Introduction

The CU*BASE Loan Write-off feature provides a way for credit unions to reclassify underperforming loans without giving up the ability to continue collecting on the loan and reduce potential losses.

In addition to automating and streamlining the procedure, the system will also take a snapshot of the loan status at the time of write-off. This history will allow for more detailed trend analysis, providing details such as the amount of funds collected while the loan was in a write-off status.

The tool also includes a separate function for automating the charge-off and account closing for uncollectible loans, including all related G/L entries. As with write-offs, the system will take a snapshot of loan status details for use in historical tracking and analysis.

The Write-off/Charge-off dashboard will let you monitor these loans for board approvals and compliance with your policies. It also gives your lending management valuable insight into your credit union’s efforts to manage balance sheet examiner concerns and your overall loan yield.

Assistance for this booklet was provided by CU*Answers Collections Services.
# Contents

**Understanding the Difference Between a Write-Off and a Charge-Off** ......................................................... 3

**Configuring Write-Off/Charge-Off Memo Types** ................................................................. 6

**Configuring Write-Off/Charge-Off Codes/Reason Codes** ................................................................. 7

**Writing Off a Loan** ................................................................................................................................. 10

  - Beginning the Write-Off Process .......................... 10
  - Determining Whether the Loan Is Still Collectible ............. 11
  - Maintaining Collateral ........................................ 12
  - Finalizing the Write-Off ......................................... 15
  - Adding Additional Comments to Tracker Note ................. 18
  - Closing a Credit Card During a Write-Off ....................... 21
  - Write-Off Process ............................................ 22

**Charging Off a Loan** ................................................................................................................................. 23

  - Charge-Off Process ................................................ 23

**Write-Off/Charge-Off Maintenance Feature** ................................................................................................. 28

**Analysis Tools: The Write-Off/Charge-Off Dashboard** ....................................................................................... 30

  - Written Off/Charge Off Analysis ............................... 32
  - Monitoring Your Board Approvals or Bankruptcies ............. 32

**Write Off Loan History Screen** ......................................................................................................................... 34

**Tracker Conversations/Comments** .................................................................................................................... 36

**Answers to Other Frequently Asked Questions (FAQ)s** .................................................................................. 38

**Appendix: LNWRTOFF File** ......................................................................................................................... 39
UNDERSTANDING THE DIFFERENCE BETWEEN A WRITE-OFF AND A CHARGE-OFF

What’s the difference between writing off a loan and charging one off? When it comes to CU*BASE tracking tools, it’s all about whether the debt is still collectible or not. In a nutshell, writing off a loan reclassifies how it appears in the system but still allows you to collect on the debt through all of the usual channels. It changes the accounting to declassify it as an interest-earning asset. This does not affect the contract itself. The contract is still fully in force. Charging off a loan is done when collectability is extremely unlikely and closes the account and writes off the entire remaining balance against your loan-loss G/L.

Tools to Manage Examiner Concerns

CU*BASE write-off/charge-off tools not only help you minimize your potential losses, they also help you manage examiner concerns related to your loan portfolio.

What do examiners want? First and foremost, examiners want good balance-sheet management and a credit union that recognizes the fair value of its loan portfolio every month. At the same time, a credit union must be diligent in not giving up on a loan’s performance too soon, before it must take a loss.

To balance both perspectives, CU*BASE offers write-off management capabilities to remove the loan from the balance sheet’s performing portfolio numbers, while still keeping the loan top-of-mind with both the credit union and the member. Writing off a loan helps you manage your balance sheet and the expense processing, moving a loan from the active portfolio to the allowance for loan-loss reserve, without creating a final loss before it is warranted.

Written-off loans can still be collected through any member service channel and have a full memo-trial balance presence to make collections easy. The examiner is happy to have the loans properly removed from the active balance-sheet portfolio, and the credit union is happy for the chance to continue to collect and ultimately reduce its losses.
**Life Cycle of a Charged-Off Loan**

The following illustrates the stages a loan goes through before it’s charged off and the account closed.

Credit unions sometimes choose to skip the write-off stage and go directly from “doubtful collections” to “loss taken,” removing it from both the balance sheet and the active-member trial balance. But this effectively destroys any chance a credit union has to further collect on the loan.

**Tools to Monitor Bankruptcies More Effectively**

At a time when bankruptcies are commonplace, it’s too easy to get in a groove and just assume that debts will be forgiven, that the member will automatically receive their bankruptcy release. These assumptions and a lack of attention to bankruptcy procedures can cost credit unions money.

On the other hand, resisting the examiner’s desire to address your fair assessment of potential losses in the active portfolio and insisting on waiting for bankruptcy resolution can cause stress between the examiner and the credit union. CU*BASE write-off tools can help manage the concerns on both sides of the relationship towards a positive outcome.

For example, you may write off a loan for lack of performance in January, but still be able to collect on it until the member files for bankruptcy proceedings in August. The written-off status of the loan keeps it top-of-mind for the credit union and active with the member the entire time, maximizing your chances of negotiating other arrangements with the member.

**Tools to Improve Your Lending Team**

In fact, moving loans to a written-off status actually *encourages* the collection of the debt. With the status of these accounts right at their fingertips, collectors are urged to keep working these accounts. And comparing loan performance to the initial underwriting input can make for better lenders in the long run too.

**Tools to Analyze Your Loan Performance**

Of course, if the member’s circumstances eventually do force the charge-off of the loan, CU*BASE makes it easy to move the loan from its written-off status in the loan-loss allowance portfolio to a closed-loan status, which would incur loss for the credit union.
In both cases, at the time a loan is written off, and again at the time of a charge-off, CU*BASE takes a snapshot to record the complete status of the loan so that it can be included in analyses related to loan yield and the performance of your credit union’s underwriting policies.
**CONFIGURING WRITE-OFF/CHARGE-OFF MEMO TYPES**

When a loan is charged off or written off, a pre-configured memo type is used for the system-generated Tracker conversation that is created to document the change. Additionally, the write-off and charge-off process offers you the option of creating a personalized note in a separate Tracker conversation. Memo types are configured via **Tool #260 Configure Memo Type Codes for Trackers**.

CU*Answers Collections Services recommends you create special memo types to use for write-off and charge-off conversations. This will assist in tracking and reporting for the future.

Recommended configurations include the following:

**Write-Off Memo Type**

**Charge-Off Memo Type**
CONFIGURING WRITE-OFF/CHARGE-OFF CODES/REASON CODES

Once you have created the memo types as recommended by CU*Answers Collections Services (see previous section), you can configure which memo types will be used for the system-generated Trackers. These memo types will also be used for the additional Tracker conversations containing free-form text that can be created at write-off and charge-off. See page 18.

This screen also allows you to create reason codes to indicate the reason for the write-off or charge-off (such as Chapter 7). Tip: Only configure reasons that are frequently used. These codes are required each time a loan is written off or charged off; however, the same code can be used at write-off and charge-off.

- Sample write-off reason codes recommended by CU*Answers Collections Services can be found here:
  

**Write-off/Charge-off Code Configuration (Tool #1007)**

1. On this screen, enter the write-off and charge-off memo types in the Tracker memo type for write off and Tracker memo type for charge off fields. You must enter a code for both a write-off and a charge-off.
2. Then use Add Code (F6) to add the reason codes that are used when the loan is written off or charged off.

Add Reason Code

3. Fill in the reason code and description. The code must be three characters and can be alphanumeric. No spaces are allowed. For the description, thirty alphanumeric characters are allowed and spaces are allowed. Punctuation is allowed for both the code and the description.

Completed Reason Code
Sample reason codes for both bankruptcy Chapter 13 and bankruptcy Chapter 7 are shown below. You may create additional codes as well.
**Writing Off a Loan**

**Beginning the Write-Off Process**

To write off a loan, select **Tool #1006 Write Off / Charge Off Loans**. The following entry screen will appear.

**Write Off/Charge Off Loans (Tool #1006), Entry Screen**

Enter the account number and suffix of the loan you wish to write off and use Enter to move to the second screen.

**Second Screen**

This screen displays various information about the loan, such as the interest rate, payment frequency, and date opened and is a summary of what the loan looks like at write-off or charge-off. This should be used to ensure that you have accessed the correct loan and that the numbers match as expected. These fields are collected at write-off and charge-off for research purposes.

*Refer to online help for descriptions of all the fields on the screen.* NOTE: All the details included on this screen are saved to the Loan Write-off file (LNWRTOFF). This file is documented in the Appendix.
DETERMINING WHETHER THE LOAN IS STILL COLLECTIBLE

On this screen you need to decide if the loan is still collectible. This will determine whether the loan should just be written off or charged off.

At the bottom of the screen is the “Is this debt still collectible?” selection.

Screen on entry

If it is still collectible and to begin the write-off, select Yes, I want to write off the loan, as shown below. (If it is not collectible, choose the charge off option, which is covered starting on page 23.)

Selection If Debt Is Still Collectible – Write Off Loan

If the loan does not have collateral, press Enter. This will advance you to the third write-off screen (shown on page 15).

If the loan has collateral, refer to the following page.
Maintaining Collateral

If the loan has collateral, you can maintain the collateral on this screen. When dealing with secured loans, it is always a good step to review the collateral attached to the loan.

Select the Update button next to the Estimated value of collateral field. This will take you to the screens where you can maintain the collateral.

This is a good place to adjust the actual value of the security to see if there are issues with your valuation procedures. This creates a more precise loss amount. If the collateral has been liquidated, a zero value should be in place here.

This also allows you to make adjustments, if needed, to the description.
“Update” Next to “Estimated value of collateral” on the Previous Screen

From this screen, use *Update* to enter the collateral screens where you can make an adjustment.

“Update” to View Collateral Details

Use the back arrow once adjustments are made to return to the write-off screen.
Press Enter to move to the next write-off screen.
**Finalizing the Write-Off**

Use this screen to record the details associated with the write-off. The *Reason for write off* and *Write off approved by* are required fields on this screen.

This screen is where you are required to answer questions such as:

- What do you want done with the statements?
- Do you want to market to the member again?
- Has the payment matrix changed to match policy?
- Do you report to bureau and do you need to add additional codes?
- What (from the list you created earlier) is the reason for the loss?
- On what date was it approved by the board?

The dates that follow are optional but important. They allow you to start collecting information on your losses that pertain to those who are bankrupt, those who were sued, and those who have collateral sold already.

Since write-offs do not have a monthly due date, the *Fine amount* field is defaulted to 3 to stop further fines.

This is also where you decide to report to the bureau (you should) and add any additional codes. These fields are optional but important to prevent disputes.

**Third Write-Off Screen**

Refer to online help for descriptions of all the fields on the screen.

NOTE: All details included on this screen are saved to the Loan Write-off file (LNWRTOFF). This file is documented in the Appendix. Several fields (such as judgement date) that are written to the LNWRTOFF file can be updated at charge-off or via the write-off maintenance feature (see page 28).
The *Reason for write off* field is required to write off a loan. Use the lookup next to *Reason for write off* to access the write-off/charge-off reason codes configured in Tool #1007 *Write-off/Charge-off Code Configuration.* (See page 7.)

**Loan Write-Off Reason Code Selection**

The *Write off approved by* field is also required. Use the lookup next to *Write Off Approved by* to select an employee ID.
**Adding a Person to the Blocked Persons List**

When writing off a loan, one option you have is to also add this person to the blocked persons list. Checking this box will add this member to your credit union’s Blocked Persons list. Also referred to as a “Fraud Alert” list, this database allows you to record names and, if known, SSNs of individuals for whom membership should be denied. It can also serve as a flag that additional verification of a person’s identity may be required before opening a membership. You can also add a person to the Blocked Persons list by using **Tool 892 Update Fraud Alert/Blocked Persons List**. (The member’s SSN, type and a comment will be added. The comment will include the date of the write off.)

Once you have filled in the details on the third screen, click the **Write Off Loan** button to advance to the confirmation screen for the write-off and the process will be complete.

- **NOTE:** If the box labeled **Add additional comment to tracker note** is checked, you will then advance to the Tracker Review screens. (See page 18.)
- **NOTE:** If the loan is a variable rate loan, an additional confirmation screen will appear notifying you that the variable rate records for the loan will be deleted. Click Add Update (F5).

**Confirmation Screen**

Select **Add/Update** (F5) to complete the write-off process.

- **IMPORTANT NOTE:** At the time of write-off, the system will generate a snapshot of the data and save it to the LNWRTOFF file. This data can be viewed on the Write-off/Charge-off dashboard (see page 30) and the Write-Off History screen (see page 34). The LNWRTOFF file is documented in the Appendix.

See page 22 for a detailed explanation of the write-off process and the steps taken by the system when a loan is written off.
**ADDING ADDITIONAL COMMENTS TO TRACKER NOTE**

If you check the optional *Add additional comments to tracker note* field on the write-off screen (as shown below), you will advance to the Tracker conversation screen where you can enter a personalized tracker conversation that will be added to the system-generated conversation once the loan is written off.

*“Add Additional Comments to Tracker Note” Checked*
In the example below, you can see the entry of a personal message and the system-generated text. See Page 36 for examples of the Tracker conversations that are created.

At this point, you will save the comments and complete the Tracker conversation screens.

No follow-up is required, so uncheck this box.
Press Enter to complete the process.
**CLOSING A CREDIT CARD DURING A WRITE-OFF**

If you write off a credit card loan, you will have the option to do maintenance on the credit card attached to it. This way you can close the card without leaving the write-off screens.

**Third Write-Off Screen (Credit Card)**

![Credit Card Maintenance Screen](image)

Click the **Card Status** (F9) button to access the Credit Card Maintenance screen (shown below).

**Credit Card Maintenance**

![Credit Card Maintenance Screen](image)

From here, you can close the card or perform other maintenance based on your credit union policy.
WRITE-OFF PROCESS

The following are the steps taken when the loan is written off:

1. The principal amount of the loan is debited from the loan allowance G/L account (such as 719.xx).
2. The principal balance of the loan is credited to the original loan G/L account (such as 701.xx). (This G/L account is from the loan category definition.)
3. The interest due on the loan is credited to the interest due G/L account (such as 781.xx or the accrued interest G/L account from the loan category definition) and is debited to the corresponding income account (such as 111.xx or the interest earned G/L account from the loan category definition).
4. The loan category changes to the “Loan category for write offs” from the loan category definition.
5. The write-off indicator is changed from 0 to 1 (written-off loan).
6. The Interest Calc Code changes to 2.
7. The Review Date field will show a description of “Write Off Date” in Account Inquiry and the date will update to the current date.
8. The statement mail group, 3rd-party opt out, and CU contact fields are updated (if applicable).
9. The credit report codes are updated (if applicable).
10. The payment matrix is updated to the following:

<table>
<thead>
<tr>
<th>Fine amount</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest due</td>
<td>2</td>
</tr>
<tr>
<td>Principal</td>
<td>1</td>
</tr>
</tbody>
</table>

11. A system-generated Tracker conversation is created to document the write off.
12. The delinquency fine control is updated (if applicable).
13. The freeze code is updated (if applicable).
14. Maintenance is performed to the credit card loan (if applicable).
15. Maintenance will be performed on the variable rate table, if applicable.
16. Add the member to the blocked persons list, if applicable.
17. On Account Inquiry screens, the loan account will be highlighted on the screen and the description will change to the description for the new loan category (e.g., “Loans in Collection” or “Written Off”). A comment will also be added indicating the date the loan was written off.
18. Additionally a snapshot is taken of the data and saved to the LNWRTOFF file.
19. Any Member Notices generated for this member henceforth will remain unprinted, and a Tracker will generate with an NL Memo Type (NoPrint/WrtnOff).
CHARGING OFF A LOAN

CHARGE-OFF PROCESS

Write Off / Charge Off Loans (Tool #1006)

Enter the account number corresponding to the loan that will be charged off and use Enter. If the loan is not already written off, you will advance to the next write-off screen (shown on page 15) to complete the write-off process first, before proceeding to charge the loan off and close it. If the loan was already written off, you will advance directly to the charge-off screen (shown below).

NOTE: All the details included in the charge-off (including what is entered on the screen below) is saved to the Loan Write-Off file (LNWRTOFF). This file is documented in the Appendix.

You will need to enter a Reason for charge off on this screen. (The example above already has one selected.) Use the look up button to make a reason code selection. This can be the same reason code that was used for the write-off.

This is also a good time to update any funds collected at write off as the system does not include this amount in the Estimated recovery amount field.
It is also suggested that you add a comment as to why the loss is being taken now since this was thought to be collectible. To do so, check the Add additional comments box. After the loan is closed, you will advance to the Tracker Review screens where you can add a comment. (See page 18.)

Refer to online help for descriptions of these fields.

Charge-Off Screen

A required field is the Account closed reason code. Use the lookup and select an account closed reason code.

These closed reason codes are configured via **Tool #551 New/Closed Reason Codes/Comments Config.**
Adding a Person to the Blocked Persons List

When charging off a loan, one option you have is to also add this person to the blocked persons list. Checking this box will add this member to your credit union’s Blocked Persons list. Also referred to as a “Fraud Alert” list, this database allows you to record names and, if known, SSNs of individuals for whom membership should be denied. It can also serve as a flag that additional verification of a person’s identity may be required before opening a membership. You can also add a person to the Blocked Persons list by using Tool 892 Update Fraud Alert/Blocked Persons List. (The member’s SSN, type and a comment will be added. The comment will include the date of the write off.)

Then click the Close Loan button to advance to the confirmation screen.

This will finalize the charge-off process.
Click *Add/Update* or use Enter to advance to the close account screens. You then advance through the standard screens used when you close a loan.

**Close Account Screen 1**

![Close Account Screen 1](image)

Press Enter on this screen.

**Screen 2**

![Screen 2](image)

Click *Close*.

**Close Account Screen 3**

![Close Account Screen 3](image)

Finalize the closing of the account by clicking *Continue*. 

26  **Write-off/Charge-off Tools**
NOTE: If the box labeled Add additional comment to tracker note was checked on the final charge-off screen, you will advance to the Tracker Review screens. (See page 18.)

Miscellaneous maintenance as specified by the charge-off screen will occur, and a Tracker record will be created for the charge-off. A snapshot is taken of the data and is saved to the LNWRTOFF file. Then the system will process an account-adjustment transaction for the amount of the loan balance (principal plus accrued interest):

Origin 08/Tran Type 82/Tran Code 24

The result of this transaction will be G/L entries that both debit and credit the 719.xx G/L account. The account is then closed. After end-of-day processing is complete, it will reside in the closed accounts list. The member will be added to the blocked persons list, if applicable.
WRITE-OFF/CHARGE-OFF
MAINTENANCE FEATURE

The Write-off/Charge-off Maintenance feature allows you to update certain fields in the LNWRTOFF file after the write off or charge off is completed. This allows you to write off a loan without the need to know information such as bankruptcy date. This information can be updated after the write off.

Write-off/Charge-off History Maint (Tool #1030)

On the entry screen enter the account that has been written off or charged off and use Enter to advance to the second screen.

Second Screen

On the second screen you can update the following fields. If data already exists in these fields, it will appear allowing you to change the information.

- Estimated recovered amount
- WO approved by
- CO approved by
- WO reason code
- CO reason code
- Approved at Board Meeting on
- Bankruptcy date
- Bankruptcy type
- Judgement date
- Collateral liquidated date

When you have completed your updates use Update (F5) to save the changes to the LNWRTOFF file.
This view includes written-off loans that are still open and considered collectible. To view only charged-off loans, use View CO Loans (F11).

“View CO Loans” (F11)
Use the date range at the top of the screen to view only loans that were written off (or charged off) during that time period.

**NOTE:** Some data may not be available if a loan was charged off or written off prior to the implementation of the 15.0 release (April 19, 2015 for online credit unions).

- You can access the Written Off Loan History screen (shown on page 34) by selecting a loan and then the Written off loan history option.
- You can also access the member’s Tracker conversations (shown on page 36) by selecting a loan and then clicking the Tracker Review option.
- The Net Change columns show the difference, as a $ amount and a percentage, between the amounts shown in the Current Balance and Balance at Write Off fields. This could be a negative amount.

---

**Want even more detail on the write-off?** When a loan is written off, the system converts the Review Date field to Write Off Date. Therefore, you can run the Selective Loan Trial Balance report for Loan Category 99 (or the Loan Categories used for write off) and Date Reviewed (also representing Date Written Off) for the period of time you wish to review. This report can be accessed via **Tool #788 Selective Loan Information Report**.

To see summary statistics on all of the written off and charged off loans, use the Analysis button. See the next page for a sample of the screen that will appear.

**Filter Descriptions**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written off between MMDDYYYY and MMDDYYYY</td>
<td>Enter From and To write-off dates to filter the written-off loan information.</td>
</tr>
<tr>
<td>View indirect loans only</td>
<td>If this box is checked, the dashboard will display only loans with a dealer ID in the indirect dealer file. Default is unchecked.</td>
</tr>
<tr>
<td>Approved at board meeting on</td>
<td>Select the appropriate MMYYYY and pull loans written off or charged off on the selected date.</td>
</tr>
<tr>
<td>Branch</td>
<td>Select to filter by a branch.</td>
</tr>
<tr>
<td>WO/CO reason code</td>
<td>This is a lookup of the current write-off and charge-off reason codes. (See page 7.)</td>
</tr>
<tr>
<td>Interviewer</td>
<td>For all of these miscellaneous filters, use the Select button to move to a screen where you can select one or more items. Use the Shift and Ctrl keys to select multiple items on the screen and then click Select to return to the dashboard. Choose to filter by interviewer, the employee ID of the staff member who approved the write-off, the loan category, the business unit, the loan purpose code, or the loan security code.</td>
</tr>
</tbody>
</table>

---
This screen shows summary statistics about the group of loans selected on the dashboard, including the “top 3” members, employees, dealers, loan categories, and write-off reasons. Use the button in any top 3 section to see a window showing a complete list of those items.

For example, clicking this button in the Top 3 Categories section shows all of the loan categories included in the current filters, with total dollars written off by loan category, as shown in this sample.

**MONITORING YOUR BOARD APPROVALS OR BANKRUPTCIES**

Use the Board Approval button to see a recap of all write-offs and/or charge-offs with documentation of their approval at a board meeting, or use the Bankruptcy button to see details about bankruptcy status.

**NOTE:** Items will be shown in the Bankruptcy summary only if they were properly coded as bankruptcies when they were written off/charged off (see Page 15 for more details). This may or may not correspond with the reason codes that
were assigned, since those codes are CU defined and not used by this bankruptcy summary analysis.

**Board Approval (F5)**

By default the written-off loans will appear first; use **Show Charged off** to see only charge-offs. Use 

![](image)

.. to drill down to a monthly recap for a particular year:

From here you can drill down again on a particular month to see the list of member accounts that make up that monthly total.

---

For more details while working on these dashboard analysis screens use the  **Online help button**.
**WRITE OFF LOAN HISTORY SCREEN**

The Write Off Loan History screen records a snapshot of the loan at write-off. When the loan is charged off, this screen is updated. (This displays the information collected in the LNWRTOFF file. This file is documented in the Appendix of this booklet.)

**NOTE:** Some data may not be available if a loan was charged off or written off prior to the implementation of the 15.0 release (April 19, 2015 for online credit unions). For example, the “loan category at the time of write off” field documents the loan category on the loan before it was assigned to the written-off loan category. If the loan was written off before the software for this screen was implemented, this is the write-off category.

**Write Off Loan History Screen**

![Screenshot of the Write Off Loan History screen](image)

The sample above includes charge-off information since this loan was not only written off, but also charged off.

*The fields on this screen are documented in CU*BASE online help, accessible by clicking the button on this screen. Also refer to the Appendix of this document.*

If the screen contains zeros in all fields, the loan currently is not written off nor charged off.

This screen is accessed from three different access points. One access point is via [Written off loan history](#) on the Write-off/Charge-off dashboard shown in the previous section:
Access Point on Write-off/Charge-off Dashboard

Another access point is via the Write Off History option on the Collections Member Inquiry screen, accessed via Tool #982 Work Collections:

Access Point from Collections Inquiry

Another access point is via the delinquency pop-up window. The Write-Off History button is always visible, regardless of whether the loan is written off:

Access Point on Delinquency Pop Up
When the loan is written off and when the loan is charged off, a system-generated Tracker conversation is created and is added to the member's Collection (XX) Tracker. You also have the option of creating an additional Tracker conversation when you write off the loan and also when you charge off the loan.

Below are full-screen and close-up views of the Tracker conversations created during the write-off and charge-off process. The top and bottom ones are system generated. The middle Tracker conversation was created using the Add additional comments feature. (See page 18 for details.)

The screen below is accessed via Tracker Review from the Write-Off/Charge-Off History dashboard. It is also accessed from Phone Operator and Account Inquiry.

**Full-Screen View**

A close-up of this screen is shown on the following page.
Close-Up View of Tracker Conversations

Contact - Date: 03/13/2015  Time: 15:34:44  By Emp: ;Y
Name: JOHN M MEMBER  Memo Type: CD Charge Off
Acct# 0009-610 was charged off by Employee ID ;Y on 3/13/2015
For more details, see the written off loan history file.

Contact - Date: 03/13/2015  Time: 15:27:14  By Emp: ;Y
Name: JOHN M MEMBER  Memo Type: WD Write Off
Added to blocked person’s list since they caused credit union a loss. ABK

Contact - Date: 03/13/2015  Time: 15:25:04  By Emp: ;Y
Name: JOHN M MEMBER  Memo Type: WD Write Off
Acct# 0009-610 was written off by Employee ID ;Y on 3/13/2015
For more details, see the written off loan history file.

The fact that the loan is written off or charged off is also recorded on the Member Account Comments screen.

Comments Screen
Below is some additional information about write-offs and charge-offs that is included in AnswerBook.

Click the link to view the answer and related information.

1. **When a loan is written off, will the payment matrix automatically change so that if payments are made, the amount will be applied to principal first?**

2. **Can written off loans be suppressed from member statements?**

3. **How do I obtain a listing of loans that were written off during a particular period of time (e.g., for the month)?**

4. **If a member has a written off loan, is there any way I can keep him/her from receiving a statement at all?**

5. **Why can’t I write off a Student Loan using the "Write Off Loans" tool?**

6. **Is my credit union charged a monthly membership fee for members who have written off loans?**

7. **How do I send 1099C forms to members that are written off or charged off?**
**APPENDIX: LNWRTOFF file**

Following are the contents of the LNWRTOFF file. Data is captured at write-off and at charge-off. The final column below indicates if this field is updated at charge-off (if a value exists). (See notes at the end of the table for details.)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Comments</th>
<th>Update at CO*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch</td>
<td>Branch from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>WO/CO off status</td>
<td>Indicates whether the WO/CO status of the loan could be used in displaying loans on the dashboard Either W or C</td>
<td>Yes</td>
</tr>
<tr>
<td>Loan Category at Write Off</td>
<td>Loan category code from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>NOTE: This is generally the loan category on the loan before it was assigned to the written-off loan category. But if the loan was written off before the software for this screen was implemented (spring 2015), this will show the write-off category.</td>
<td></td>
</tr>
<tr>
<td>Business Unit at Write off</td>
<td>From the loan category configuration</td>
<td>No</td>
</tr>
<tr>
<td>Loan Purpose Code</td>
<td>Loan purpose code from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>Loan Security Code</td>
<td>Loan security code from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>Dealer ID</td>
<td>Dealer ID from the Dealer/Account file</td>
<td>No</td>
</tr>
<tr>
<td>Write Off Date</td>
<td>Write-off date MMDDYYYY</td>
<td>No</td>
</tr>
<tr>
<td>Charge Off Date</td>
<td>Charge-off date MMDDYYYY</td>
<td>Yes</td>
</tr>
<tr>
<td>Loan Balance at WO</td>
<td>Loan current balance from MEMBER 5/6 at the time of write-off</td>
<td>No</td>
</tr>
<tr>
<td>Loan Balance at CO</td>
<td>Loan current balance from MEMBER 5/6 at the time of charge-off</td>
<td>Yes</td>
</tr>
<tr>
<td>Delinquency Fines at Write Off</td>
<td>Delinquent fine amount from the MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>Delinquent Balance</td>
<td>Delinquent balance at write-off from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>Months/days delinquent</td>
<td>The delinquent days and delinquent months from the MEMBER 5/6 file</td>
<td>No</td>
</tr>
<tr>
<td>WO Reason Code</td>
<td>Write-off reason code</td>
<td>No</td>
</tr>
<tr>
<td>CO Reason Code</td>
<td>Charge-off reason code</td>
<td>Yes</td>
</tr>
<tr>
<td>Bankruptcy Date</td>
<td>The date of the bankruptcy MMDDYYYY (asked at time of WO/CO, can be overridden at time of charge-off)</td>
<td>Yes</td>
</tr>
<tr>
<td>Bankruptcy Type</td>
<td>Free-form text field used to indicate bankruptcy type; “Chapter 7” as an example (asked at time of WO/CO, can be overridden at CO) 15 positions</td>
<td>Yes</td>
</tr>
<tr>
<td>Judgement Date</td>
<td>The date of the judgement that was obtained MMDDYYYY (asked at time of WO/CO, can be overridden at CO)</td>
<td>Yes</td>
</tr>
<tr>
<td>Collateral type</td>
<td>Collateral type from the first collateral record on file (not overridden)</td>
<td>No</td>
</tr>
<tr>
<td>Collateral Liquidated Date</td>
<td>The date that the collateral was liquidated MMDDYYYY (asked at time of WO/CO, can be overridden at CO)</td>
<td>Yes</td>
</tr>
<tr>
<td>Estimated value of collateral at WO</td>
<td>Add up the “Estimated Value” of all the collateral records on file for this loan.</td>
<td>No</td>
</tr>
<tr>
<td>Estimated value of collateral at CO</td>
<td>Add up the “Estimated Value” of all the collateral records on file for this loan.</td>
<td>Yes</td>
</tr>
<tr>
<td>Field Name</td>
<td>Comments</td>
<td>Update at CO*</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Estimated recovered amount</td>
<td>The estimated amount that has been recovered from the loan at WO (asked at time of WO/CO, can be overridden at CO)</td>
<td>Yes</td>
</tr>
<tr>
<td>Interviewer ID</td>
<td>Interviewer ID</td>
<td>No</td>
</tr>
<tr>
<td>Approved By</td>
<td>Approved By</td>
<td>No</td>
</tr>
<tr>
<td>Collector ID</td>
<td>Collector ID</td>
<td>No</td>
</tr>
<tr>
<td>Date Opened</td>
<td>Date opened from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>Original Loan Amount</td>
<td>Disbursed Amount MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>Disbursement Limit</td>
<td>Disbursement Limit from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>Maturity Date</td>
<td>Maturity date from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>Last Payment Date</td>
<td>Last payment date from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td># of Payments Left</td>
<td>Number of payments left from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>Payment Amount</td>
<td>Scheduled payment amount from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td># of refinances</td>
<td>The Refinance count from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>Original Credit Score</td>
<td>Credit score of the primary borrower when the loan was created; from MEMBER file</td>
<td>No</td>
</tr>
<tr>
<td>Primary Borrower</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Credit Score at Write Off</td>
<td>Current credit score of the primary borrower; from OPENDLF file</td>
<td>No</td>
</tr>
<tr>
<td>Risk Score Grade Level</td>
<td>Risk score grade level from MEMBER 5/6</td>
<td>No</td>
</tr>
<tr>
<td>Loan Seasoning at WO</td>
<td>Number of months the loan was on the books; calculated by comparing the current date at time of write-off to the date opened</td>
<td>No</td>
</tr>
<tr>
<td>Loan Seasoning at CO</td>
<td>Number of months the loan was on the books; calculated by comparing the current date at time of charge-off to the date opened</td>
<td>Yes</td>
</tr>
<tr>
<td># of additional signers</td>
<td>Number of ADSL records</td>
<td>No</td>
</tr>
<tr>
<td>Insurance</td>
<td>This is a Y/N flag that indicates if there is insurance on the loan at the time of write-off. If any of the following fields from the MEMTRL3 file has a value, then this flag is Y: ACTBL6, ACTBL7, ACTBL8</td>
<td>No</td>
</tr>
<tr>
<td>LTV at WO</td>
<td>Loan-to-value calculated using the Estimated value of collateral at WO from this history file (which adds up the Estimated value of all collateral records on file for this loan); compared to the loan balance at WO.</td>
<td>No</td>
</tr>
<tr>
<td>LTV at CO</td>
<td>Loan-to-value calculated using the estimated value of collateral at CO from this history file (which adds up the estimated value of all collateral records on file for this loan); compared to the loan balance at WO.</td>
<td>Yes</td>
</tr>
<tr>
<td>Tiered Services score</td>
<td>The tiered services score from the TIERDL file</td>
<td>No</td>
</tr>
<tr>
<td>Tiered Services level</td>
<td>The tiered services level from the TIERDL file</td>
<td>No</td>
</tr>
<tr>
<td>Approved at Board Meeting</td>
<td>The MMYYYY of the board meeting where the charge-off was approved (asked at time of write-off or charge-off)</td>
<td>Yes</td>
</tr>
<tr>
<td>WO Approved By</td>
<td>The Employee ID of the staff member who approved the write-off (asked at time of write-off)</td>
<td>No</td>
</tr>
<tr>
<td>CO Approved By</td>
<td>The Employee ID of the staff member who approved the charge-off (asked at time of charge-off)</td>
<td>Yes</td>
</tr>
</tbody>
</table>
*The Yes/No value in the Update at CO field only applies to the situation where a record exists in the history file (if the loan was written off in CU*BASE). If the loan is being written and charged off at the same time, then all fields get populated in the history file.