

# Variable Rate Change

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# Do you use variable rates?

## When was the last time they have changed?

- Topics we'll cover...
  - Supported types
  - How to change your index
  - Reports



# Update Rates

- ▶ Frequently used for “introductory rates”
- ▶ Designed to be in place for a period of time when the loan is first created, and then “updated” to a different type of variable rate at a later date.
- ▶ Updates are automatic.



# Groups

- ▶ This variable rate is a “blanket” type of code, meaning that all loans coded with a Group code work and update the same.
- ▶ When a change is made to the rate on the Group code configuration, on the effective date of the change the system will update all loans that have that Group code.



# Contract

- ▶ Typically associated with the more sophisticated and complex products.
- ▶ Records update based upon their own individual configurations combined with the variable rate code configuration.
- ▶ Contract codes not only let you record individual parameters for each member's loan, they also let you notify your members that a rate change is coming, before the change actually takes place.



# Mini Contracts

- ▶ This feature lets you configure a Group variable rate code that for the most part behaves exactly like other Group codes, with some very important differences:
- ▶ Rate change caps can be set up to limit the member's exposure to large rate changes. You can define a per-change cap, an annual change cap, and a lifetime change cap, for each individual loan.
- ▶ Possibility to change every month based on Prime

# Prime Changed... Now What?

- ▶ Determine your variable rate code configuration
- ▶ See all codes at a glance on the main configuration page - MNCNFX #19

## Configuration Functions

Search for

### My Menus

- 5300 Call Report Tools
- ACH/Payroll Processing
- Audit Misc. Configurations
- Auditing Functions
- Back Office
- Check Processing
- Check/ATM Processing
- Collection Processing
- Configuration Functions
- CU\*BASE Main Menu

### Configuration Functions

- 1 \* Savings Products
- 2 \* Loan Products
- 3 \* General Configuration 1
- 4 \* General Configuration 2
- 5 \* Internet Member Services Config
- 6 \* ATM/Debit/Credit Card Configs

### Configuration Information

- 16 ● Print CD Configuration Report
- 17 ● Print Share Div Config Report
- 18 ● Print Loan Category Config Rpt
- 19 ● Print Loan Var Rate Config Rpt
- 20 ● Print CU System Configuration

# Rate Changes with an Index

- ▶ Loan Products Configuration menu
- ▶ Select option #2

## Loan Products

Search for

**My Menus**

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- CU\*BASE Report Builder 1

**My Shortcuts**

- Account Maintenance
- Acct Adjustment (Coded)
- Acct Adjustment (Full)
- Add Club Members
- ATM Check Digit Calc
- Calc Number of Days
- Calculate Check Digit
- Change Printer Outqueue
- Close Memberships/Accts
- Collateral - VIN# Lookup
- Collection Processing

### Loan Product Configuration

- 1 • Loan Category Configuration
- 2 • Variable Rate Code Configuration
- 3 • Purpose Code Configuration
- 4 • Security Code Configuration
- 5 • Collateral Type Configuration
- 6 • Loan Product Configuration
- 7 • Stock Type Configuration
- 8 • Stock/LOC Disb Value Adjustment
- 9 • Base Ratio Analysis Config
- 10 • Loan Application Text Config
- 11 • Underwriting Code Config
- 12 • Business Unit Configuration
- 13 • Medallion Collateral Config
- 14 • Re-Price Medallion Collateral
- 15 • Loan Workflow/App Check Config
- 16 • Skip-a-Payment Program Config

### Agent/Third Party Tracking

- 17 • Financial Institution Config
- 18 • Loan Denial Notices Agency Cfg
- 19 • Ln Insurance/Debt Protection Cfg
- 20 • Escrow Payee Config
- 21 • Collateral Insurance Agent Cfg
- 22 • Loan Delivery Channel Config
- 26 \* Collection Configuration
- 27 \* Online Credit Card Configs



# Locating your Index

Loan variable interest code

Variable rate type  Contract  Group  Update

## Loan Variable Interest Codes

Code	Description	Code	Description
001	OPEN END VEHICLE	017	1/1 INDEX +2.75
002	OPEN END BOAT/RVS	018	5/1 INDEX + 2.75
003	OPEN END MISC COLLAT	019	1/1 6-MO TBILL +2.00
004	OPEN END SIGNATURE	020	7/1 INDEX + 2.75
005	OPEN END SHARE SECUR	021	5/1 INDEX + 3.00
014	3/1 INDEX + 2.75%	022	7/1 INDEX + 3.00
015	HELOC - CE	023	7/1 INDEX + 4.00
016	HELOC-30 D PRIOR RAT	024	AUTO 6-MO TBILL+1.5%

■ Select

■ Select



## Update Index

## Variable Rate Index Codes

Code	Description
001	PRIME RATE CHANGE IMMEDIATELY
002	PRIME RATE QUARTERLY
003	1.00% OVER PRIME
004	1.5% OVER PRIME
005	2.00% OVER PRIME
006	2.50% OVER PRIME
007	3.00% OVER PRIME
008	3.50% OVER PRIME
009	4.00% OVER PRIME
010	.50% OVER PRIME
013	PRIME + 2.25%

# Calculate & Schedule Index Change

▶ Enter your new rate and effective date

Variable rate index code 002

CHANGE

Description PRIME RATE QUARTERLY  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Current		Pending	
Last rate change	3.250	New rate	0.000
Last index change	1.750 -	Index change	0.000
Last effective date	Jan 01, 2009	Effective date	00000000 [MMDDYYYY]
Recalculate payment <input checked="" type="checkbox"/>	Print notices <input checked="" type="checkbox"/>	<input type="checkbox"/> Recalculate payment	<input type="checkbox"/> Print notices

- Calc/Schedule Change
- Skip
- Delete

Last maintained Oct 18, 2011 By .R ROB MEIJER LND

# Non-Index Variable Rate Codes

## Variable Interest Code Definition

Variable interest code **019**

Description **PRIME + 2%**

Variable rate type **Contract**

Index code **000**

Index formula code  +  - **2.000**

Current		Pending	
Current interest rate	<b>5.250</b>	Pending interest rate	<b>0.000</b>
Last increm. change	<b>2.250 +</b>	Pending increm. change	<input type="radio"/> + <input type="radio"/> - <b>0.000</b>
Effective date	<b>Sep 25, 2015</b>	Change date	<b>00000000</b> [MMDDYYYY]
Prior rate	<b>5.250</b>		
Prior increm change	<b>2.500 +</b>		
Prior effective date	<b>May 23, 2011</b>		

# Changes are Complete. Confirm your Work.

- ▶ Print your loan variable rate configuration report
- ▶ MNCNFX #19

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# Daily System Generated Reports for Review

- ▶ Variable Contract Rate Loans - Pending Rate Change Register
  - ▶ PPENDC
- ▶ Introductory Variable Loan Change Report
  - ▶ PPENDI
- ▶ Variable Contract Rate Loans - Applied Pending Rate Change Register
  - ▶ PPENDU
- ▶ Variable Rate Contract Loans - Applied Payment Change Register
  - ▶ PPENDU1
- ▶ Variable Interest Rate Loan Change Report
  - ▶ USVIE



Questions?