
Standards for Social Security Numbers (SSN) in CU*BASE

INTRODUCTION

This document describes the importance of the Social Security Number (SSN) for the internal working of the CU*BASE member processing system, tips for handling members who have not been assigned this number by the Social Security Administration, and instructions on how to modify the SSN on an existing record.

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For an updated copy of this booklet, check out the Reference Materials page of our website:
http://www.cuanswers.com/client_reference.php
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How CU*BASE Uses Social Security Numbers

All of the CU*BASE database files that store information about people and their relationships with the credit union contain a field for **Social Security Number**. This field is used throughout CU*BASE, including:

- For membership information in the MASTER and MSHIST (closed memberships) files;
- For non-member information in the MSNONMBR file;
- As a link between relationships such as joint owners, co-borrowers, and IRA beneficiaries;
- As the key identifying field in the Household Database;
- For backup withholding and tax reporting;
- For credit bureau reporting;
- And for other specialty applications such as the Financial Institution Data Match (FIDM) program.

Invalid or duplicate SSNs can cause significant problems with many of these systems, leading to incorrect reporting to the IRS, backup withholding issues, incorrect routing of delinquency notices, and errors in your credit union's credit bureau reporting (or no reporting at all). Therefore, the integrity of Social Security Numbers (SSNs) in CU*BASE files is especially important, whether creating new member and non-member records or converting files from another platform to CU*BASE.

Occasionally the need will arise for a credit union to create a member or non-member record for an individual who has not been assigned a SSN by the Social Security Administration (such as a foreign college student, a member wanting a foreign citizen to be named as beneficiary or joint owner, etc.). There may also be cases where a member wants to add an IRA beneficiary or joint owner but does not have access to the SSN for that individual. It is imperative that credit unions use a standardized method for assigning an "imitation" SSN to these individuals for use by CU*BASE, so as not to overlap legitimate numbers used by actual members and non-member relationships.

In addition, the credit union must regularly monitor these imitation SSNs to avoid duplication and to update the appropriate CU*BASE records whenever an actual SSN becomes available.

IMPORTANT NOTE: *For the purposes of this discussion, a "duplicate" SSN is one that is shared by more than one individual person. CU*BASE does allow for a member to have more than one membership account with the same SSN, but that SSN still represents the same person. Where duplicates become a problem is when the same SSN is set up to represent more than one person.*

SOCIAL SECURITY NUMBER

ALLOCATION STANDARDS

From the Social Security Administration web site:

“SOCIAL SECURITY NUMBER ALLOCATIONS: Since 1973, social security numbers have been issued by our central office. The first three (3) digits of a person’s social security number are determined by the ZIP Code of the mailing address shown on the application for a social security number. Prior to 1973, social security numbers were assigned by our field offices. The number merely established that his/her card was issued by one of our offices in that State.”

The SSA web site contains a list showing the numbering schemes for the first three digits used by each state. This may be helpful when attempting to verify a member’s SSN. Please refer to the following web site:

<http://www.ssa.gov/employer/stateweb.htm>

Other historical information about the issuance of Social Security numbers can be found on the SSA website:

<http://www.ssa.gov/history/ssn/geocard.html>

According to the list obtained on this web site, there are several numbering schemes that have not been assigned or planned for the future, and therefore could be used for “imitation” SSNs in CU*BASE.

ASSIGNING SOCIAL SECURITY NUMBERS

When creating a new membership, or setting up a non-member record for any reason (IRA beneficiary, joint owner, co-borrower, etc.), if the individual cannot provide a valid SSN, the credit union should assign the next available imitation SSN using the following numbering schemes:

- 993-00-xxxx** Members without a SSN
- 995-00-xxxx** Co-Borrowers/Additional Signers (non-members) without a SSN
- 997-00-xxxx** Joint Owners and IRA Beneficiaries (non-members) without a SSN

Obviously, if a non-member has already been entered on the system as a joint owner or IRA beneficiary using a 997-00-xxxx SSN, use that number when setting up a co-borrower record (or vice versa). The main reason for differentiating co-borrowers from other types of non-members is because of the unique issues associated with credit bureau reporting and delinquency notices. Using a different numbering scheme for an individual that is strictly set up as a loan co-signer will make it easier to identify and monitor these records.

LOOKING UP THE NEXT AVAILABLE IMITATION SSN

1. From **Tool #3 Open/Maintain Memberships/Accounts** or **Tool #997 Work With Non-Member Database**, use **Global Search** (F11) to display the following screen:

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

File Edit Tools Help

Global Search All

Search Criteria

Last name First name DBA name

SSN/TIN 6 digits Card # Account

Employee # Reference

Create Imitation SSN Show Mbr/NonMbr/All Closed Members

← → ↑ || ⌂ 🔗 i ? @ FR (4435) 8/05/13

CU*TIP: Make sure to use Global Search when looking for an unused SSN. Regular Member Inquiry and Phone Software will not include non-member records.

3. Use **Create Imitation SSN** (F9) to move to the following screen.

Session 0 CU*BASE GOLD Edition - Create Imitation SSN

Type of SSN to create

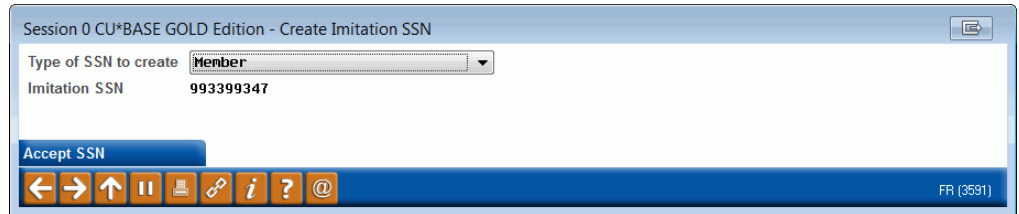
Imitation SSN 00000000

Accept SSN

← → ↑ || ⌂ 🔗 i ? @ FR (3591)


4. From the drop-down menu, select the type of imitation social security number you want to select: *Member*, *Co-borrower/additional signer* or *Joint owner & IRA beneficiary*.

4. Press Enter and the next available Social Security Number will be generated based on the previous selection. Here we have selected to create an imitation SSN for a member.



5. Use *Accept SSN* (F5) to accept the Social Security Number.

*HINT: These tips are also available in CU*BASE GOLD*

Online Help (Click  while working on the Global Search screen, or use Search or Index keyword "SSN").

SPECIAL NOTES FOR THE LOAN DEPARTMENT

If a member or non-member record is created using an imitation SSN (such as for a foreign citizen), it is important that certain settings be changed in order to prevent invalid reporting or errors in daily CU*BASE processing.

REPORTING TO THE CREDIT BUREAUS

The SSN is particularly important when reporting account information to the credit bureaus. If an invalid SSN is included in the monthly credit report tape, it may result in the entire tape being rejected. The credit bureaus routinely verify incoming data against existing files, and discrepancies between the information reported on the tape (name, address, etc.) and their files are checked carefully. If too many discrepancies are found, the entire tape is rejected. This affects ALL online credit unions, as all are included on the same credit bureau report tape.

Imitation SSN on a Primary Borrower

If the primary borrower uses an imitation SSN, use these steps to prevent the account from being reported on to the bureaus:

1. Use **Tool #20 Update Account Information** and enter the loan account number, then click **Credit Reporting Information**.

This box should be unchecked if this member does not have valid SSN.

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

File Edit Tools Help

Credit Bureau Reporting Information

Report to credit bureau

Credit Bureau Information

Credit bureau comments

Status

Consumer information indicator

Compliance condition code

Blanking out a consumer information indicator does not remove it. Use specific codes to accomplish removal of indicator.

Save

Skip

Navigation icons: back, forward, up, down, home, search, help, refresh

FR (2455) 8/05/13

2. Remove the checkmark from the *Report to credit bureau* box.

Imitation SSNs on Co-Borrowers

In addition, if a loan account has one or more co-signers, and any co-signer SSN is duplicated in the credit union's member or non-member files, the system will pull the name from the first record it finds in the file that matches that SSN. This may not be the actual person listed as the co-signer, in which case the record would be considered as a discrepancy by the credit bureau.

Because of these potential problems, you must monitor all loan accounts for any that have co-signers that have not been verified as having unique, valid SSNs. These additional signer records should be modified so that they DO NOT report to the credit bureau, until the co-signer SSNs can be verified and the files cleaned up to eliminate the duplicates.

Follow these steps to control whether a co-borrower is reported on your credit union's monthly credit bureau tape:

1. Use **Tool #51 Miscellaneous Loan Maintenance** and enter the loan account number. Then choose *Additional Signers* and use Enter to display the Additional Signer Summary screen.

HINT: For a pending loan application, access the loan application via the "Work With Existing Loan Request" Action Code (WE), choosing "Complete Loan App" on the Loan Recap screen. On the first page of the loan application, click the "Additional Signers" button to display Additional Signer Summary screen.

2. From the Additional Signer Summary screen, select the co-signer name in the list and use Enter or Select to display the following screen:

This checkbox lets you choose which co-signers (if any) are reported to the bureau. Up to 2 additional signers can be included.

The screenshot displays the 'Additional Signer Maintenance' interface. At the top, it shows the loan account '512 TERRI M JONES' and category 'NEW CAR LOANS'. The 'Additional Signer Information' section for 'LUCY PEANUT' includes fields for Name, Address ('1 GREAT PUMPKIN'), City/State/ZIP code ('PATCH HI 55554'), and Phone ('(616) 555-0812'). The 'Additional signer sequence' is '001'. Under 'Send notice when loan reaches delinquency', 'Level 1' is selected. A checkbox labeled 'Report to credit bureau' is checked. The 'Credit report #' is '0000000'. At the bottom, a warning message reads: 'Warning: Clearing a Consumer Information Indicator does not remove it. Use specific codes to accomplish removal of indicator.'

3. Remove the checkmark from the *Report to credit bureau* field.

NOTE: Up to 2 co-signers can be included on the credit reporting tape; if necessary, use the above steps to activate the flag for a different co-signer.

DELINQUENCY NOTICES FOR CO-SIGNERS

Like credit reporting, duplicate SSNs can cause problems when printing delinquency notices. When printing a delinquency notice for a co-signer, the system will locate the name and address from the first record it finds with that SSN. If there is more than one person in the file with the same SSN, the notice may be addressed to the wrong person. This not only causes confusion but potentially violates member privacy by reporting loan account information to an unauthorized person.

Therefore, if a loan co-signer shares a SSN with any other member or non-member record, it is important that **the additional signer record be modified so that delinquency notices are NOT generated for that signer:**

1. Choose **Tool #51 Miscellaneous Loan Maintenance** and enter the loan account number. Then choose *Additional Signers* and select the co-signer to display the Additional Signer Summary screen.

HINT: For a pending loan application, access the loan application via the “Work With Existing Loan Request” Action Code (WE), choosing “Complete Loan App” on the Loan Recap screen. On the first page of the loan application, click the “Additional Signers” button to display Additional Signer Summary screen.

2. From the Additional Signer Summary screen, select the co-signer name in the list and use Enter or Select to display the following screen:

This should be set to *Send no notices* (zero) for any co-signers with an invalid or duplicated SSN, to prevent delinquency notices from being sent to the wrong

3. Change the *Delq Level* flag to 0 for this co-signer, then use Enter to save. Remember that this can be changed to a different level later if the co-signer is updated to use a valid, non-duplicated SSN.

TAX REPORTING FOR FOREIGN CITIZENS

The CU*BASE tax reporting system has been set up not to report tax information for foreign citizens—records where the *Foreign Citizen* flag is checked. For any members or non-members who have been assigned an imitation SSN due to their citizenship, be sure this flag is checked accordingly.

However, do NOT check this flag for U.S. citizens under any circumstances, even if you do not have a valid SSN. When this information is reported to the IRS as part of annual tax reporting, you will be expected to adhere to appropriate backup withholding regulations for that member's dividends.

MONITORING INVALID SOCIAL SECURITY NUMBERS

Obviously the most important way to keep your CU*BASE database in good shape is to establish clear, consistent rules and procedures to be used by staff as they create member and non-member records. But even with the most stringent adherence to these rules, there may occasionally be a situation where a duplicate or invalid SSN is entered into your files.

Therefore, it is important that a routine task for someone at your credit union be to review your key member and non-member files for duplications and make corrections as appropriate. The frequency of this depends on the size and activity level of your credit union, but the sooner these duplications are found, the easier the corrections will be and the fewer potential consequences there will be.

RUNNING THE SSN VERIFICATION REPORTS

Use **Tool #682 Print SSN Verification Reports** to produce the following two reports: one showing multiple SSNs within the MASTER file that have different names, and the other showing duplicates between the MASTER and MSNONMBR files.

Report 1 - Duplicate SSNs within the MASTER File

SSN	ACCOUNT1	NAME1		ACCOUNT2	NAME2		LSSNNM1	PAGE	1
2/10/04 8.59.37 CU*BASE TEST CREDIT UNION LIST DUPLICATE SSN W/DIFF NAMES IN MASTER FILE									
089999999	5079706	HOME ENHANCEMENTS BY MARY DOE		8302807	DOE	MARY	L		
099999999	4341802	MEMBER JOHN	Q	4218008	MEMBER	SUSIE	Q		
119999999	999999999	CU*BASE TEST CU POSTING		11354	JONES	MONICA	M		YES
129999999	999999999	CU*BASE TEST CU POSTING		11355	JONES	MONICA	M		YES
139999999	999999999	CU*BASE TEST CU POSTING		11366	JONES	MARK	J		YES
149999999	11281	MEMBER MICHAEL	P	11316	MOORE	DAWN	M		YES
159999999	7939	JOHN DOE TRUST		4306700	SMITH	ETHEL	M		
299999999	5375	MEMBERSKI WILLIAM	L	3423	BOY SCOUTS OF AMERICA TRO #603				
300000000	5375	MEMBERSKI WILLIAM	L	3206708	PARAMOUNT DIE CAST PICNIC FUND				
310000000	7261	CU*BASE TEST CU PR COMM		4018700	FIVE-F POLITICAL ACTION COMM.				

- Remember that in the MASTER file, the only “duplicate” situations that need to be corrected are where two records with the same SSN do not represent the same *person*. The report will include any records where the names do not match exactly. If the records truly do represent the same individual, to stop the record from appearing on the report, be sure to update both accounts so that the name is spelled exactly the same.
- A “YES” in the “CO-SIGN?” column indicates that the SSN is listed as an additional signer on a loan account. Use Global Search (see page 5) to view all relationships for this SSN in order to determine the correct course of action.

Report 2 - Duplicate SSNs between MASTER and MSNONMBR

2/10/04	8.59.46	CU*BASE TEST CREDIT UNION					LSSNM2	PAGE	1
LIST SSN FOUND IN MASTER AND IN NON-MEMBER FILES									
SSN	MASTER	NAME ON MASTER			NON-MEMBER	NAME ON NON-MEMBER			CO-SIGN?
111128499	8442606	SMITH	JUDITH	M	2368499	SMITH	JUDY		
111303599	5433243	JONES	REBECCA	L	93323599	JONES	REBECCA		YES
111524999	8743	MEMBER	TIFFANY	L	245352219	MEMBER	LISA	C	
111717299	4371	MEMBERSKI	DAVID	E		MEMBERSKI	DAVID		

- For this report, determine which of the records (Master or Non-Member) is the correct one, and either delete or modify the incorrect record. Contact a CU*BASE Client Service Representative for assistance in deleting the non-member record in these situations.

Use the instructions contained throughout this document to handle each occurrence of a duplication to keep your files clean and prevent errors.

MODIFYING A SSN

If an imitation SSN has been assigned to a member or non-member, and you later discover the correct SSN for that person, or if a correction needs to be made to a SSN, use the following steps to ensure that all related records are also updated properly throughout CU*BASE. **DO NOT CHANGE A SSN UNTIL STEPS 1-6 ARE COMPLETE.**

Remove Existing Links to the Incorrect SSN

1. **Delete all pending loan requests that are listed under the incorrect SSN.** Use the *Work with Existing Loan Request* (WE) action code in **Tool #53 Process Member Applications**, then use *Delete Loan Request* to clear the request and any associated application files. (For non-members, use *Pre-Mbrship Lending* (F14) on the entry screen to access pending loan requests.)

WARNING: *If the non-member record has already been deleted or the member SSN updated before the original additional signer record was deleted, it will not be possible to delete the additional signer record from the loan. As a workaround, if this happens, you must create a “dummy” non-member record with the old SSN, delete the additional signer record, and then delete the dummy non-member record.*

2. **Use Global Search to identify other relationships** the individual currently has with your credit union (additional signer, joint owner, IRA beneficiary, etc.). See Page 5 for a sample of the Global Search screen.
3. **Delete all additional signer records** from all loan accounts and pending applications to which the incorrect or duplicated SSN is attached as an additional singer.
 - For an *existing* loan account, use **Tool #51 Miscellaneous Loan Maintenance** to access the Additional Signer Summary screen. Select the signer name in the list to display the detail screen, and then use *Delete* (F4) to remove the record.
 - For a *pending* loan application, access the loan application via the *Work with Existing Loan Request* (WE) action code, choosing *Complete Loan Application* on the Loan Recap screen. On the first page of the loan application, click *Change Co-Applicant/Additional Signers* button and use *Additional Signers* (F12) to display the Additional Signer Summary screen. Select the signer name in the list to display the detail screen, and then use *Delete* (F4) to remove the record.
4. **Remove all IRA beneficiary records for this SSN.** If the individual with the incorrect SSN has been named as an IRA beneficiary on any other memberships, use **Tool #897 Update IRA Beneficiary Information** to clear any beneficiary records with this SSN.
5. **Remove joint owner links from other membership accounts to this SSN.** If the individual with the incorrect SSN has been named as a joint owner on any other memberships, use **Tool #15 Update Membership Information** to delete any joint owner records that use this SSN.

6. **Delete the individual from the household database.** Use **Tool #394 Household Database Maintenance/Stats** to access the household, and use **Delete** to remove the member from the household. (This will delete any household information already recorded under the incorrect SSN; you may wish to first print screens showing key data if you wish to retain it for future use.)

Update the SSN

7. **Correct the SSN in the member or non-member file.**
 - For a *member*, use **Tool #15 Update Membership Information** to access the membership record and change the SSN.
 - For a *non-member*, use **Tool #997 Work with Non-Member Database** to access the non-member record and delete it. (It is not possible to modify the SSN on a non-member record.) Then create a new non-member record with the correct SSN.

Restore Links to the Correct SSN

8. **Set up new co-signer records.** Return to Additional Signer maintenance on the loan record or loan application. Add a new co-signer record using the correct SSN.
9. **Restore IRA beneficiary records for this SSN.** If this individual should be listed as an IRA beneficiary on another member account, use **Tool #897 Update IRA Beneficiary Info** to reestablish any beneficiary records for this SSN.
10. **Restore joint owner links to other membership accounts.** If this individual should be listed as a joint owner on another member account, use **Tool #15 Update Membership Information** to restore any joint owner links to this SSN.
11. **Re-enroll into a household.** Enroll the individual into the household again using the new SSN. Use **Tool #394 Household Database Maintenance/Stats** to access the household, and use *Enroll/Add Members* (F6) to add the individual back into the household. Manually enter any data printed from the old record, as needed.

WARNING: *If you do not delete and re-enroll the member using the new SSN, the record will be shown as **NOT FOUND** in the household database and there may be problems with future activity using that household record.*

Because of the complexity involved and the potential number of reasons why a duplicate SSN would exist, this process cannot be safely automated. Therefore, these steps must be completed by a person knowledgeable not only about CU*BASE database files and how they interact with one another, but also with the member(s) and non-member(s) involved and how the records should be set up.

Establishing and following strict controls for how data is entered into CU*BASE in the first place should significantly reduce the need for this type of maintenance in the future.

SPECIAL SITUATIONS

ORGANIZATIONAL ACCOUNTS

Although organizations do not have Social Security Numbers, this account type does use the same field for a Tax ID Number (TIN), which also has 9 digits. A sample TIN: 38-1234567. (On most CU*BASE screens where member/non-member information is displayed, this field is shown as “SSN/TIN” and displays the 9 digits without any punctuation.)

As with individuals, CU*BASE requires that a valid TIN be entered when creating an organizational membership or non-member record for any purpose.


MATCHING SSN AND TIN

Although it is rare, it is possible for a member to share the same 9-digit SSN as an organization’s TIN. There is no coordination between the Social Security Administration and the issuing of tax ID numbers to organizations, so the same numbers can be allocated through both.

If your credit union happens to have both a member and a separate organization that coincidentally share the same 9-digit number, to avoid problems it is important that these accounts be marked so that they **do NOT report to the credit bureau**. (See Page 7 for instructions on setting this flag.) In addition, if any of these records are set up as additional signers, additional signer records should be set up so that **delinquency notices are NOT generated** for these co-borrowers. (See Page 8 for instructions.)

TRUST ACCOUNTS

CU*BASE GOLD Online Help contains recommendations for handling situations when a member wants to set up a membership where the primary member and the first joint owner are, in essence, the same person. This happens most often for trust accounts.

To view these recommendations, access CU*BASE Online Help (click  from any screen), enter “trust account recommendations” in the Search and select “Recommendations for Setting up a Trust Account” from the listing.