 .....

What if I printed my notices and my rates are incorrect?

#### ⋮... ANSWER 1

Prior to printing your contract variable rate notices in **Tool #638**, we **ALWAYS** recommend reviewing the PPENDC report from CU\*SPY. This report will confirm that all rates are correct, before printing. If they are **NOT** correct, you will need to delete the pending rate change from **Tool #51 Miscellaneous Loan Maintenance**, inside the individual loan contract (see page #40 of Variable Rate booklet). After this has been deleted, you will schedule the rate change, effective today. This will create a new pending rate change, and a new notice will generate overnight. The next day, you will review the new PPENDC report to confirm the change and then print your notices.

### QUESTION 2 .....

What if we complete a manual change on the members loan account and not on the actual contract?

#### ⋮... ANSWER 2

The next time the rate change happens, the rate could be incorrect. Keep in mind, for contract variable rates, CU\*BASE is looking at the current rate in the **CONTRACT**, not on the actual loan account. If the rate needs to be adjusted, you will need to delete the contract in **Tool #51 Miscellaneous Loan Maintenance**, then rebuild it with the accurate variable rate.

### QUESTION 3 .....

What effective date would I use if my variable rates are contracts?

#### ⋮... ANSWER 3

When updating the contract index, you will effective date it for the following date, as rate changes happen at beginning of day. This will not change the rate on the loan until the actual date on the contract.

Continued...



## Section 3

### Mini-Contract Variable Rates

#### QUESTION 1 .....

How do I know if my group rate is a mini-contract?

##### ⋮... ANSWER 1

If your addendum states that your members loan rate cannot increase or decrease by a certain percentage annually.

#### QUESTION 2 .....

What does the 'rate as of January of current year' in the mini-contract represent?

##### ⋮... ANSWER 2

This would be the rate on the loan at beginning of the year, prior to **ANY** changes.  
**i. IF** you have a rate change on January 1, this would be the rate prior to that change.



## Section 4

# Update Variable Rates

### QUESTION 1 .....

What if in **Tool #458 Loan Category Configuration**, we select to 'allow rate adjustments via update variable rate codes?'

#### ⋮... ANSWER 1

This feature is located on the 3rd screen within the loan category configuration. IF this box is checked, anytime your 'update' rate code is changed in **Tool #935 Variable Rate Code Configuration**, it **WILL** change the update variable rate code and the rate on existing loans that do have this code. Typically, clients do **NOT** want this to happen.

### QUESTION 2 .....

What if I added an update variable rate code to a new loan account and when prompted to add a code to change to, I added the update variable rate code by accident?

#### ⋮... ANSWER 2

To correct this, you would need to go into **Tool #51 Miscellaneous Loan Maintenance**, select 'variable rate loan', then on the following screen, you will update what the code should be changed to **AFTER** the intro rate ends.



## Section 5

### General

#### QUESTION 1

What if I need to confirm my rates have been successfully scheduled and are accurate?

##### ⋮... ANSWER 1

To confirm all rate changes have been successfully scheduled and are accurate, you will print the report from **Tool #660 Print Loan Variable Rate Config Report**. After you scheduled your rate changes in **Tool #935 Variable Rate Code Configuration**, then go into **Tool #660** and just hit enter to generate the report.

#### QUESTION 2

How do we know what type of Variable Rate Codes we have?

##### ⋮... ANSWER 2

**Tool #660 Print Loan Variable Rate Config Report** will print a report that displays all configured loan variable rate codes with current and pending settings.

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For more information and details, please review our **Variable Rate Loan Products Booklet**.

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# STILL HAVE QUESTIONS?

You are always welcome to email the Lender\*VP team at [lendervp@cuanswers.com](mailto:lendervp@cuanswers.com)

