Skip-a-Payment for
Online Credit Cards

**INTRODUCTION**

Now 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.

Using **Tool #317 Credit Card Skip-a-Payment Configuration**, 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 who qualify won’t have a transfer that month.)

Member-elected Skip-a-Payment is also available for credit card loans in **Tool #820 Skip-a-Payment Program Configuration**. Read more about Skip-a-Payment options in the booklet, “Member-Elected Loan Skip-a-Payment”.

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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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TIMELINE OF THE PROCESS

This section of the manual outlines an overview of the steps (configured and automatic) which happen in the course of a CU*BASE Batch Skip-a-Pay Program. Refer to sections within this book for detailed descriptions on each step.

1. The credit union configures a Skip-a-Pay program (for each online credit card loan category offered) which details the month the batch program will be run, indicates which online credit card category is affected, composes the text the members see in their credit card statement, and sets the exclusions (which members will not be included in the batch offering).
   - These programs must be configured during the month prior to month when the offer will be extended. For example, if a credit union wants to offer a holiday Skip-a-Pay on the December statement, this step should be completed early in the month of November. That way members will receive a Minimum Balance due of $0.00 and a message alerting them of the Skip-a-Pay offer on their December credit card statements.

2. The credit union then runs a simulation of the batch program and CU*BASE generates two “Simulation” reports, one listing the members who will receive the Skip-a-Pay offer and another listing the members who will not receive the offer.

3. The credit union has the option of adjusting the Skip-a-Pay program based on the results of these “Simulated” reports. These changes must be completed prior to the last day of the month. It is recommended that this step is completed a few days prior to month end.

4. During Beginning-of-Day on the last day of the month (in our example, this would be BOD on November 30th since November has 30 days) CU*BASE automatically runs the programs scheduled for that current month and adds a payment change record to included accounts. CU*BASE generates “Update” versions of the reports, which are sent to the credit union’s OUTQ. These reports list members who are scheduled to receive the Skip-a-Pay offer, as well as those who are not scheduled (and will not receive the offer).

5. During the last day of the month (during November 30th) the credit union can add or remove individual payment change records using Tool #51 Miscellaneous Loan Maintenance.

6. At end-of-day on the last day of the month (still November 30th) CU*BASE processes the batch program. Accounts that are included are updated so that a minimum payment of zero is posted. This information is recorded in the transaction history of the account. Additionally, these accounts are marked appropriately for statement processing.

7. At beginning-of-day on the first of the month the scheduled payment date of accounts with a zero payment amount are current are advanced ahead a month.
8. When CU*BASE runs statement processing, the members included in the batch program will have the following adjustments made to their credit card statements: their minimum payment will be set to $0.00, and they will receive a statement message (which will appear below the transaction record) alerting them to the fact that they can elect not to pay during that current month. This statement message will also alert members that finance changes will still accrue during this period.
CONFIGURING A PROGRAM

Credit Card Batch Skip-a-Payment Configuration (Tool #317)

Use this screen to begin configuring your programs. The screen lists previously scheduled programs, with their scheduled run dates (if any exist). To configure a new program, use F6-Add (or use the Copy option to create a program based on one that is already created).

“Add” (F6)

Select the online loan category and indicate the month the offer will be extended here.

See the following note on this statement message as well as an example of what it looks like on a member’s credit card statement.

- For more information on the fields on the previous screen, refer to the CU*BASE online help by clicking on  in the lower right hand corner of the screen.

- **WARNING:** Caution should be taken making edits to a skip pay program, especially if the change is made on the last day of the
month. Contact SettleMINT EFT if you wish to make changes to the configuration of your skip pay program.

**EXCLUDING A MEMBER FROM QUALIFYING FOR SKIP PAYMENT PROGRAMS**

You can elect to block members from being included in skip-pay program (even though they otherwise might qualify). Access Tool #15 Update Membership Information (Shortcut: umbr) and check Block from skip-pay program on the final membership screen. Once this box is checked the member is excluded from all skip-pay programs.

**EXAMPLE OF STATEMENT TEXT**

Below is an example of the marketing text that a member will see on his or her credit card statement. This message will appear below the transaction records, as a zero dollar transaction message. It will not appear at the top of the statement, since not all members will receive this Skip-a-Pay message.

- Note: Regulations require that you alert members that finance charges will continue to accrue during the month the Skip-a-Pay is offered.

**Example of Statement**

- Note: Regulations require that you alert members that finance charges will continue to accrue during the month the Skip-a-Pay is offered.

<table>
<thead>
<tr>
<th>Account Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Number</td>
<td></td>
</tr>
<tr>
<td>VISA CLASSIC</td>
<td></td>
</tr>
<tr>
<td>Statement Date</td>
<td>12/31/2008</td>
</tr>
<tr>
<td>Payoff Amount</td>
<td>$7,446.46</td>
</tr>
<tr>
<td>Minimum Payment</td>
<td>$0.00</td>
</tr>
<tr>
<td>Payment Due Date</td>
<td>1/25/2009</td>
</tr>
</tbody>
</table>

- Note: Regulations require that you alert members that finance charges will continue to accrue during the month the Skip-a-Pay is offered.
RUNNING A SIMULATION

Once the program is configured, you will move to another screen that will allow you to run simulation of the project run to identify how many members are affected. This will generate two reports, one of members who qualify and one of members who do not. These reports are printed on demand as well as being archived in CU*SPY under the Miscellaneous category.

Skip-a-Pay Batch Confirmation

Run the simulation by pressing Enter. The following two reports will print.

Report of Qualifying Members

<table>
<thead>
<tr>
<th>Member No</th>
<th>Social Suffix</th>
<th>Card Class</th>
<th>FC</th>
<th>C</th>
<th>Current</th>
<th>Credit</th>
<th>Open DLQ</th>
<th>DLQ Over</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

---END OF REPORT---
After reviewing these reports, credit unions can choose to adjust their programs to include more members or to exclude more members. Once the changes have been made, the credit union can run additional simulations to create reports on the changes.

**Skip-a-Pay Projects List**

To do this, simply return to the program list screen, select the project you wish to adjust by using the Change option. Once the changes have been made, return to this screen, select the program and the Run Simulation option. This will advance you to the report generation screen again.

We recommend you complete your adjustments at least a few days prior to month end so that everything is in place for the automated processing of the program during beginning of day on the last day of the month.
During Beginning-of-Day on the last day of the month, CU*BASE processes the programs scheduled for that particular month and prepares CU*BASE for the final posting that takes place during End-of-Month (EOD that same day). At this time, CU*BASE creates a payment change record of $0.00 for every account included in the program. Final reports are also posted to the credit union’s OUTQ, listing the members who received this treatment, as well as those that did not. These are similar to the Simulation reports; however the title of the report is Update instead of Simulation. On both reports, the “Error” figure indicates the number of members who did not receive a payment record, while the “Wrote” figure indicates the number of members who did receive a payment change record.

Report of Qualifying Members

<table>
<thead>
<tr>
<th>Member No.</th>
<th>Card Type</th>
<th>Current Credit</th>
<th>Open DLQ</th>
<th>DLQ Over</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Accounts to be excluded (T/H/W):

- T: Delinquent 1 day or more on statement generation
- H: Delinquency 2 days or more over life of loan
- W: Accounts with no due

Accounts currently over limit

- 0: Zero

Balance currently % of available credit limit or more

- 0: Zero

Negligible limit exists on account

- 0: Zero

Traces code present

- 0: Zero

Organizational accounts (Q/DEFT-40)

- 0: Zero

BE AWARE OF YOUR MEMBERSHIP... AND WOULD LIKE TO REMIND YOU...

AS A REMINDER FOR YOUR CREDITED MEMBERS, YOU DON'T HAVE TO MAKE A
It is important to leave time to review these reports during the day. Last minute changes in accounts, for example newly delinquent loans (or for that matter delinquent loans that have been paid!) may make small changes in the accounts that appear on these reports versus those on the Simulated ones.

During the day, the credit union has the option of removing the payment change record from individual accounts so that these accounts are not included in the final Skip-a-Pay offer. Or the credit union can choose to add payment change records to accounts that were not included, thereby including these members in the Skip-a-Pay offer. Step-by-Step instruction on how do this are included in the next section of this book.

Then during End-of-Month (EOD of that day), the CU*BASE posts a zero dollar payment as configured. The minimum payment for these accounts is then set to $0.00 and the payment date is advanced ahead a month.

Then when statement processing is run, the accounts included in the batch receive the following treatments: The accounts’ credit card statements list a minimum balance of $0.00 and the statement message, configured in the original program, is added to the statement below the transaction descriptions. Because some members will not receive a Skip-a-Pay offer, the statement message does not appear at the top of the statement. (To view an example of the statement message see page 6.)
EDITING THE BATCH PRIOR TO POST

During the last day of the month, a credit union can choose to add or remove payment records to individual credit card accounts. The presence of these records determines if the account is included in the Skip-a-Pay program. The credit union might choose not to extend the offer to a particular member who was included or choose to include a member who was not included in the Skip-a-Pay batch. To edit payment records prior to posting, use Tool #51 Miscellaneous Loan Maintenance, then Payment Changes. This same screen is used to add or remove a member.

REMOVING A MEMBER FROM THE BATCH

If a member is included in the batch, he or she will have a next scheduled payment of $0.00 as shown below.

To remove this zero dollar payment, enter the date of the payment and press Enter. Then delete this $0.00 payment by selecting the payment and then Delete. The member will be removed from the batch.

ADDING A MEMBER TO THE BATCH

This same screen is used to include a member in the batch. In this case a next payment amount of $0.00 will need to be added by entering the last day of the month and adding a $0.00 to the payment amount field. Press Enter to add the payment record to the credit card account.
VIEWING THE SKIP-A-PAY RECORD IN CU*BASE

Once a Skip-a-Pay program is posted, CU*BASE records the action in the Inquiry view of the loan account:

The amount due on this loan is set to $0.00 and the next payment has advanced to the next month.

The payment history also records a zero dollar payment. Select Credit Card Inq. (F10), then History (F5) from the previous screen to view the record of this payment:
Notice how the Current Minimum Due is set to $0.00.