Online Credit Bureau Access and 247 Lender

Configuring 247 Lender and the Approval Matrix

2

INTRODUCTION

Purpose

This booklet provides instructions for all of the configuration steps necessary to set up CU*BASE for using the 247 Lender automated decision model. These steps are outlined in the separate booklet, "Online Credit Bureau Access: Introductory/Startup Guide."

You MUST complete all of the getting started steps under "Stage 1" in the Introductory/Startup Guide before proceeding with any of the configurations in this book.

Audience

This booklet is intended for credit union leaders and project managers responsible for implementing 247 Lender decision modeling for your credit union.

Let CU*Answers Management Services "Just Turn it On" For You

Have CU*Answers Management Services drive the implementation of this feature from start to finish. We'll even do the work to get your Board, your management team, and your staff on board and ready to take over once the switch has been flipped. https://store.cuanswers.com/product/automated-decisions/

Revision date: November 6, 2020

For an updated copy of this booklet, check out the Reference Materials page of our website:
https://www.cuanswers.com/resources/doc/cubase-reference/
CU*BASE® is a registered trademark of CU*Answers, Inc.

CONTENTS

OVERVIEW 3

CONFIGURING 247 LENDER MINIMUM REQUIREMENT FILTERS AND KEY RATIO ASSESSMENTS 4

- 247 LENDER FILTERS PREPARATION WORKSHEET 4
- CONFIGURING 247 LENDER REQUIREMENTS 5

CONFIGURING THE CU*BASE APPROVAL MATRIX 7

- DECISION CODES REQUIRED FOR 247 LENDER 7
- APPROVAL MATRIX CONFIGURATION PREPARATION WORKSHEET 8
- CONFIGURING THE APPROVAL MATRIX 10

CONFIGURING LOAN DELIVERY CHANNELS 15

- DELIVERY CHANNELS CONFIGURATION PREPARATION WORKSHEET 15
- CONFIGURING DELIVERY CHANNEL SETTINGS 16

CONFIGURING RISK-BASED PRICING 18

- RISK-BASED PRICING PREPARATION WORKSHEET 18
- CONFIGURING LOAN PRODUCTS 20

ACTIVATING 247 LENDER 23

OVERVIEW

This booklet contains instructions for Stage 2 of the project to implement the 247 Lender Decision Model for your credit union. Refer to the "*Online Credit Bureau Access and 247 Lender:* Introductory/Startup Guide" and make sure that you have worked through all of the steps in Stage 1 before proceeding with any actual configuration changes.

Once you have a plan and have made some decisions, use the following steps to get the configuration in place on CU*BASE:

Step	*Description*
1. Configure the model filters	***Tool #1015 247 Lender Minimum Requirements*** See Page 4 for instructions
2. Configure the Approval Matrix and "active" retention period	***Tool #335 Define Decision/Approval Matrix*** See Page 7 for instructions
3. Configure the delivery channels that will access the model	***Tool #462 Loan Delivery Channel Configuration*** See Page 15 for instructions
4. Configure risk-based pricing, if appropriate	***Tool #470 Loan Product Configuration*** See Page 18 for instructions **Special Note:** Remember that risk-based pricing is independent of 247 Lender because it looks strictly at a member's credit score. Therefore, any changes you make will take effect **immediately** for all new loan requests where a credit report has been pulled.
5. Activate 247 Lender and set the default credit report request type	For online credit unions, **this step must be done by a Client Service Representative** (self processors should still consult a CSR before changing the configuration) Complete and return the "247 Lender Setup Form" for final activation; also see Page 23 for additional information

About Completing the Preparation Worksheets

At the beginning of each configuration chapter in this booklet, you will see a related preparation worksheet. These worksheets should be used as you organize your implementation plan and make decisions about products and procedures for using 247 Lender automated decisions.

Completing these worksheets in advance will make it much easier to set up the configuration later in the process. They are also critical if you wish to have CU*Answers complete the configuration for you. (See the "*Online Credit Bureau Access and 247 Lender:* Introductory/Startup Guide" for details about optional configuration services.)

CONFIGURING 247 LENDER MINIMUM REQUIREMENT FILTERS AND KEY RATIO ASSESSMENTS

A key part of the 247 Lender system is a set of configurable "filter" settings that control when a decision will be pulled. Because a decision costs money, the filter will prevent the model from being run in situations where the member obviously will not be approved. Referred to as **Minimum Requirement Filters for Decision Model**, these settings include:

- Credit score
- Debt to income ratio
- Residency number of years
- Employment number of years
- Derogatories (bankruptcy, charge-offs, collections)

For example, do you want to run the model at all if a member has a bankruptcy on file? Should the length of employment affect whether the model is run or not? These factors should all be addressed in your credit union's lending policies.

In addition to the filters that control whether the model is even run (saving you the cost of a decision), you can also run an additional **Assessment Of Key Underwriting Ratios** to determine whether the member should be run through the rest of your Approval Matrix. Ratios you can assess include:

- Total expanse to Total income
- Unsecured debt to Total income
- Mortgage expenses to Total income
- Total credit limit to Total income

NOTE: Key ratio evaluations require data from the credit report, so these evaluations are always done after a decision model is run and the credit report pulled.

247 LENDER FILTERS PREPARATION WORKSHEET

Start by completing the following worksheet to help you make decisions about how your filters should be configured.

Run a decision model...	*Your Setting*		
Only if credit score is between	_____ and _____	or	☐ don't care
Only if debt to income ratio is less than	____ ____ ____ %	or	☐ don't care
Only if length of employment is at least	____ ____ years	or	☐ don't care
Only if length of residency is at least	____ ____ years	or	☐ don't care
Only if no bankruptcy on file	☐ Yes	or	☐ don't care
Only if no charge-offs on file	☐ Yes	or	☐ don't care

Run a decision model...	*Your Setting*
Only if no non-medical collections on file	☐ Yes or ☐ don't care

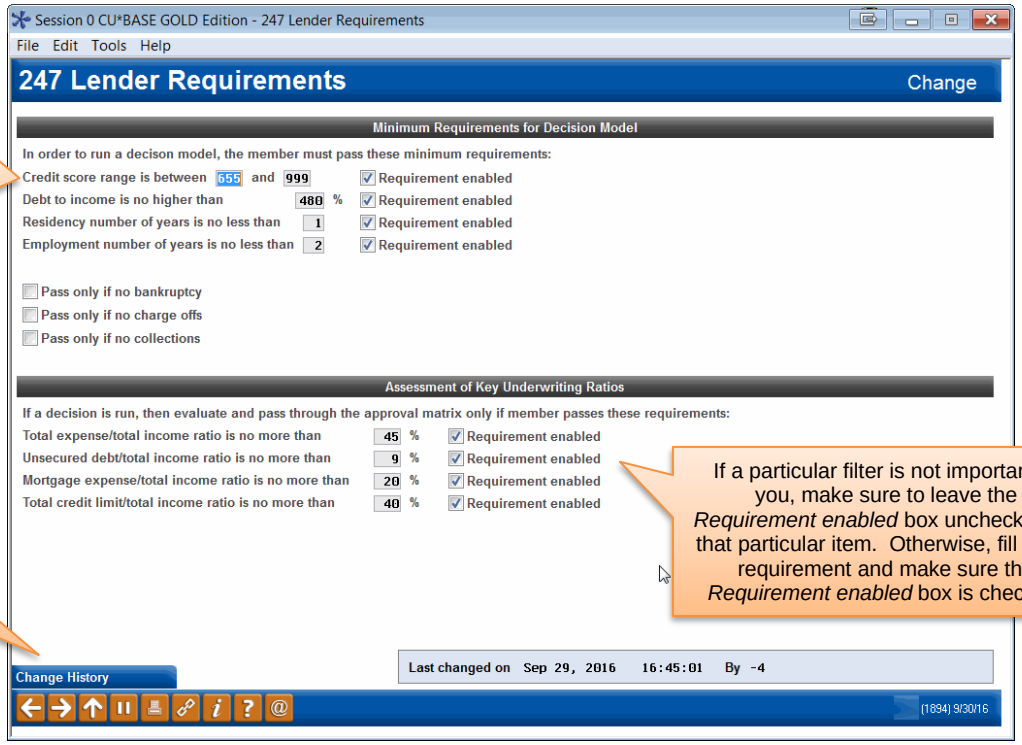
After a decision is pulled, evaluate these key ratios and pass through the approval matrix only if...	*Your Setting*
Total expense to Total income is no more than	___ ___ ___ % or ☐ don't care
Unsecured debt to Total income is no more than	___ ___ ___ % or ☐ don't care
Mortgage expenses to Total income is no more than	___ ___ ___ % or ☐ don't care
Total credit limit to Total income is no more than	___ ___ ___ % or ☐ don't care

NOTE: Refer to this Answer Book item for more information: When looking at our loan queue, we see a 'pass decision' status but the application failed in the underwriting ratios assessment requirements. Why do we see the 'pass decision' status?

CONFIGURING 247 LENDER REQUIREMENTS

Following are instructions for filling out the configuration screen for 247 Lender minimum requirements.

247 Lender Minimum Requirements **(Tool #1015)**



TIP: The upper end of this range allows you to avoid running a model for members with a score that indicates an error (over 900, typically).

Use this to monitor changes you have made to your filters over time.

If a particular filter is not important to you, make sure to leave the *Requirement enabled* box unchecked for that particular item. Otherwise, fill in the requirement and make sure the *Requirement enabled* box is checked.

For complete details on how each of these filters works, refer to CU*BASE GOLD Online Help (click the i button while working on this screen).

When done, use Enter to Save all changes and exit.

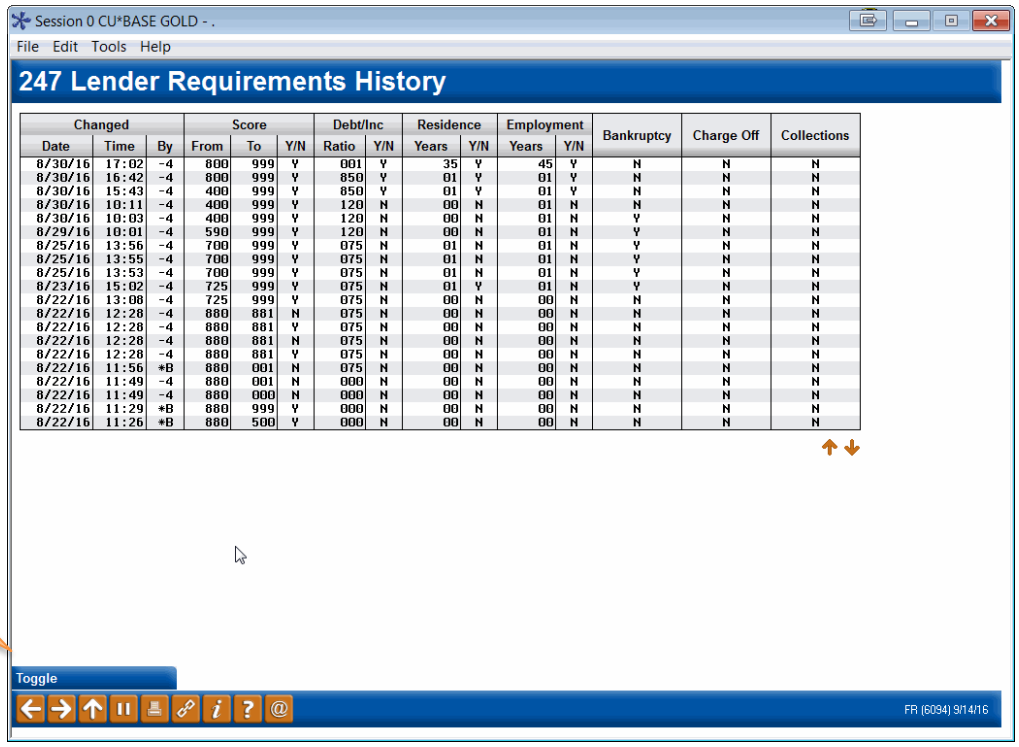
Monitoring and Adjusting Filter Settings

Over time as you monitor your loan portfolio, you may need to adjust your minimum requirements for running the model. This will be particularly important during the initial implementation period, as you monitor the decisions you are pulling and how they are affecting your lending practices.

For example, you may find evidence that increasing the threshold credit score may have affected the quality of your loan portfolio. Conversely, you may notice an overall decrease in the number of denied applications.

Every time changes are made to the filter configuration, a history record is stored so that you can monitor how you have made adjustments over time. Use ***Change History*** (F6) at any time to see these records:

"Change History" (F6)



This screen displays a history of all changes made to the requirements configuration. This lets you monitor changes you have made to your filters over time.

CONFIGURING THE CU*BASE APPROVAL MATRIX

DECISION CODES REQUIRED FOR 247 LENDER

Your credit union must configure Approval Matrix records for each of the decision codes, or "levels," that are sent to CU*BASE by the 247 Lender decision model. **All of the following codes MUST be configured for 247 Lender to work properly.**

Decision Code	*Description*	*247 Lender Score Range**
00	A general-purpose code to be used by online loan applications (**It's Me 247**, etc.) when no decision is available, or if a decision could not run for some reason (other than your filters, such as an error in the file or a transmission problem), or if you do not use 247 Lender.	n/a
01	Level 1 of the 5 pre-approved groups. This represents your "best" members, the ones who scored highest in the 247 Lender scoring model.	340+
02	Level 2 of the 5 pre-approved groups.	320-339
03	Level 3 of the 5 pre-approved groups.	290-319
04	Level 4 of the 5 pre-approved groups.	260-289
05	Level 5 of the 5 pre-approved groups. This represents members with the lowest scores calculated by the 247 Lender that are still considered pre-approved.	230-259
97	"Failed Filter" - Used for members who fail your configured minimum requirement filters (see Page 4). There will not be a decision on file for these members, as the model was never actually run.	n/a
98	"Refer to Underwriting" - This is a general-purpose code used for members who fail the model and cannot be given an automated pre-approval. NOTE: The member will never be presented a denial; this code lets your staff know what the model's conclusion was and allows for manual underwriting as appropriate.	n/a
99	"Denied" - Used for members who are considered *denied* by the model. This is intended for future use when the model is actually able to return a denial to the origination point and proceed through an automated denial process. Not currently available through any delivery channel (code must still be set up, however).	n/a

**These are the scores calculated by the 247 Lender Model (SAVANT score). The numbers are intentionally different from traditional risk and bankruptcy/MDS scores to keep them from being confused.*

APPROVAL MATRIX CONFIGURATION PREPARATION WORKSHEET

This worksheet organizes your approvals by category, rather than by decision code like the actual configuration. This makes it easier to plan how your products will fit and ensure you are being consistent across the board.

Loan Categories

Category Code		**Description**	

Decision Code	*This product pre-approved up to*
01	$
02	$
03	$
04	$
05	$

Category Code		**Description**	

Decision Code	*This product pre-approved up to*
01	$
02	$
03	$
04	$
05	$

Category Code		**Description**	

Decision Code	*This product pre-approved up to*
01	$
02	$
03	$
04	$
05	$

Category Code		**Description**	

Decision Code	*This product pre-approved up to*
01	$
02	$
03	$
04	$
05	$

Copy this page as needed to include all of the loan products you will be approving based on the decision model.

Savings, Plastics/OTB, and Miscellaneous Products

Product:

Decision Code	*This product is pre-approved*
01	☐ Yes ☐ No
02	☐ Yes ☐ No
03	☐ Yes ☐ No
04	☐ Yes ☐ No
05	☐ Yes ☐ No

Product:

Decision Code	*This product is pre-approved*
01	☐ Yes ☐ No
02	☐ Yes ☐ No
03	☐ Yes ☐ No
04	☐ Yes ☐ No
05	☐ Yes ☐ No

Product:

Decision Code	*This product is pre-approved*
01	☐ Yes ☐ No
02	☐ Yes ☐ No
03	☐ Yes ☐ No
04	☐ Yes ☐ No
05	☐ Yes ☐ No

Product:

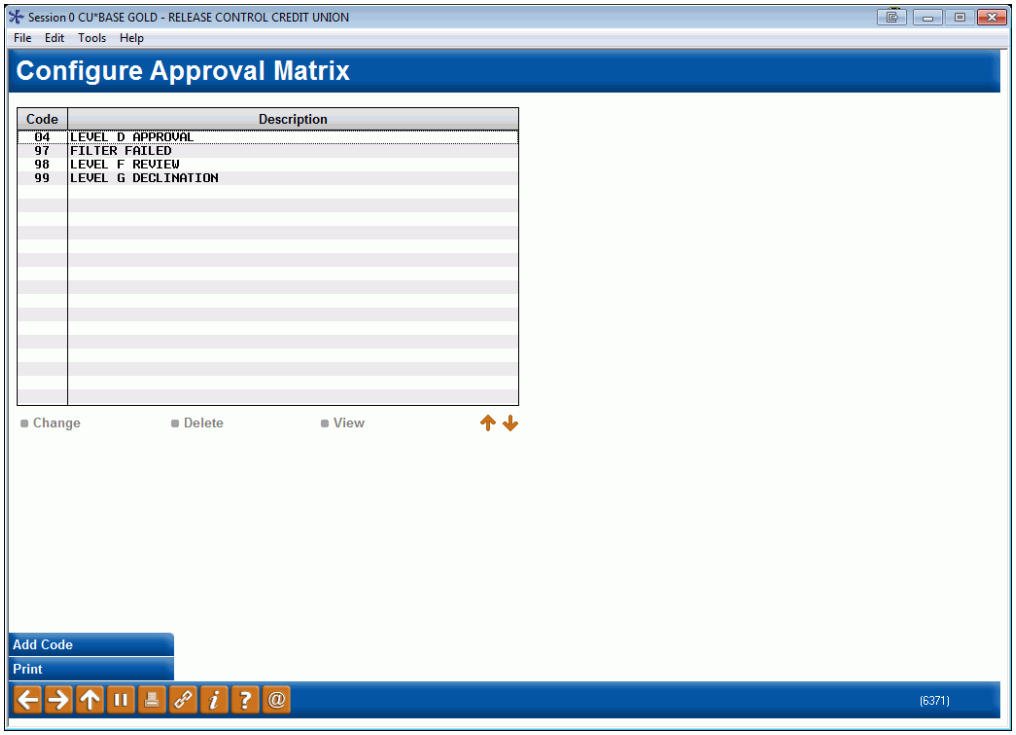
Decision Code	*This product is pre-approved*
01	☐ Yes ☐ No
02	☐ Yes ☐ No
03	☐ Yes ☐ No
04	☐ Yes ☐ No
05	☐ Yes ☐ No

Copy this page as needed to include all of the miscellaneous products you will be approving based on the decision model.

CONFIGURING THE APPROVAL MATRIX

IMPORTANT: Remember that the Approval Matrix must be updated by your credit union whenever new loan categories, share dividend applications, or OTB product codes are configured.

Define Decision/Approval Matrix **(Tool #335)**



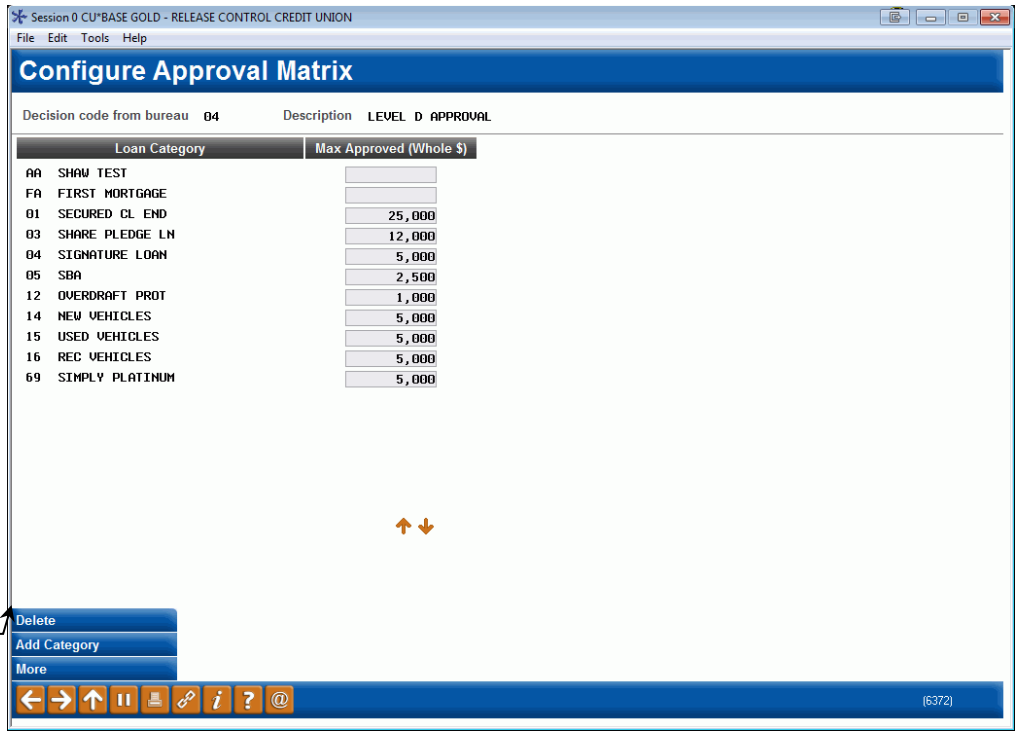
To print a copy of your configuration, use ***Print*** (F14) on this screen. The report shown on Page 14 will be generated immediately (there will be no

For every Decision Code that the credit bureau might potentially send, a corresponding code must be set up in the Approval Matrix. This includes any "review" and/or "deny" codes the bureau may send. As shown on the previous page, 247 Lender requires codes 01-05 and 97-99 to be configured. A code 00 should also be configured whether you use automated decisions or not.

CU*TIP: For codes 97-99, which are used when either the filters or the model fails, create the code as usual. Leave the loan and share product screens blank, and enter "N" for both ATM and Debit cards on the final screen. Then use one (or more) of the User-Defined fields to leave a notation explaining the code to the end-user (such as "Deny all products" or "Manually review credit report before approval" or something similar). If this code is received on a member's credit report, the Decision screen will simply show the text in your user-defined field, without any products.

To create a new code, use ***Add Code*** (F6) to proceed to the second screen.

Screen 2: Loan Category Approvals

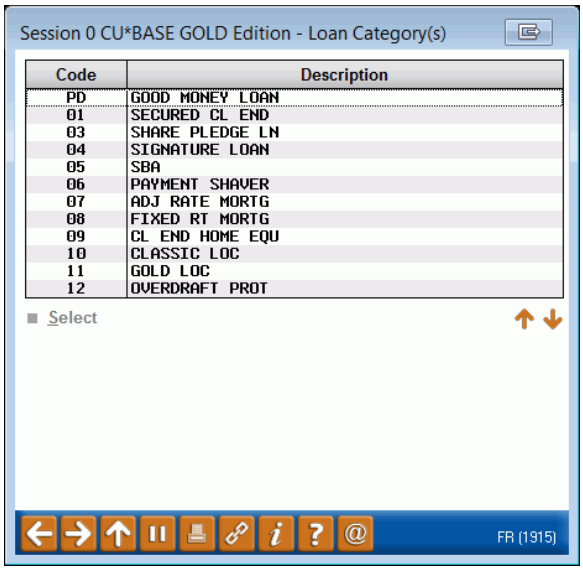


CU*TIP: If you have added a loan category to the list by mistake, place the cursor in the amount field for that item, and then select Delete. There will be one confirmation message.

This screen is used to configure maximum approval amounts for loan products, including online credit cards. When the screen appears for a brand-new code, it will be blank, and the *Description* field at the top will allow you to enter a description for this code.

After pressing Enter to save, the ***Add Category*** (F6) window (shown below) will appear automatically. (If editing an existing code, use F6 to configure more loan categories for this decision code.)

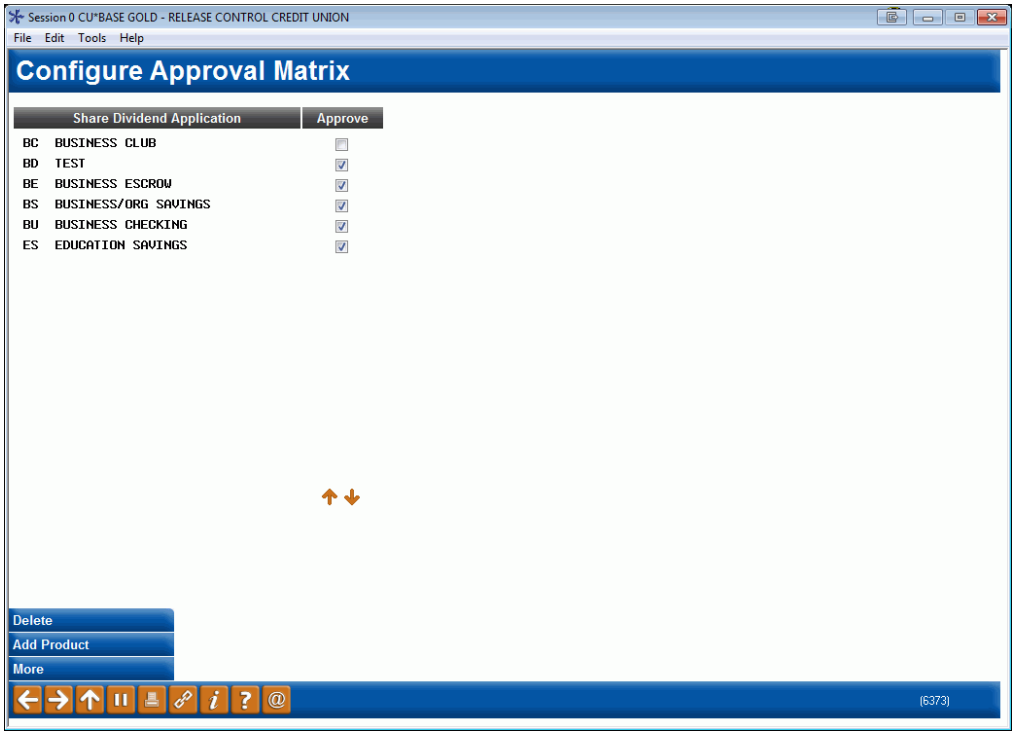
"Add Category" (F6)



In this window, select all of the loan products that will be set up for approval for this decision code.

When returned to the loan products screen, enter a dollar amount (whole dollars) into the *Max Approved* column for each of the loan categories. When done, press *More* or use Enter to proceed to the share products screen.

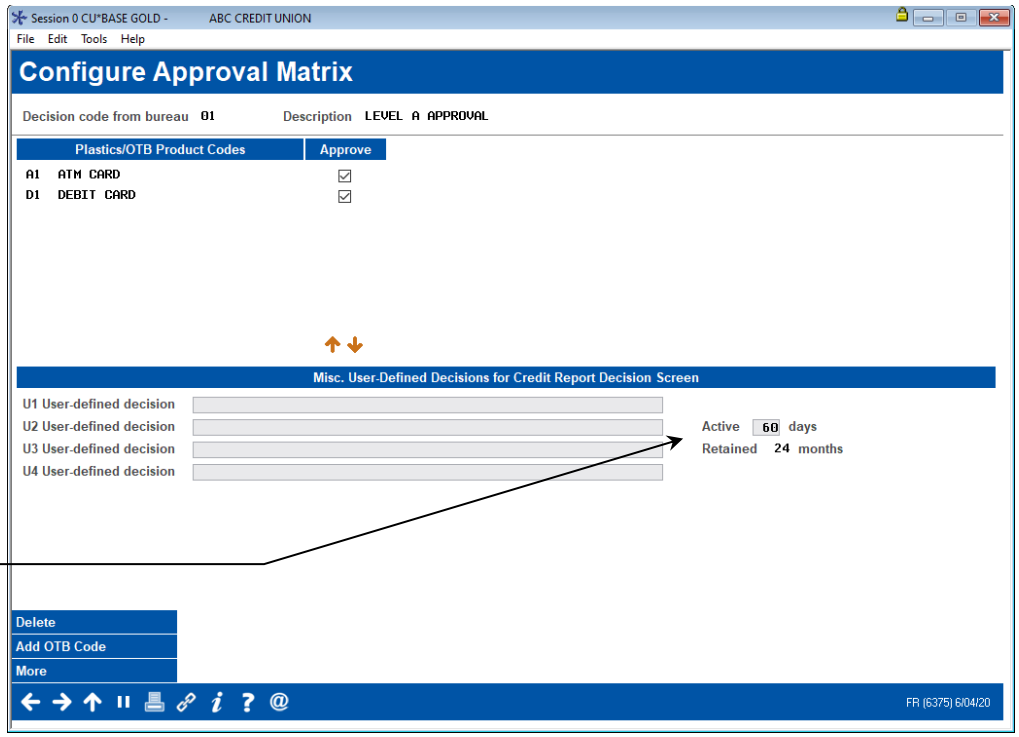
Screen 3: Share Dividend Application Approvals



This screen is used to mark the savings and checking products that should be approved with this Decision Code. This is a straight Yes/No approval; there are no dollar amounts.

As with the previous screen, use ***Add Product*** (F6) to display a window showing all share dividend applications. Select all appropriate products. When returned to this screen, all will automatically be marked with Y. (If a product is pulled in by mistake use the Delete option to clear it from the list.) When done, press *More* or use Enter to save and continue to the final screen.

Screen 4: OTB / User-Defined Product Approvals



This lets you say how long this decision is "good" for automated approvals and for non-lending staff to view.

This final screen is used to mark OTB/Plastic products that should be approved with this Decision Code. This includes OTB credit cards as well as OTB loan and savings products you may offer and track through the CU*BASE Off Trial Balance (OTB) tracking system. These use a straight Yes/No approval; there are no dollar amounts.

Use ***Add OTB Code*** (F6) to display a window showing all configured OTB codes. Select all appropriate codes. When returned to this screen, all will automatically be marked as Yes (use *Delete* to clear an unneeded item from the list).

This screen also contains four user-defined decisions for this code. These are simply text messages that will appear on the Decision screen whenever this code is sent with a member's credit report. These can be an approval for a specialized credit union product or service not shown on the previous screens, or even just a text message to credit union staff for when they read the Decision screen for any member that received this code. Examples of text you might use in these fields:

"Assign member to Electronic Deposit Hold Group 02"
"Review credit report manually before approving any product"
"Refer to investment advisor"
"Deny all products for this member"

Finally, use the *Active* field at the bottom-right corner of the screen to define how long this decision record should be considered "good" for the purposes of authorizing an MSR or teller to approve a member for service. This controls how long the Pre-Approvals button will appear on Inquiry, Phone, and Teller screens after the credit report is pulled. It also controls how long the decision will be used for automated decisions such as when a member completes an application in **It's Me 247**.

Notice the *Retained* notation showing how long the decision record will remain on file before it is purged. You can set the *Active* setting to the same period as this, or shorter. You might use a shorter time for decision codes that you feel less comfortable about and want to restrict the length of time the record can be viewed by non-loan personnel or used for automated approvals.

> *NOTE: Contact a Client Service Rep. if you wish to increase the length of time credit report data is stored. Additional fees will apply for longer than standard retention times.*

When done, use Enter to save and return to the initial screen.

Report Sample

This report will be printed when you use *Print* (F14) feature on the initial Approval Matrix configuration screen (shown on Page 10). This report simply lists all of the approval settings you have configured for each Decision Code. Notice the dates showing when the code was originally created and when it was last updated, and by whom.

```
 8/01/06                                  CU*BASE TEST CREDIT UNION                          LAPVMXT            Page  1
16:07:21                               Approval Matrix Configuration Report                                    User DAWNM

 Decision Code 01 PREAPPROVED LEVEL 01

Loan Category                        Max Approved         Date Entered       Date Changed   Change By
---------------------------------   ------------         ------------       ------------   ---------
01      CONSUMER LOANS                    30,000           05/05/2006         07/25/2006      89
02      2ND MORTGAGE                      40,000           05/05/2006         07/25/2006      89
03      REAP'S                            40,000           05/05/2006         07/25/2006      89
05      KWIK CASH                         10,000           05/05/2006         07/25/2006      89
06      OVERDRAFT LOC                     10,000           05/05/2006         07/25/2006      89

Share Dividend Appl           Approve                     Date Entered       Date Changed   Change By
----------------------------- --------                    ------------       ------------   ---------
FC FREE CHECKING                  Y                         05/05/2006         07/25/2006      89
OD OPEN DEPOSIT SAVINGS           Y                         05/05/2006         07/25/2006      89
PS PREMIUM SAVINGS PLUS           Y                         05/05/2006         07/25/2006      89

OTB Product Code              Approve                     Date Entered       Date Changed   Change By
----------------------------- --------                    ------------       ------------   ---------
A1 ATM CARD                       Y                         05/05/2006         07/25/2006      89
D1 DEBIT CARD                     Y                         05/05/2006         07/25/2006      89

User Defined
------------
U1 VISA GOLD CARD PREAPPROVED FOR $10,000
U2 FREE HOMEBANKING AND E-STATEMENTS

================================================================================================================================

 Decision Code 02 PREAPPROVED LEVEL 02

Loan Category                        Max Approved         Date Entered       Date Changed   Change By
---------------------------------   ------------         ------------       ------------   ---------
01      CONSUMER LOANS                    20,000           05/05/2006         07/25/2006      89
```

...and so on, for all Decision Codes.

CU*TIP: Remember that a decision is designed to be a recommendation, a guideline for staff and CU*BASE to follow for pre-approving credit union products and services. If a delivery channel is set up to do automated approvals based on the matrix (such as your home banking and external web-based channels), the system will only *pre*-approve a loan, assuming it is within the limit set in the matrix.

Other than that, however, the limits will not prevent a loan from being *created* that is outside of the approved limit on the decision. Nor will it stop a checking account or other product or service from being created just because your Approval Matrix has not marked them as approved.

CONFIGURING LOAN DELIVERY CHANNELS

Delivery channels feed your loan factory. Channels include CU*BASE, Home Banking, Lender on the Road, Retailer Direct, Dealer Track, and any other relationships you may have established.

> *CU*Answers is responsible for setting up the delivery channels; you just have to specify how they will behave. Some of these channels require customized programming, so if a particular channel is not listed in your configuration, contact a Client Service Representative to learn more.*

To receive full advantage from 247 Lender, you can configure which delivery channels will access the decision model automatically whenever a new loan application is submitted. (Remember that your filters will still have the final say in whether a model is run for a particular member.)

For example, when you first implement 247 Lender and are still learning how it will work for your member loans, you might run only CU*BASE loan apps through the model for your staff to examine. Later, once the model is working smoothly and your staff knows and trusts it, you would start running **It's Me 247** and other external apps through the model as well.

DELIVERY CHANNELS CONFIGURATION PREPARATION WORKSHEET

Use this worksheet to determine which loan applications will be run through the decision model, according to where the app originates.

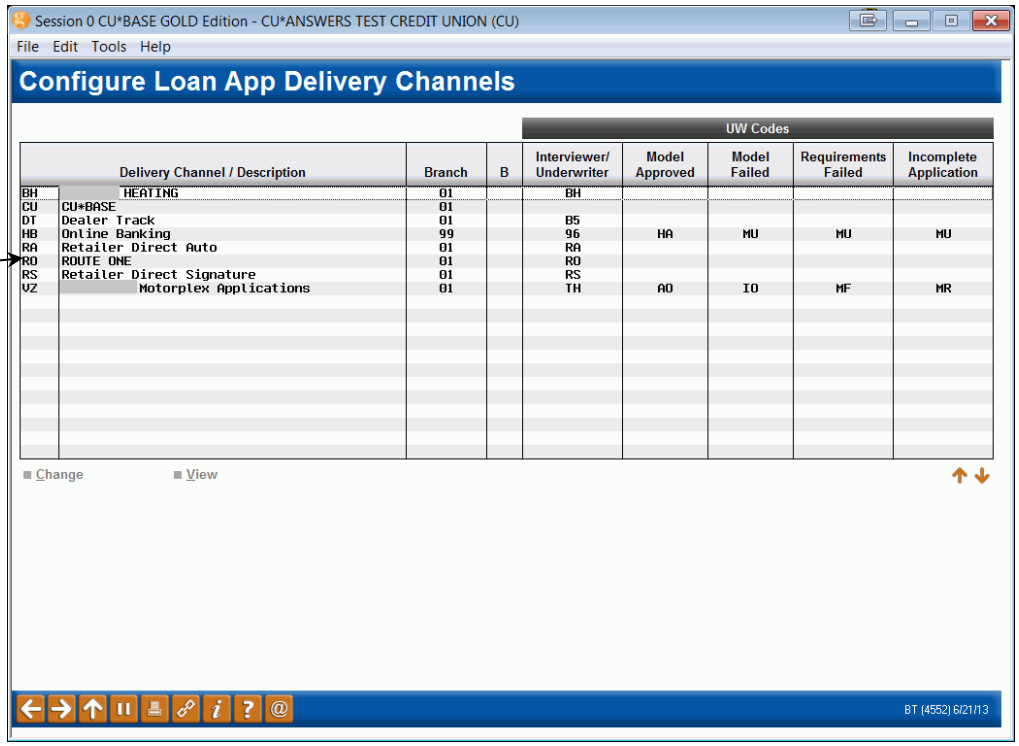
Delivery Channel	*Description*	*Pull a decision?*
CU*BASE Loan Processing	Applications created by your staff in CU*BASE	☐ Yes ☐ No
It's Me 247 Online Banking	Online loan applications submitted from **It's Me 247** as well as apps from outside of home banking, if you have a link to the online loan application from your website	☐ Yes ☐ No
Lender on the Road *(if applicable)*	Apps generated by your staff using a secure internet connection from a remote location, such as a boat show	☐ Yes ☐ No
Retailer Direct *(if applicable)*	Apps submitted through a custom-designed website used by a third-party indirect lender, such as a trusted partner auto dealership	☐ Yes ☐ No
Dealer Track *(if applicable)*	Apps submitted through the Dealer Track® system (if your credit union has a contract with Dealer Track)	☐ Yes ☐ No

CONFIGURING DELIVERY CHANNEL SETTINGS

Loan Delivery Channel Configuration (Tool #462), Screen 1

The channels shown will vary depending on what has been set up for your credit union. For example, you may or may not have the "Dealer Track" channel, or you might have a custom Retailer Direct channel with a local indirect lending partner.

Contact us if you are interested in adding more delivery channels for your loan factory!



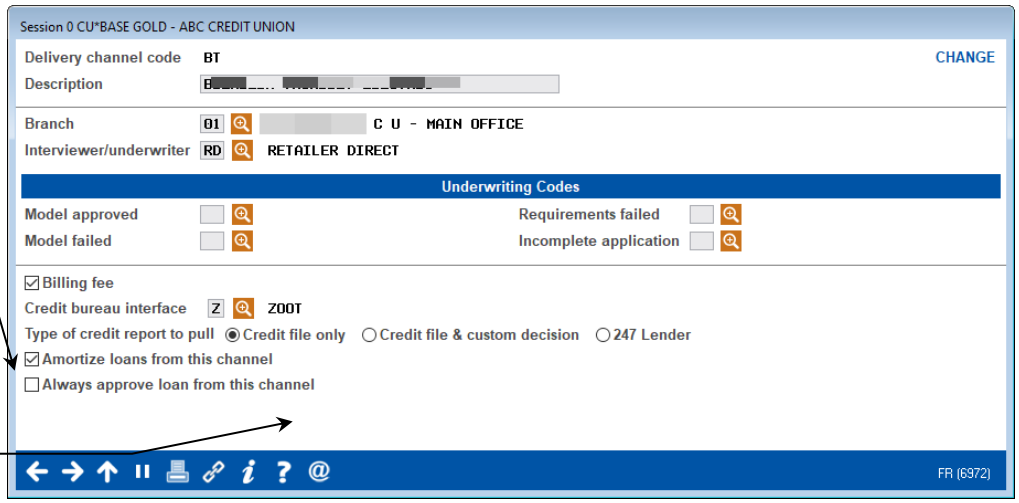
Select the delivery channel, such as Online Banking, and click ***Change*** to proceed to the second screen.

Screen 2

BE CAREFUL: If this flag is checked, ALL apps from this delivery channel will be automatically approved. Factors normally employed in the decision process are ignored when this flag is turned on. (This was designed for an indirect lender that had a guaranteed buy-back arrangement with the CU.)

Refer to CU*BASE GOLD Online Help (click i while working on this screen) for details about what should be entered into these fields.

Do, however, make sure that a code has been filled in to ALL of these fields for any channel that will use 247 Lender.



Use the *Type of Credit Report to Pull* field to indicate the type of credit report should be pulled by this particular delivery channel:

(10) Credit File Only - Use this for channels where you do NOT want loan apps automatically run through the decision model. *For example, when you are first getting used to the model, you might want to use this type for home banking or other third-party channels until you and your staff get more comfortable with the model and trust the results for external channels.*

(15) 247 Lender - Use this for channels where you DO want loan apps automatically run through the decision model. *For example, when you first implement the model, you may want to use this type only for your CU*BASE internal channel for a while as you and your staff get more comfortable with the model and learn how it works with your incoming apps.*

IMPORTANT: Changing this setting to 15 will NOT activate 247 Lender for this delivery channel. It simply sets the standard for how this channel will behave when 247 Lender is activated. In the meantime, the system will continue to behave as if a code 10 had been entered.

> *Code **(11) Credit File & Custom Decision** is to be used only by credit unions that have a custom decision model other than 247 Lender. Contact a Client Service Representative for assistance before using this code.*

Finally, make sure all fields in the Underwriting Codes section are filled in for any channels that will be pulling a decision. (Refer to CU*BASE GOLD Online Help. Click while working on this screen.)

CONFIGURING RISK-BASED PRICING

Risk-based pricing lets you set a loan rate that directly corresponds to the credit union's risk in lending to a particular member. Although using 247 Lender does not require your credit union to adopt risk-based pricing for your loans, adopting a decision model is the perfect time to implement a risk-based pricing plan as well.

Remember that these are *credit* scores direct from the bureau, not the special 247 Lender SAVANT score. You can specify up to 8 score ranges (tiers), although you do not need to use all of them. You can even create multiple configurations by risk level (paper grade) if you wish; however, most credit unions find that a single matrix is plenty and less confusing for staff to understand and maintain.

If you are using 247 Lender for automated decisions, only a single matrix of 5 or more tiers will be used, since the model has already analyzed factors such as paper grade to determine the member's eligibility.

> ***Not sure what score ranges to use?*** *To better understand how the 247 Lender scoring system might correspond to a risk-based pricing strategy, refer to the "Understanding the Portfolio Defense SAVANT Credit Scoring Model" technical white paper for some comparison worksheets run against actual member loans.*

RISK-BASED PRICING PREPARATION WORKSHEET

Use this worksheet to plan how you will price your loan products according to a member's credit (risk) score.

> ***Important:*** *Ranges need to be from 000 to 999 inclusive. Any score not included in your ranges will result in the member receiving the base rate for that product code.*

Product: _____

	Credit Score		
Tier	*From*	*To*	*Rate*
01	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
02	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
03	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
04	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
05	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
06	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
07	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
08	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %

Product: _____

Tier	*Credit Score*		*Rate*
	From	*To*	
01	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
02	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
03	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
04	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
05	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
06	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
07	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
08	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %

Product: _____

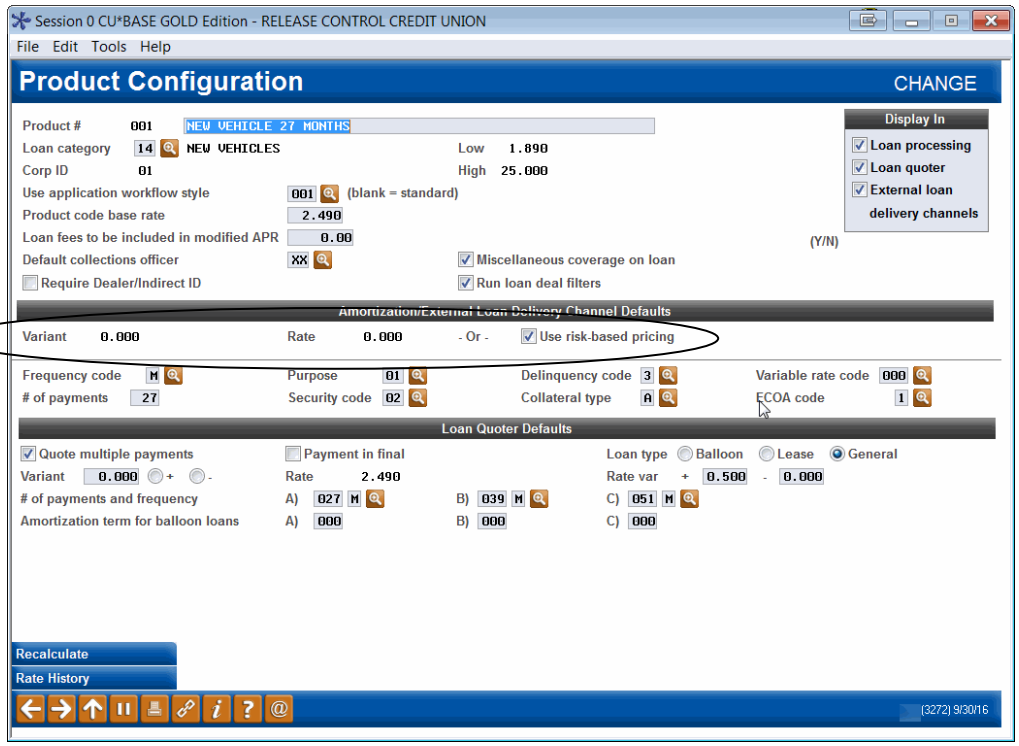
Tier	*Credit Score*		*Rate*
	From	*To*	
01	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
02	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
03	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
04	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
05	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
06	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
07	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
08	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %

Product: _____

Tier	*Credit Score*		*Rate*
	From	*To*	
01	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
02	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
03	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
04	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
05	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
06	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
07	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %
08	___ ___ ___	___ ___ ___	___ ___ . ___ ___ ___ %

Copy this page as needed to include all of the loan products you will be pricing according to credit score.

Loan Product Configuration (Tool #470)



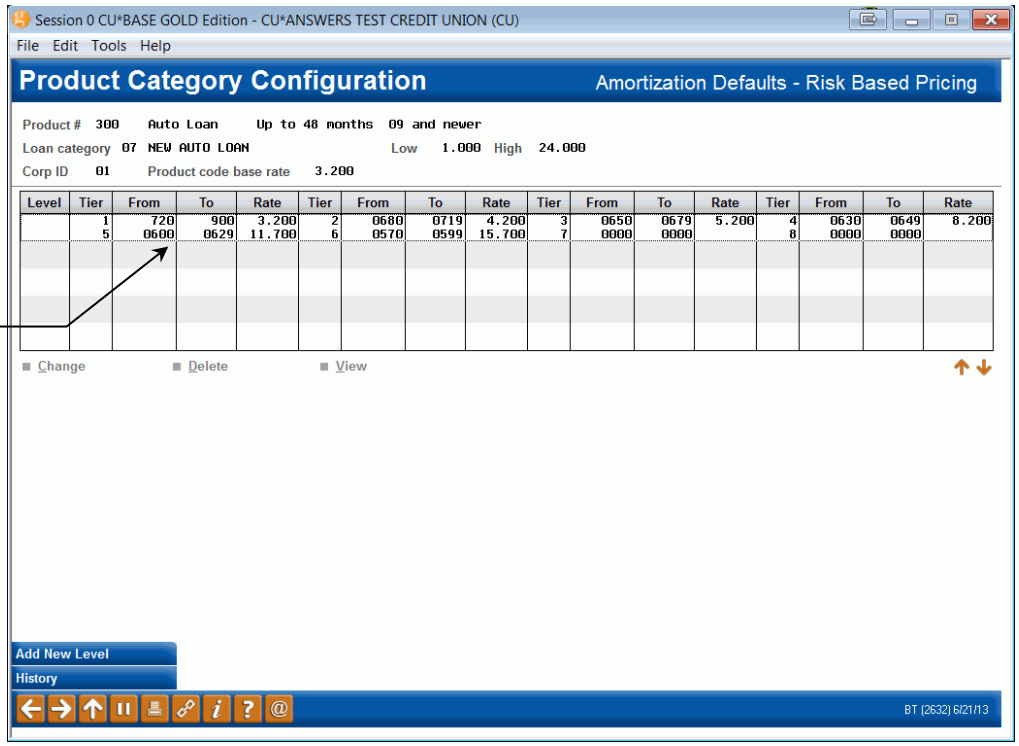
To set up risk-based pricing, clear the *Interest rate* field, check the *Use risk-based pricing* flag, and then use Enter to proceed to the next screen.

> *Remember that risk-based pricing is independent of 247 Lender because it looks strictly at a member's credit score. Therefore, any changes you make will take effect* ***immediately*** *for all new loans where a credit report has been pulled.*

Risk Based Pricing (Press Enter several times)

IMPORTANT: Only ONE level of pricing can be used by 247 Lender. Be sure to **remove any additional levels** you may already have set up.

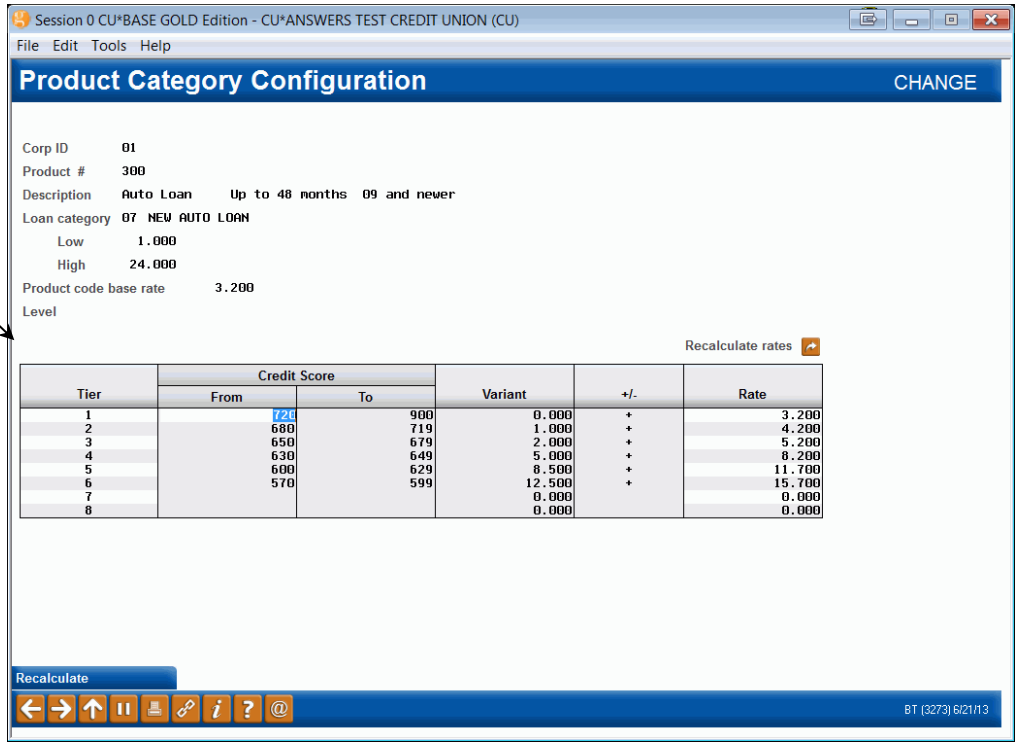
The "level" should be left blank to work properly with 247 Lender.



If no risk-based pricing has been set up yet, use ***Add New Level*** (F6) to proceed to the third screen. If you have already set up pricing, make sure you have ONLY ONE level configured (with a level indicator of blank) if you plan to run this product through the 247 Lender Decision model. To modify an existing level, select it in the list and use ***Change*** to proceed to the third screen.

Screen 3 - Risk-Based Pricing Detail

Level will need to remain blank if using 247 Lender (although a level 1 will work as long as you don't have any other levels configured).

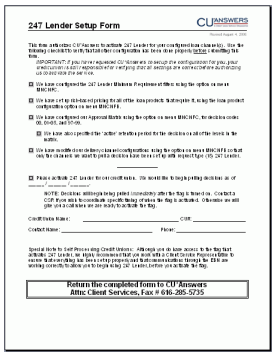


On this screen, you can use up to 8 different tiers to represent different credit score ranges. Remember that these are regular risk scores, NOT the SAVANT scores from the 247 Lender model. After entering the score ranges and rates, use Enter to save and return to the previous screen. From there, simply use Enter (without selecting anything) to proceed through additional loan product configuration screens.

> ***Not sure what score ranges to use?*** *To better understand how the 247 Lender scoring system might correspond to a risk-based pricing strategy, refer to the "Understanding the Portfolio Defense SAVANT Credit Scoring Model" technical white paper for some comparison worksheets run against actual member loans.*

ACTIVATING 247 LENDER

Once all of your configuration tasks have been completed, a Client Service Representative must "flip the switch" to activate 247 Lender for your configured delivery channels.

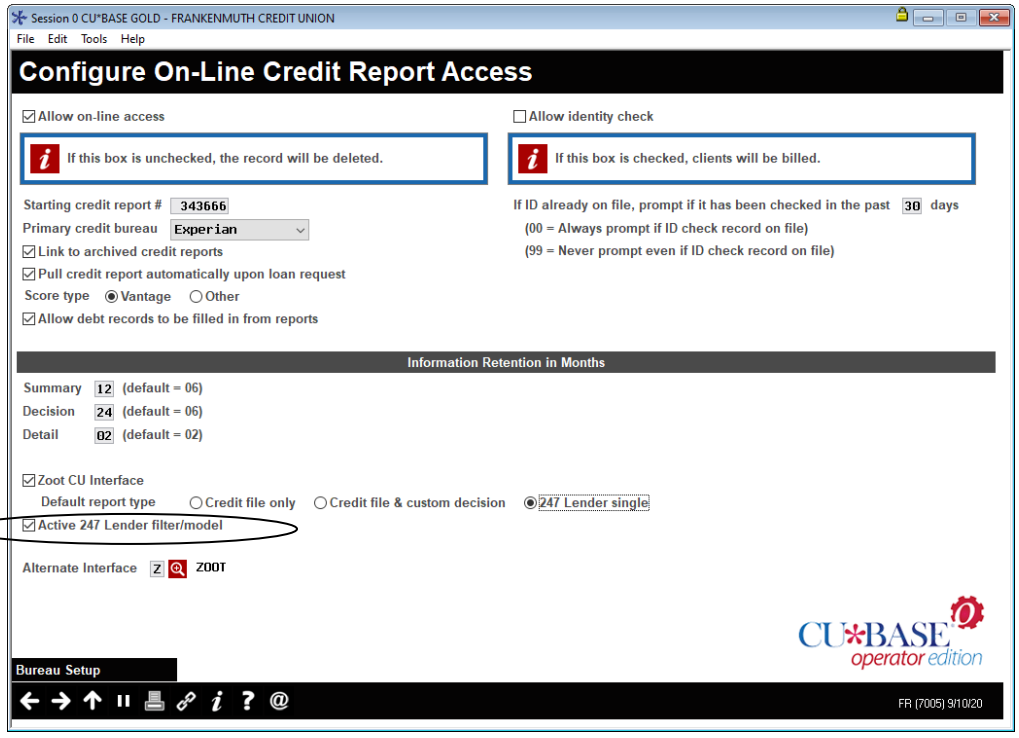

247 Lender Setup Form

CU ANSWERS

Return the completed form to CU Answers
Attn: Client Services, Fax # 616-285-5735

To authorize us to activate 247 Lender, you will need to complete the "**247 Lender Setup Form**" which contains a checklist of all configuration tasks outlined on the previous pages.

> *Even if you have asked CU*Answers to complete the configuration for you, your credit union is still responsible for verifying that all settings are correct and that you are ready to begin running loans through the decision model.*

The screen shown below is not accessible to online credit unions, but illustrates the method by which the 247 Lender feature is activated.

MNOP09 #7 "Online Credit Bureau Config"