
Standards for Social Security Numbers in CU*BASE

For New Client Conversions

INTRODUCTION

This document is a companion to the “Standards for Social Security Numbers in CU*BASE,” and describes special rules and guidelines related to new-client conversions.

Social security numbers are vital to CU*BASE for both members and non-members. Therefore, it is critical that both member and non-member information in new client files be carefully reviewed for SSN integrity. Following are the key areas that will require special handling and should be reviewed starting early in the conversion process.

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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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SYSTEMS AFFECTED BY INVALID SSNs

CREDIT BUREAU REPORTING

As the credit reporting software builds the additional signer file (A2 Segment) it populates the file with the first occurrence of the co-borrower's Social Security number. If there is actually more than one record with that SSN, it could potentially grab information for the wrong person. This would be considered an error by the bureaus and could potentially affect the loading of the segment for ALL of our on-line clients.

DELINQUENCY NOTICES

Similar to credit bureau reporting, when delinquency notices are printed, the wrong person's name could be used if duplicate SSNs exist. Until the duplicates can be removed, it is important that these co-borrowers be marked NOT to receive a delinquency notice (see below for more information about co-borrower records).

FINANCIAL INSTITUTION DATA MATCH (FIDM)

Since this file is also keyed on the Social Security number, invalid or duplicate SSNs could affect the government's ability to interpret this file. (To date we have not encountered major problems, and so are unsure what the government's response would be to a large number of discrepancies, but assume the ramifications could be similar to credit bureau reporting.)

INSTRUCTIONS

MEMBERSHIPS

Duplicate SSNs within MASTER

Special verification is needed on converted MASTER files to ensure that multiple members do not share the same SSN. The SSN verification reports should be run to show all records where more than one membership shares the same SSN. Any duplicates that do not represent a member simply owning two memberships should be updated to use a corrected SSN or assign a unique imitation SSN as appropriate (see the “CU*BASE Standards for Social Security Numbers” document for details on the verification reports and procedures for making the change).

SSN Duplicates Between MASTER and MSNONMBR

Another verification that should be performed is to check for member and non-member records that share the same SSN. This could occur if co-borrowers, joint owners, and/or IRA beneficiaries are converted without appropriate cross-references by SSN.

In most cases, the non-member record would be deleted in favor of the member, or one of the records would need to be assigned an imitation SSN (see the “Standards for Social Security Numbers in CU*BASE” document for details).

NON-MEMBERS

Unlike the MASTER file, the non-member file uses the SSN as the key field to separate one record from another. Duplicates are not allowed within this file under any circumstances. Conversion programs that populate this file must prevent duplicates from being created.

JOINT OWNERS

If a credit union’s previous platform allowed for membership joint owners without SSNs, a plan of attack must be evaluated and discussed early in the conversion process. When membership joint owners are converted, CU*Answers will set up the records as follows (this pertains to membership joint owners, not joint owner names on sub-accounts).

NOTE: Membership joint owners will always be converted regardless of the existence of SSNs or cross-reference information.

If Joint Owner SSNs or Cross-Reference File is Available

- For joint owners that are also members, CU*Answers will create a cross-reference to the other member record.
- For joint owners that are NOT members, CU*Answers will create a non-member record for the joint owner name. Since the non-member file requires that a SSN be assigned, if no SSN cross-reference is supplied for non-member joint owners, the conversion program must assign an imitation SSN using the 997-00-xxxx numbering scheme. The system must look for the first unused number in that sequence and automatically increment for each new non-member added.

If Joint Owner SSNs or Cross-Reference File is Unavailable

- All joint owners will be added to the non-member file. Since the non-member file requires that a SSN be assigned, if no SSN cross-reference is supplied for non-member joint owners, the conversion program must assign an imitation SSN using the 997-00-xxxx numbering scheme. The system must look for the first unused number in that sequence and automatically increment for each new non-member added.

In either case, the SSN verification reports must be run after conversion is complete to identify those individuals and update the data to the correct SSN, where possible. In the case where all joint owners are entered as non-members, there will potentially be many duplications between the member and the non-member database. For joint owners that are also members, the non-member record would need to be deleted and a joint owner link added to the member record.

Remember that if a similar conversion is run for co-borrowers, there may be many duplicates in the non-member file, each having been assigned a separate imitation SSN. These must be cleaned up completely before any credit bureau reporting can be done or delinquency notices are sent.

LOAN CO-BORROWERS/ADDITIONAL SIGNERS

In some cases, Social Security numbers may not be available at the time of conversion for non-member co-borrowers. In addition, it may not be possible to obtain a cross-reference file for co-borrowers who are also members. Early in the conversion process, the client must be asked:

Is co-borrower information currently being reported to the credit bureau?

If yes, it may be possible for the previous data processor to provide a cross-reference file to obtain SSNs for these co-borrowers. In this case, the conversion programmer should populate the non-member record with the corresponding SSN and build a cross-reference table to the member record. The conversion coordinator would then validate them against the old database.

If no, or if the cross-reference is not thought to be reliable, the client has two choices:

1. Do not load the co-borrowers at all (entering them all manually after conversion), or

2. Load them by assigning a SSN using the 995-00-xxxx numbering scheme. With this option, the CU would need to understand that CU*Answers will not submit a tape to the credit bureaus until all of these accounts are either updated with correct SSN information, or marked specifically NOT to report to the credit bureau (see the “CU*BASE Standards for Social Security Numbers” document for instructions on setting this flag).

Co-Borrower Notices

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.** (See the “Standards for Social Security Numbers in CU*BASE” document for instructions on setting this flag.) Because of the potential of violating member privacy, the client must be notified that these flags will be set so that delinquency notices will not be generated for loans with co-borrowers until the final validation is completed and signed off by the client.

GENERATING HOUSEHOLDS

The credit union should NOT auto-generate households until all member and non-member records have been validated, all duplicate SSNs have been eliminated, and wherever possible, imitation SSNs have been converted to real, valid SSNs.

Although the auto-enrollment program can be run prior to this cleanup, and people will be assigned to the proper household in most cases, it will require a significant amount of maintenance to clean up the household database later as duplicates are found and valid SSNs discovered.

Remember that the integrity of the Household Database is critical to the credit union’s ability to roll out online loan applications through online banking. Members cannot fill out the full application unless they have been enrolled into a household.