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# Credit Cards: Configuration Guide

## Setting Up Your Online Credit Card Program in CU\*BASE

### INTRODUCTION

CU\*BASE online credit card servicing is a set of integrated tools designed to extend your line-of-credit programs in the same way that the debit card has given new life to your checking account offerings. More than the basics, this package embeds credit card servicing and income features into the teller



line, phone centers, home banking, and all member contact points. Features like 999 balance buckets per card, rate management, and promotional offerings will give credit unions the variable they are missing in creating credit card products close to home.

CU\*BASE offers flexible configuration options for designing credit card products tailored to your member base. Your credit union can offer one credit card program or several, based on unique processing features you choose.

Most importantly, it is not a module, and therefore has no large up-front module pricing - the tools are included in our standard package. This means all inquiry and transaction functions are available from one source. Servicing of the credit card is handled by your own credit union staff. Design your program, set up the parameters on CU\*BASE, and “flip the switch” to extend credit union loans via credit card authorizations.

The CU\*BASE Online Credit Cards system is an investment by our CUSO so that more credit unions can afford to offer this valuable member service.

### ABOUT THIS GUIDE

This Configuration Guide describes how to design and configure online credit card loan programs. Refer to the separate “Online Credit Cards: User Guide” for information about creating loan accounts, ordering cards, and day-to-day servicing of these accounts.

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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](http://www.cuanswers.com/client_reference.php)  
CU\*BASE® is a registered trademark of CU\*Answers, Inc.

## A WORD ABOUT "ONLINE" VS. "OTB" CREDIT CARDS

Remember that CU\*BASE has two ways for your credit union to offer credit cards to your members:

- ◆ **Off Trial Balance (OTB) Credit Cards** - Your card program is handled entirely by a third-party vendor, with daily transmissions to download card status information and upload maintenance and payment information to a special OTB file in CU\*BASE. Loans are not tracked on your CU\*BASE G/L. For details, refer to the booklet, "Tracking 'Off Trial Balance' (OTB) Products with CU\*BASE."
- ◆ **Online Credit Cards** - Credit card loans are part of CU\*BASE lending processes—a line of credit that happens to have a card attached. A third-party vendor interface handles merchant transactions as well as card creation services. This is the method covered by this Guide.

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# GETTING STARTED

## IMPLEMENTING YOUR CREDIT CARD PROGRAM

The timeline from concept to completion will vary with each credit union. A CU\*Answers representative will help you plan a date to implement the new credit card program, and then work with you throughout the entire process to ensure your credit card program is built accurately and with the flexibility that meets your needs and goals.

*As you will see in the following pages, there are a few features shown on credit card configuration screens that are slated for future development and have not been implemented at any credit union. Therefore, you must work with a CU\*Answers representative to make sure the options you wish to use have been set up properly and that appropriate testing has been performed to enable your credit card program to work exactly as you wish.*

**Implementing credit cards is a collaborative process and should not be activated without assistance from a CU\*Answers representative.**

Following are a few tips to help you start thinking about what you will need. **A questionnaire to assist you in creating your loan product is included with this configuration guide. See Page 56.**

### Before You Begin

Your vendor will supply codes for the following, which will need to be entered into various configuration screens to identify the credit card program to your credit union (see Page 37):

- BIN number
- Security Code
- Institution ID
- Card Stock ID

CU\*Answers works with your credit union staff to prepare for processing online credit card financial transactions:

- Set up G/L Account numbers
- Member G/L Account Configuration
- Account Number Configuration

### Developing Credit Card Programs

A credit union may have multiple plans, such as Visa Classic, Visa Platinum, Visa Gold. Each program must have its own loan category code in CU\*BASE. The loan category is configured in CU\*BASE like other types of loans, but with the unique parameters specific to online credit card processing.

- Loan Category Definition (see Page 12)

- Credit Card Configuration (see Page 36)

## Third-Party Interfaces/Contracts

The vendor provides the base identification data such as the Institution ID, Security Code, credit card BIN number and card stock used in the emboss process. They are responsible for processing merchant transactions, maintenance transactions, managing the lost and stolen card hot line, and transaction-based reporting. CU\*BASE and the vendor exchange data transmissions throughout the day with a final end of day maintenance transmission. Month end and year end reports are also provided.

## Statements

Statements are generated once each month by Sage Direct, Inc., CU\*Answers' statement provider. Sage works with CU\*Answers and the credit union to format, print, and mail paper statements. Credit card statements are mailed in the same envelope as normal member account statements.

**IMPORTANT: Because of the intensive programming effort and special equipment required to combine member and credit card statements, your credit union MUST use Sage Direct to process statements if you wish to produce combined member and credit card statements.**

If you wish to continue using a different statement processor, you will need to work with them to establish an equivalent printing solution. Any custom programming needed to provide statement data to your processor will be subject to normal programming fees and timelines, to be quoted separately.

*Remember that in addition to this innovative combined statement process, Sage Direct also provides statistical statement handling information—such as the date when a member's statement dropped at the post office and the number of inserts that member received!—right from CU\*BASE. The systems used by Sage include state-of-the-art features to increase reliability and security, including two-dimensional bar coding. And remember that only Sage allows you to do targeted marketing through your monthly statements using CU\*BASE Selective Statement Inserts features.*

*Contact Gary Sage (<mailto:garysage@sagedirect.com>) or talk with a CU\*BASE sales representative today for more information about making the switch to Sage!*

Credit card statements will also be available as e-statements, using the same CU\*SPY channel used for regular e-statements.

## Training

Training has always been the hallmark of CU\*Answers service to our clients. Credit Card development, configuration, maintenance, and processing are integrated into training supported by our online documentation, Answer

Book, and, as always, classroom training customized for your specific credit card installation.

## TERMINOLOGY USED IN THIS GUIDE

<i>Term</i>	<i>General Description</i>
Annual Percentage Rate (APR)	The finance charge percentage charged on an annual basis for use of credit.
Auth Days	Credit card transactions are authorized before actually posting the member's credit card account. The Auth Days field refers to the number of days you will hold a transaction amount against the credit card loan before releasing it. The authorized amount is released when the transaction is posted.
Available Balance	<p>The amount of available credit against which a member can borrow on a credit card loan. Takes into account outstanding balance owed and other factors (see <i>Available Balance Calculation</i> below for details on the calculation parameters).</p> <p>The interface with your vendor is online realtime, so the available balance used by your vendor for authorizations is updated each time a transaction is processed. Outstanding authorizations (transactions authorized but not yet posted to the member's account) are stored as Misc. Secured Funds records in CU*BASE and therefore WILL affect available balance everywhere a member can access his credit card funds (such as online banking or audio response, etc.). These records are purged automatically when the actual transaction is posted or after two business days, whichever comes first.</p>
Available Balance Calculation	<p>If the card has a block code which is configured (by your vendor) to return a balance, or if there is no block code, then the available balance is determined using the following equation:</p> $  \begin{array}{r}  \text{Credit Limit} \\  + \quad \text{Amount Overpaid} \\  - \quad \text{Current Balance Owed} \\  \hline  \text{Available Balance}  \end{array}  $ <p>If the card has a block code which is configured (by your vendor) to return a zero balance OR the block code is invalid, or if the loan is frozen from withdrawals, then the available balance is \$0.00.</p>
Average Daily Balance	CU*BASE uses a method referred to as "Average Daily Balance including new purchases." Average Daily Balance is calculated at the end of the monthly billing cycle and is the basis for computing the minimum monthly payment.
Balance Transfers	Refers to a type of transaction whereby funds are advanced from the credit card loan to pay off another credit card or other loan type.
Billing Cycle	The billing cycle refers to the activities and transactions that occur between one statement date and the next (monthly).
Billing Period	The billing period is the interval of time from the start of the billing cycle to the last day when statements are generated. Currently the billing period starts on the first day of the month and ends on the last day of the month.
Billing Statement	Billing statements are generated at the end of each month. They can be printed and mailed to the credit cardholder, produced electronically, or both. In either case, the billing

<i>Term</i>	<i>General Description</i>
	statement is a snapshot of the credit card account showing beginning balance, all activity transacted during the past month, with an ending balance and payment due.
Cash Advances	Refers to a transaction type whereby funds are advanced from the credit card loan for any purpose other than to purchase goods or services. Funds are usually received in the form of cash, checks, or direct account transfers.
Charge Type	Sub-principal “buckets” that track different types of transactions. Charge types are <b>Purchases (PU)</b> , <b>Cash Advances (CA)</b> , and <b>Balance Transfers (BT)</b> . Each charge type can have its own rate, grace period control, and other settings. Temporary promotional rates can also be set up for each charge type.
Credit Limit	The maximum amount a cardholder can borrow against the credit card loan.
Credits	Credits appear on your billing statement designated with a “CR” following the amount on the member’s statement. These are usually transactions such as returned merchandise and erroneous charges on your account that have been credited back.
Daily Periodic Rate	The annual percentage rate divided by 365 is the daily periodic rate (DPR). The DPR is multiplied by the average daily balance to calculate the finance charges for one day.
Due Date	The date printed on the billing statement indicating when a member’s payment is due.
Fee	A fee is an amount added to the principal balance of the loan as though it were a purchase transaction. Fees, unlike transactional finance charges, cannot be reported on 1098 forms at year end. Fees are not subject to a grace period and the amount is not added to annual interest paid.
Finance Charge	<p>The amount charged to a member for using the credit card. Finance charges are governed by the charge type (purchase, cash advance, balance transfer) in loan category configuration.</p> <p>Finance charges are calculated on the billing date and include that date as well. If the member’s balance was zero at the end of the prior cycle and the account is paid in full by the due date of the current cycle—and the credit union does allow for a grace period—no finance charges will be assessed. (Refer to notes on Grace Period on page 6.)</p> <p>When finance charges are calculated, the system:</p> <ol style="list-style-type: none"> <li>1. Calculates the average daily balance (ADB) for each charge type bucket, then</li> <li>2. Multiplies the monthly rate by the ADB of each bucket, then</li> <li>3. Totals all the finance charges of all the buckets and adds this amount to the principal balance.</li> </ol> <p>The finance charge is recorded separately for each individual bucket (each charge will be listed separately on the member’s statement).</p>
Grace Period	<p>A configurable period during which finance charges are not assessed, assuming the full previous balance is paid by the due date.</p> <p>If a grace period is used, periodic finance charges will not be</p>

<i>Term</i>	<i>General Description</i>
	<p>assessed for new purchases if the full amount of the New Balance is posted by the payment due date and the Previous Balance on the credit card account was zero or was a credit balance.</p> <p>Although many credit card programs do not offer a grace period for cash advances or balance transfers, CU*BASE lets you specify which charge types use a grace period and which do not.</p> <p>Members qualify for a grace period for purchases made in a selected month if they have paid in full the purchase balance of purchases made for the previous payment cycle. Otherwise, they do not qualify. For example, if a member does not pay the purchase balance for the May billing cycle in full by June 25<sup>th</sup>, the member is not eligible for the grace period with respect to purchases made during the June billing cycle, regardless of whether the consumer pays the purchase balance of the June billing cycle in full by July 25<sup>th</sup>.</p>
Late Fee	<p>A configurable penalty charged if payment is received after the due date on the statement. Also referred to as a <b>delinquency fine</b>. These are handled the same way as all other CU*BASE loans and are controlled by Loan Fines Configuration - MNCNFB #23.</p> <p>A late payment fee cannot be larger than the member's scheduled minimum payment. If the fine is greater than the minimum payment, CU*BASE will assess the amount of the minimum payment as the fee amount. For example, if the configured late payment fee is \$35 and the member's minimum payment is \$20.00, the member will be assessed a \$20.00 late payment fee. If, however, the member's minimum payment is \$22.00, then the member's late payment fee will be \$22.00.</p>
Maintenance Transactions	Maintenance activities for credit cards include changes in cardholder or additional holder information, embossing cards, placing block codes, and similar actions that are considered non-financial.
Minimum Monthly Payment	<p>The smallest amount required as payment to keep the account current. The actual payment due is determined by the amount of the Average Daily Balance, multiplied by the factor defined in the loan category configuration.</p> <p>The loan category also contains a configured <i>Minimum payment</i> (see Page 16). The payment printed on the billing statement is the <i>greater</i> of either the calculated amount or the stated <i>Minimum payment</i> amount from the loan category.</p>
Month-end	Currently, month-end occurs on the final day of the month which is also the final day of the billing period. Month-end processes generate month-end transactions and reports.
Next Payment Date	A date stored on the MEMBER6 record that is advanced each time a full minimum payment is made. Used to track delinquency; as payments are made and the loan is caught up, this date is automatically advanced.
Payment Due Date	See <i>Due Date</i> .
Payment Matrix	The Payment Matrix controls the method by which any incoming funds are applied to the loan balance. The matrix for credit cards is different from regular loans and relates to the order in which balances under each <i>charge type</i> and rate

<i>Term</i>	<i>General Description</i>
	are paid down.
Payments	Payments are the total of all amounts paid on your account during a billing period. Some credits, such as returned merchandise, may be applied to the account as a payment.
Periodic Finance Charge	The rate charged each billing period. For credit card plans, the periodic rate is the annual rate divided by 365 days resulting in a daily periodic rate. For example, a credit card with an 18% APR has a daily periodic rate of .0493%. See also Page 9.
Positive Balance File (PBF)	A file containing available balance amounts and other information that is transmitted to your vendor for use when authorizing transactions.
Posting Date	The date on which a transaction is posted to the credit card account. May be different from the <i>Transaction date</i> , if the transaction is not immediately posted to the member's account. Sometimes referred to as the <i>Process Date</i> .
Purchases	Refers to a transaction type whereby funds are advanced from the credit card loan to procure goods or services at a merchant or other third party. All purchase transactions are handled through the interface to your vendor, although the credit union can use the Member Account Adjustment feature to manually post a purchase or to make adjustments to purchase transaction information.
Statement Date	The date on which a statement is generated.
Transactional Finance Charge	This is the amount added to the principal balance in the month end billing cycle. A transactional finance charge can be included in 1098 reporting at year end and is subject to a grace period. Amounts are also added to annual interest paid. Refer to "Grace Period on page 6.)
Transaction Date	The date on which a purchase, cash advance, credit or payment is made by the cardholder. For transactions handled through your vendor, this may be different from the date on which the transaction is actually posted to the account.
Transactions	Transactions include any financial change to the credit card in the form of payments, purchases, cash advances, fees, credits, and account adjustments. Non-financial card changes are considered maintenance transactions.
Variable rate code	Variable rate activity (changing the rate according to schedule) is determined by the code used. Only group type codes are allowed for Credit cards loans. Indexes must be defined first, then the variable rate code, finally the indexes are tied to the variable rate codes.  For more information about using Variable Rates, please see the <i>Variable Rate Loan Products</i> found on our CU*Answers website under Reference Material.

# UNDERSTANDING THE AVERAGE DAILY BALANCE CALCULATION

Similar to the way CU\*BASE calculates the average daily balance on a savings account, the credit card Average Daily Balance calculation uses a cumulative balance field to which the member's account balance for every day of the month is added. At the end of the month, the system divides the total accumulated balance by the number of days in the month to calculate the average daily balance for that period. That balance is then used when calculating finance charges.

The following illustration shows this cumulative balance on a credit card that had one payment and one purchase during the month of December:

<i>Day</i>	<i>Date</i>	<i>Balance</i>	<i>Cumulative Balance</i>	<i>Purchase Transactions Posted</i>	<i>Payments/Credits Posted</i>
1	12/1	30.97	30.97	--	--
2	12/2	30.97	61.94	--	--
3	12/3	30.97	92.91	--	--
4	12/4	30.97	123.88	--	--
5	12/5	30.97	154.85	--	--
6	12/6	30.97	185.82	--	--
7	12/7	30.97	216.97	--	--
8	12/8	30.97	247.76	--	--
9	12/9	30.97	278.73	--	--
10	12/10	0.00	278.73	--	30.97
11	12/11	0.00	278.73	--	--
12	12/12	0.00	278.73	--	--
13	12/13	0.00	278.73	--	--
14	12/14	0.00	278.73	--	--
15	12/15	0.00	278.73	--	--
16	12/16	0.00	278.73	--	--
17	12/17	0.00	278.73	--	--
18	12/18	0.00	278.73	--	--
19	12/19	0.00	278.73	--	--
20	12/20	0.00	278.73	--	--
21	12/21	0.00	278.73	36.57	--
22	12/22	36.57	315.30	--	--
23	12/23	36.57	351.87	--	--
24	12/24	36.57	388.44	--	--
25	12/25	36.57	425.01	--	--
26	12/26	36.57	461.58	--	--
27	12/27	36.57	498.15	--	--
28	12/28	36.57	534.72	--	--
29	12/29	36.57	571.29	--	--
30	12/30	36.57	607.86	--	--
31	12/31	36.57	644.43	--	--
			<b>644.43</b>	<b>36.57</b>	<b>30.97</b>

As of the end of the month when statements are generated, the following figures are calculated for use on the statement:

APR	12.96%	
Monthly Rate	1.0800%	
Daily Rate*	<b>0.03551%</b>	<i>(12.96/365 = 0.03551%)</i>
Average Daily Balance	<b>20.79</b>	<i>(644.43 ÷ 31 = 20.79)</i>
Days in Cycle	<b>31</b>	
Finance Charge (Daily)	<b>0.23</b>	

\*Daily rate is based on 365 days (no adjustment for leap year).

*NOTE: When a credit card account balance is a negative amount (meaning it has been overpaid), the system treats the daily balance as zero for the purposes of calculating finance charges.*

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# CONFIGURING THE CREDIT CARD LOAN CATEGORY

Although online credit card loans are actually just a special type of open-end loan, they do have some configuration requirements that are unique to credit cards. Each credit card **program** (i.e., Visa Classic vs. Visa Platinum vs. MasterCard) is identified by a separate **Loan Category** code, using the following set of screens.

## UNDERSTANDING CHARGE TYPES

Credit card loans differ from other loan products that generally have just one principal balance and use the CU\*BASE payment matrix settings in the loan category or on the loan account itself (see Page 15) to apply payments.

Instead, credit card programs have flexible finance charge rates made possible through three transaction categories which we refer to as **charge types** or sub-principal “buckets.” The following charge types are available:

- Purchases (PU)
- Cash Advances (CA)
- Balance Transfers (BT)

If you intend to offer transactions other than Purchases which use the PU charge type, you should create the appropriate charge types. Cash Advances and Balance Transfers will process as Purchases using the PU charge type bucket if the CA and BT charge types are not set up.

Within each charge type there are 999 possible sub-categories to allow rate changes within a specified date range. Sub-categories facilitate promotional rates for existing cardholders.

*Credit card rates set up in loan category configuration will apply to all cards within this credit card program. Variable rates can be used to provide intro rates or special rates to a group of cardholders. Only variable rate codes that are group type are valid. Rates can also be adjusted on individual cards, at the charge type level. To perform rate adjustments on individual credit card accounts, use loan maintenance.*

## RATE PROMOTIONS AND THE TIMING OF INCOMING TRANSACTIONS

Transactions are processed against the default charge type bucket (999) within the appropriate transaction category if there are no promotional buckets active at that time. CU\*BASE uses the **transaction post date** to determine the finance charge rate for transactions within a category and sequence.

Remember that transactions are not usually posted to the credit card on the same day as the actual purchase or other activity. In a rate promotion event, the transaction must be *posted* to the credit card account on or before the date on which the promotion ends.

For example, say you have a promotional rate that ends on November 30. On November 29 a cardholder makes a purchase. The transaction is posted on December 1. The promotional rate has expired which means the finance charges will be based on the rate (either default or another promotion) in effect on December 1.

The same principal applies to Cash Advance and Balance Transfer transactions. The card rate in effect at the time the transaction is posted determines the finance charges.

## CONFIGURING A CREDIT CARD LOAN CATEGORY

### MNCNFB #1 – Loan Category Configuration Screen 1

See Page 14 for hints on setting up Payment Controls for credit card loan products.

See Page 14 for tips on setting Audio and PC Banking controls for credit card loan products.

The screenshot displays the 'Loan Category Definition' window. At the top, it shows 'Session 0 CU\*BASE GOLD - Loan Category Definition'. The main title is 'Loan Category Definition'. Below this, it identifies the 'Category code' as 14 and 'Corp ID' as 01, belonging to 'BEDROCK COMMUNITY CREDIT UNION'. The 'General Information' section includes: Full description 'VISA PLATINUM', Abbreviated description 'VISA PLATINUM', Process type 'CREDIT CARD LOAN', Account type range 'Low 800 High 801', Interest rates 'Low 0.000 High 23.000', Interest calculation type '5 = ADB', Payment calculation type 'P = Principal only', and Next payment date/delinq control 'P = Single Payment Per Period'. A list of checkboxes includes: 'Use review date for disbursements', 'Warn teller if different payment amount', 'Include delq fine in partial pay', 'Allow payment protection', 'Allow account nickname', 'AFT payment date control default', 'AFT delinquency control default', 'Use note # control', 'Allow stock to secure loan', 'Use the lease residual in payoff', and 'Restrict approving loan officer from disbursing same loan'. A 'Student loan after-payout category' checkbox is also present. On the left, a menu lists: Suspend (F4), Ratio (F6), Bypass (F8), End (F10), Delete (F16), Pmt Controls (F17), and Audio/PC Bank (F23). The bottom status bar shows 'TR (2321) 12/17/08 16:08:26' and a 'Learn About This Feature' link.

This is the first screen used to define a loan category. Most of these settings are similar to those used by other types of loans in CU\*BASE. Following is a description of those fields that are unique to setting up a credit card loan. Use Enter to proceed to the screen 2.

*For information about completing other configuration settings, refer to CU\*BASE GOLD Online Help (click [Learn About This Feature](#) while working on this screen).*

## Field Descriptions

<i>Field Name</i>	<i>Description</i>
Process type	This code indicates how the loan behaves, including how data will be entered and calculations performed. <b>Choose V for credit cards.</b>
Interest rates	Set both the <i>Low</i> rate to 0.000 so that the Product Code can be properly configured (see Page 32). The <i>High</i> rate should be set to the highest rate that will be used for any of the individual charge types that will be configured for this card program.  Actual rates used for transactions on these credit card accounts are defined on a later screen (see Page 23), and must fall within this range.
Interest calculation type	The interest calculation type code determines the method used to calculate interest. <b>For credit card loan products, choose 5=ADB</b> (Average Daily Balance). This calc type drives the process for applying finance charges. Finance charges are calculated on the billing cycle end date and added to the principal balance. (See Page 9 for an illustration of this calculation.)
Payment calculation type	This flag controls the calculation used to determine the payment amount on the loan. <b>Always select P for Credit Card loan products.</b>  Credit card payments are calculated each month based on a percentage of the Average Daily Balance, using a factor in the loan category (see Page 16).
Next payment date/delinq control	This field controls how the next payment date is advanced on a loan. Always select <b>P</b> for Credit Card loan products.
Use review date for disbursement	This flag controls whether CU*BASE will allow disbursements from the account after the <i>Review date</i> on the loan account record has passed.  Actual card expirations are recorded and handled by your vendor. When a member makes a purchase with his card, your vendor checks their expiration records to determine whether or not the card is active before the authorization is ever transmitted to CU*BASE.  Once the authorization comes to CU*BASE, the system checks to see if the loan category has this flag activated. If so, CU*BASE will then check the <i>Review Date</i> on the loan account record and if that date is in the past, the authorization will be denied.  If this flag is not checked, the <i>Review date</i> on the loan is informational only and is not used for authorizing transactions.  <b>IMPORTANT:</b> Activating this flag means that your credit union will have to be VERY diligent in checking review dates on credit card loan accounts and making sure they match the expiration dates on file at your vendor. See the User Guide for more information.
Include delq fine in partial pay (Include delinquent fine in partial	<b>This should be left unchecked for credit card loan categories.</b> This means the member must pay the delinquency fine as well as the minimum payment amount in order to advance the due date on the loan.

Field Name	Description
payment)	

### F17-Payment Controls

The screenshot shows the 'Payment Controls' configuration window for a '00 VISA CLASSIC' credit card. The window title is 'Session 0 CU\*BASE GOLD - Payment Controls'. On the left, there is a menu with 'Save' (Ent) and 'Backup' (F3). The main area contains three checked checkboxes: 'Allow teller to post partial payments', 'Allow payment prior to first payment date', and 'Allow payment prior to the 20th if current'. At the bottom left are navigation buttons (back, forward, up, down, and a help icon). The bottom status bar shows 'FR (2317)' and a 'Learn About This Feature' link.

The first two flags should be checked for credit card products. Credit Cards will accept partial payments and overpayments, and payments can be made at any time without restriction. The third flag can be left checked but does not apply to credit card products.

### F23-Audio/PC Bank

The screenshot shows the 'Audio/online banking Processing' configuration window for a '14 VISA PLATINUM' credit card. The window title is 'Session 0 CU\*BASE GOLD - Audio/online banking Processing'. On the left, there is a menu with 'Save' (Ent) and 'Backup' (F3). The main area contains two checked checkboxes: 'Allow disbursements from audio/online banking' and 'Allow payments via audio/online banking'. Below the first checkbox, there are two input fields: 'Minimum disbursement amount' with a value of '100' and 'Maximum disbursement amount' with a value of '20,000'. At the bottom left are navigation buttons (back, forward, up, down, and a help icon). The bottom status bar shows 'TR (2318)' and a 'Learn About This Feature' link.

If disbursements are allowed in audio and online banking (this is done via a transfer), the credit card system will treat them as a **cash advance**. You may choose a minimum and maximum disbursement amount if desired (use 1 and 999,999,999 to allow any disbursement up to the limit on the account).

Screen 2

Set the *Over payment indicator* to PRN and leave all remaining fields in this section blank. The settings that control how payments will be applied across various charge types (purchases, cash advances, etc.) are shown on Page 18.

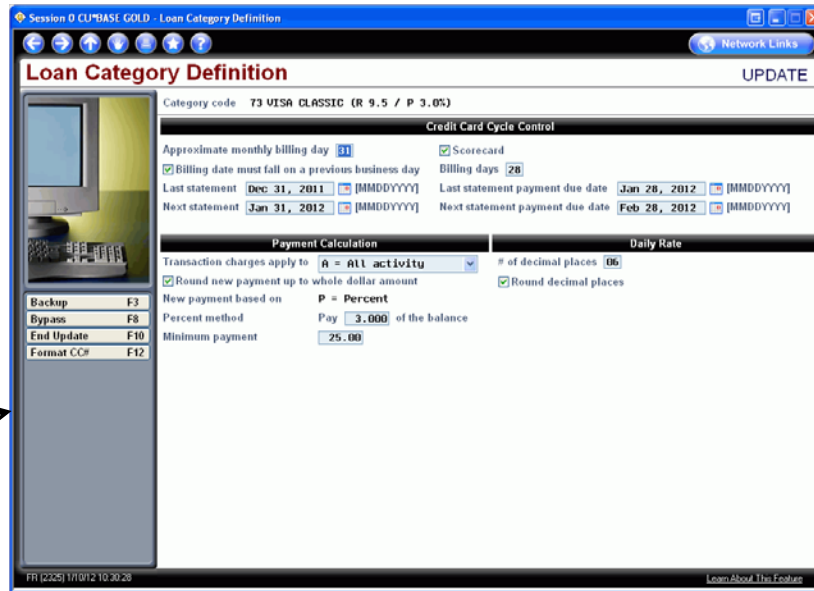
This second screen has just a few settings that are used for credit card loans. Fill in the G/L accounts that will be used for the loan principal balances as well as finance charges. Use Enter when done to proceed to screen 3.

Field Descriptions

Field Name	Description
Send 1098 tax form	This flag controls whether or not a 1098 form is produced for loans of this category at year end. If this credit card program allows a link to home equity, place a checkmark here.
Add overline to payment	When this flag is checked, the balance on the card is compared to the credit limit. If the limit has been exceeded, at statement generation that amount is added to the regular payment due to calculate the total payment due.
Maximum loan disbursement	The amount in this field is the maximum that can be disbursed for this loan category. This is also the maximum credit limit allowed for any loan under this category.

Screen 3

See Page 18 for hints on using the "Format CC#" feature to control which portion of the member's credit card number will print on statements and receipts and appear on various CU\*BASE inquiry screens.



This screen is unique to credit cards and will appear only for loan categories configured with *Process Type V*. Complete all fields as described below and use Enter to proceed to screen 4.

Field Descriptions

Field Name	Description
<i>Credit Card Cycle Control</i>	
Approximate monthly billing day	The day of the month on which the billing cycle ends. <b>Currently must be set to 31</b> for credit card loans, meaning the billing cycle ends on the last day of the month.
Scorecard	Leave unchecked unless scorecard rewards transmissions are used. Contact a CU*Answers representative for assistance with this feature.
Billing date must fall on a previous business day	For future use; this flag is currently ignored.
Billing days	This field represents the number of days a member has to pay the previous statement balance before finance charges will be assessed. Sometimes referred to as a <b>grace period</b> . (Refer to notes on Grace Period on page 6.)  BE CAREFUL: In order to avoid problems once your credit card program is underway, this value can be set only when you originally create the loan category; it cannot be changed after you have used Enter to proceed to the next screen.
Last statement date	The date on which the last statement was generated.
Last statement payment due date	The due date that was printed on the last statement.
Next statement date	The next date on which statements will be generated (should correspond to the day in the <i>Approximate monthly billing date</i> field above).
Next statement	The due date that will be printed on the next statement ( <i>Next</i>

<i>Field Name</i>	<i>Description</i>
payment due date	<i>statement date + Billing Days).</i>
<b>Payment Calculation</b>	
Transaction charges apply to	<p>Choose which type of credit card transaction activity should be subject to transaction charges:</p> <p><b>A = All Activity</b> - Refers to transactions that originate from the credit union channel as well as transactions that originate through your vendor. Includes transactions from the following sources:</p> <ul style="list-style-type: none"> <li>◆ Your vendor</li> <li>◆ Teller</li> <li>◆ Home Banking</li> <li>◆ Phone Operator</li> <li>◆ ARU/Home Banking</li> <li>◆ Transfers (MNSERV #5)</li> </ul> <p><b>S = Switched Activity</b> - Refers to transactions that originate through the vendor “switch” only, such as point of sale purchases.</p> <p>Transactions originating through ATM machines are not subject to transaction charges.</p>
Round new payment up to whole dollar amount	Check this checkbox if you want the payment amount always to be calculated as a whole dollar amount. (For example, if the payment was calculated as \$35.83, the system would record a payment amount of \$36.00 instead.) If left unchecked, the payment will be based on the calculated amount to the nearest penny.
New payment based on	Credit Card loan products default to <b>P = Percent</b> method. The system calculates a payment amount based on the average daily balance on the loan, using the percentage entered into the <i>Percent method</i> field below.
Percent method	Enter the percentage to be used when calculating the payment amount. Remember that this is used by all cards under this credit card program.
Minimum payment	<p>Use this field to set the lowest minimum payment amount that should be printed on a member’s statement (assuming there is a balance on the account).</p> <p>When statements are generated, the system will use the <i>greater</i> of either the system-calculated minimum payment or this amount as the new required minimum payment.</p> <p>    If the loan balance is less than this amount, the payment will be the actual balance on the credit card loan.</p>
<b>Daily Rate</b>	
# of decimal places	<p>Use this to define to how many decimal digits the daily rate should be calculated and displayed on the statement. The number of decimal places is also called the precision factor.</p> <p>    Be sure to verify that the number entered in this field complies with your disclosure.</p>
Round decimal places	<p>Check this flag to round the daily rate up to the specified number of decimal places.</p> <p>    For example, if the <i># of decimal places</i> field was set to 5 and this flag was checked, the number</p>

Field Name	Description
	0.0017654637 would be .00177 when rounded up.

#### F12-FormatCC#

In the first field, enter the number of digits to be displayed when viewing credit card information online in CU\*BASE. In the second field, enter the number of digits to be printed on billing statements and member receipts. See Page 49. A maximum of 5 digits is recommended to protect your member's privacy.

Remember that the idea is to give enough characters so that the member can easily identify one card from another, but not so many that a full card number could be guessed by an unauthorized person.

#### Screen 4

This screen controls how payments will be applied across the various charge types, including Purchases, Cash Advances, and Balance Transfers. These are also referred to as “buckets” or sub-principal balance categories, and are used to track a member's credit card transaction activity.

- **IMPORTANT:** Be sure to review the Credit CARD Act and other applicable regulations before activating features such as Payment Priority, Penalty rates and Overlimit Fees!

Each charge type or bucket can have its own rate, and this screen lets you decide which charges will be paid first by charge type and rate. In addition, this screen lets you set up parameters for various fees that can be charged to member credit card accounts.

**NOTE:** The CU\*BASE mechanism for handling balance transfers is through a Loan Distribution, MNLOAN #2. Another method is an Account Adjustment to post funds directly to a Balance Transfer charge type code.

#### Field Descriptions

<i>Field Name</i>	<i>Description</i>
Payment priority	Enter 1, 2, or 3 to indicate the order in which payments are applied to the various charge type buckets: first, second, or third. For example, a common method is to set cash advances to pay off first, then purchases, then balance transfers. This works in conjunction with the <i>Rate priority</i> setting.
Rate priority	Choose either Highest or Lowest to indicate how payments should be applied when there are multiple rate buckets under a charge type. For example, you may have a purchase promotion set up to assess a different rate for purchases made during a promotional period. This works in conjunction with the <i>Payment priority</i> setting.  For example, say your configuration is set up to pay cash advances first, then purchases, and both are set to pay lowest rate items before higher rate items. If a member has made both cash advances and purchases, and some of the purchases were under a lower promotional rate, payments will be applied first to pay off any cash advances, then purchases made under the promotion, then purchases made under the higher default rate.
Penalty rate	The monthly interest rate charged on a card when they have exceeded the threshold of past due or overlimit.
If xx days past due or over limit xx days	Use these fields to define the number of days the account can be past due and the number of days the account can be overlimit before the <i>Penalty rate</i> is assessed.  These are is used in conjunction with the <i>Non-fee tolerance</i> field. The amount in <i>Non-fee tolerance</i> allows the account to be overlimit up to that amount without changing the rate on the card to the penalty rate.
Resume base rate after xx cycles of good standing.	This field is used to automatically return a credit card account to its former rate when payments have brought the account current and back within its credit limit.  Enter the number of consecutive billing cycles required to remove the penalty rate once it is assessed. Use 99 if the penalty rate should remain in place permanently once it is assessed.
<b>Fee Configuration</b>	
Annual fee (Whole \$)	If you wish to charge an annual fee to all cardholders, enter the fee amount, <b>in whole dollars</b> , here. For example, if your annual fee is \$15.00, enter 15 here.
G/L account	The G/L account number where income from the annual fee should be posted. (A fee amount must be entered in order for this field to be used.)
Transaction	The description that will print on the billing statement when

<i>Field Name</i>	<i>Description</i>
description	the annual fee is assessed.
Type	<p>This flag determines whether or not the fee assessed will be subject to the normal grace period.</p> <p><b>F Fee</b> - Treat as a normal purchase transaction on the account; not subject to grace period.</p> <p><b>T Trans fin/chg</b> - Treat as a transactional finance charge subject to the grace period. (Refer to notes on Grace Period on page 6.)</p>
Month	<p>Enter the number of the month when the annual fee should be charged. For example, to charge annual fees in March, enter 03 here. Fees are posted at the end of the month during normal statement processing. <b>All cardholders will be charged the fee during the same billing cycle.</b></p> <p>CU*BASE does not support annual fees by anniversary or open date. If you wish to pro-rate a current-year fee for members just opening a new account, use Account Adjustment to post the fee amount manually.</p>
Over limit: Fee amount	Enter the amount to be assessed if the card limit is exceeded. This field is used in conjunction with the Non-fee tolerance field.
G/L account	The G/L account number where income from the Overlimit charge should be posted. (A fee amount must be entered in order for this field to be used.)
Transaction description	The description that will print on the billing statement when the over limit charge is assessed.
Type	<p>This flag determines whether or not the over limit charge amount assessed will be subject to the normal grace period.</p> <p><b>F Fee</b> - Treat as a normal purchase transaction on the account; not subject to grace period.</p> <p><b>T Transaction Finance Charge</b> - Treat as a transactional finance charge subject to the grace period. (Refer to notes on Grace Period on page 6.)</p>
Non-fee tolerance	Enter the amount to be used as the threshold when determining whether to assess a charge for the balance exceeding the card limit. Used in conjunction with the Over limit fee. If the amount over limit is less than this amount, no fee will be charged.
Delinquency fine	<p>If a delinquency code is attached to the loan (can be pulled in from the Loan Product Config in this loan category, or attached manually to the loan when it is created), this flag determines when the fee amount will be subject to finance charges:</p> <p><b>F Fee</b> - Treat as a normal purchase transaction on the account; not subject to grace period.</p> <p><b>T Transaction Finance Charge</b> - Treat as a transactional finance charge subject to the grace period. (Refer to notes on Grace Period on page 6.)</p>

Screen 5

Enter CA, PU, or BT to sort items of that type to the top of the list.

Select a record and use the **History** option to see a history of rate changes previously made on the charge type. See Page 26 for details.

Typ	Seq	Start	End	Rate	Rate Code	Description	Promo Or Default	Rate Locked	Active Loans	Not Active Loans
BT	999	Default	Default	9.990	000	Balance Transfer	Active	Locked	3	333
BT	006	Jan 01, 2005	Jan 01, 2005	6.900	000	\$6,999 @ 6.90% PROMOTION	Promo	Locked	77	1
BT	005	Jan 03, 2001	Jan 03, 2001	0.000	000	GF #3 BALANCE TRANSFER	Promo	Locked	0	0
BT	004	Jan 02, 2001	Jan 02, 2001	0.000	000	GF #2 BALANCE TRANSFER	Promo	Locked	1	0
BT	003	Jan 01, 2001	Jan 01, 2001	0.000	000	GF #1 BALANCE TRANSFER	Promo	Locked	1	0
BT	002	Jun 01, 2010	Jun 01, 2020	13.990	000	BALANCE TRANSFER	Promo	Locked	1	0
BT	001	Feb 22, 2010	May 31, 2010	11.990	000	"CARD ACT" BALANCE TRANSFER	Promo	Locked	0	1
CA	999	Default	Default	9.990	000	Cash Advance	Active	Locked	16	320
CA	003	Jan 01, 2001	Jan 01, 2001	0.000	000	GF #1 CASH ADVANCE	Promo	Locked	0	0
CA	002	Jun 01, 2010	Jun 01, 2020	13.990	000	CASH ADVANCE	Promo	Locked	93	61
CA	001	Feb 22, 2010	May 31, 2010	11.990	000	"CARD ACT" CASH ADVANCE	Promo	Locked	2	26
PU	999	Default	Default	9.990	000	Purchase	Active	Locked	83	253
PU	003	Jan 01, 2001	Jan 01, 2001	0.000	000	GF #1 PURCHASE	Promo	Locked	0	0
PU	002	Jun 01, 2010	Jun 01, 2020	13.990	000	PURCHASE	Promo	Locked	280	5
PU	001	Feb 22, 2010	May 31, 2010	11.990	000	"CARD ACT" PURCHASE	Promo	Locked	15	51

Change Delete View History Update default rate

Backup F3  
Add New F6  
Bypass F8

FR (3991) 3/06/12 13:18:15

This screen is used to define the charge types and rates that define how finance charges will be calculated on the credit card accounts.

CU\*BASE must have at one default code for each charge type you intend to use. At the very least, create charge types for purchases (PU) and one for Cash Advances (CA). If you will allow Balance Transfer transactions, you will also create a BT charge type. CU\*BASE automatically assigns a 999 sequence number to the first charge type 'bucket' created for that type. The 999 default bucket in each category is created with no start or end date so they never expire.

Subsequent charge type buckets are considered special rates which require start and end dates for the promotional period. As special rate buckets are created, CU\*BASE assigns sequential sequence numbers to the buckets starting with 001, then 002, through 998.

**To add a new sequence**, click Add Promotion or press F6 to display the screen shown on Page 23. This will create a new rate to be used for transactions that fall within a certain date range for one of the three transaction types.

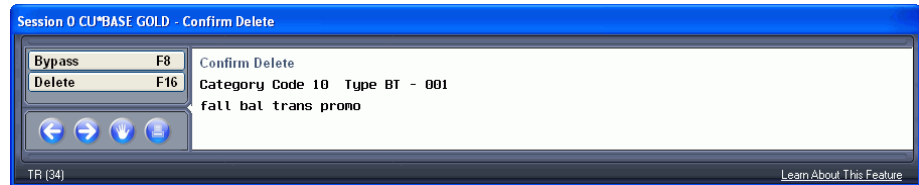
**To modify an existing sequence**, select the item in the list and click Change or press Enter. The screen shown on Page 23 will appear.

*BE CAREFUL: If credit cards have already been created and any transactions posted to this code, changes to the configuration will affect the accounts immediately. Also remember that finance charges are calculated only once a month using the rate from the code at the time statements are generated. Rate changes made in the middle of the month will actually affect all transactions of that type posted during the month (for all cards in this program).*

**To update the rate on an existing default charge type**, select the default charge type and use Update default rate. This can be used to keep existing

charges at the rate that was used when the charge was made and to comply with the Credit CARD act. See *Update Default Rate on Charge Type* on page 27.

**To delete a sequence that was created in error**, select the item in the list and click Delete. When buckets are deleted, those numbers are not re-used. CU\*BASE will generate the next sequential number based on the last number used for that transaction charge type. There will be one confirmation message:



*CU\*BASE will not allow you to delete a sequence that has been attached to any loan account. **Charge type buckets can be deleted only if no transactions have been processed against them.***

#### Field Descriptions

<i>Field Name</i>	<i>Description</i>
Seq	This identifies the transaction category PU, BT, CA and the system assigned sequence number. Each transaction category has a 999 default sequence number that cannot be deleted. As rate promotions are created within categories, the system assigns a sequence number. Up to 998 other sequences can be added for each of the three transaction categories.
Start	This is the date on which the promotional rate starts. Transactions <u>posted</u> on or after this date will receive this rate.
End	This is the date on which the promotional rate ends. Transactions <u>posted</u> on or before this date will receive this rate.
Rate	The finance charge rate for transactions within this category and time period.
Rt Cd	000 indicates no variable rate code was used for that entry. If a variable rate was in effect, the associated code would be displayed.
Description	The description displayed here was entered at the time the rate promotion was created. This description identifies the promotional rate.  <div style="border-left: 1px solid black; padding-left: 10px;"> <p>This field is not printed on the billing statement. The description printed on the billing statement comes from the short description field.</p> </div>

Screen 6

**Credit Card Definition**

Category code 10 VISA CLASSIC

Maintenance	
Type	PU Purchase
Sequence	999 DEFAULT
Start date	00000000
End date	00000000
(Leave start date and end date zeros for the default code)	
Rate	10.500
Daily rate	0.02876700000000
Description	Purchase
Statement description	Purchase

**Variable Rate Information**

Variable rate code

**General Rate Information**

Use grace period

Forgive finance charges for zero balance loans

Transaction charges: % of transaction amount 0.000

Minimum 0.00 Maximum 0.00 (Max 999.99 = no maximum)

Transaction finance charge G/L account

Transaction description

Backup F3  
Bypass F8  
Verify Ent  
Comments F14

TR (1731) 12/17/08 16:39:48 [Learn About This Feature](#)

Use this screen to define the rate, grace period, and transaction charges that will apply to all transactions posted under this code. Cash Advances and Balance Transfers will process as Purchases using the PU charge type bucket if the CA and BT charge types are not set up. (Refer to notes on Grace Period on page 6.)


*NOTE: A version of this screen is also used when you update the rate on a Default charge type. This is used when you want to update the rate going forward, and not just for a promotional period. See Update Default Rate on Charge Type on page 27.*

Use F14-Comments to explain why this charge type was set up and any special instructions on how it works. (See Page 25 for a sample of the screen that will appear.)

*Remember that if credit cards have already been created and any transactions posted to this code, changes to the rate or other configuration settings will affect the accounts immediately.*

Field Descriptions

Field Name	Description
Type	Enter one of the following to indicate the charge type: <b>PU</b> Purchases <b>CA</b> Cash Advances <b>BT</b> Balance Transfers
Sequence	The system assigns a sequence number. Initially shown as 000, the number is assigned when the screen is saved and you return to the previous screen.
Start date	The date on which this special rate will start. The start date can be less than today's date. Transactions will receive the promotional rate during billing cycle processing.

<i>Field Name</i>	<i>Description</i>
End date	The date on which this special rate will end. The date range cannot overlap with another promotion for this transaction type.
Rate	The finance charge rate for this promotion. This field is output only and matches the billing statement. The rate will fall within the range established for this loan category.
Daily rate	This shows the calculated daily rate. (Press Enter to recalculate this after changing the <i>Rate</i> .) This is calculated and rounded according to the settings on the loan category configuration screen 3 (see Page 16).
Description	Identifies this rate promotion on various CU*BASE screens and reports (use up to 30 characters).
Statement description	This 15-character description identifies the promotion and will print on the billing statement.
<i>Variable Rate Information</i>	
Variable rate code	The variable rate code that drives the rate change according to scheduled date. Only group type codes are valid for Credit cards loans. Click the lookup button  to see a list of your credit union's configured variable rate group codes.
<i>General Rate Information</i>	
Use grace period	<p>Check this checkbox if transactions under this code should immediately be subject to finance charges, or whether they should be subject to the grace period before finance charges are calculated. (This period is defined by the number of billing days in the billing cycle. See Page 16.)</p> <p>Typically this is checked for purchases but left unchecked for cash advances, in order to begin calculating finance charges immediately for cash advance transactions.</p> <p>(Refer to notes on Grace Period on page 6.)</p>
Forgive finance charges for zero balance loans	If checked, no finance charges for the charge type will be assessed if the current loan balance is zero. The <i>Use grace period</i> flag is ignored when this field is checked.
Transaction charge as a % of transaction amount	<p>The % rate is multiplied by the amount of the transaction to assess a transaction fee. Typically used for cash advance (CA) charge types in order to charge a cash advance fee. Also referred to as a "transactional finance charge." The <i>Transaction charges apply to</i> flag described on Page 17 determines which incoming transactions are subject to the rate defined here (either all or only transaction that come in via the switch).</p> <p>Cash advance fees are <u>not</u> assessed in the following situations:</p> <ul style="list-style-type: none"> <li>• When the credit card loan is used to cover an overdraft of a checking or savings account.</li> <li>• When using the Loan Disbursement feature to disburse funds from a credit card loan (MNLOAN #2).</li> <li>• When the cash advance is obtained at an ATM machine using the member's ATM card. However, if the physical credit card is used at an ATM to obtain the cash advance, the transaction processes through your vendor and the cash advance fee may be assessed. (The ability to use a credit card at an ATM depends on whether or</li> </ul>

Field Name	Description
	not a PIN is attached to the card as well as on the capabilities of your ATM interface. Not currently used by any ATM vendor.)
Minimum Maximum	The dollar amount range used to determine the assessed transaction charge after it's been calculated. The transaction charge cannot be lower than the minimum nor higher than the maximum.
Transaction finance charge G/L Account	Enter the G/L income account where transaction charges should be posted.
Transaction description	Enter the transaction description to be used on member statements when this transaction charge is assessed (such as "Cash Advance Fee").

#### F14-Comments

The screenshot shows a software window titled "Session 0 CU\*BASE GOLD - Credit Card Definition". The main area is titled "Credit Card Definition" and contains the following information:

- Category code: 10 VISA CLASSIC
- Type: PU Purchase
- Sequence: 999 DEFAULT

Below this information is a section titled "Comment/Additional Description" with a text area containing the following text:

Use this space to identify the unique characteristics of this VISA product  
You can also write procedures on how to handle a rate change.  
This comment area stays with the product until it is deleted.

Below the text area are several empty lines for input. A navigation panel on the left includes "Backup F3" and "Update Ent" buttons. The bottom of the screen shows a timestamp "TR (1732) 12/17/08 16:45:03" and a "Learn About This Feature" link.

This screen can be used to record any miscellaneous information about this credit card program, for internal use by credit union staff. When done, press Enter to save and return to the previous screen.

*HINT: The lines in this screen are individual lines without text wrapping capabilities. For reading ease, end each line with a complete word and begin each new line with a complete word.*



## Rate History Detail Record

Changes are recorded with date, user ID, employee ID, and the action.

The information on the previous screen parallels the configuration screen shown on Page 23, with an added segment showing when the rate was updated and by whom.

## UPDATING THE RATE ON A DEFAULT CHARGE TYPE

Using this feature, credit unions can comply with the Credit CARD Act, which requires that members' existing charges remain at the original rate that was in place when the charge was made. This feature is for use by credit unions that have a fixed rate on a product and allows changes at the product level, not the member level.

In a nutshell, CU\*BASE allows credit unions to create new default charge rates for all activity types (purchases, balance transfers, cash advances), replacing the 999 charge rate as of a specified date. The old default record then has an end date and the new default will have no end date. Since the sequence number for the buckets is already assigned automatically by the system, the flow will automatically assign descending sequence numbers starting with 999 (998, 997, etc.) for any new default buckets that are created.

- This is not to be confused with a Promotional Rate, which is used when the credit union wants to introduce a different rate for a short period of time (a promotion). For example, the credit union might offer a lower promotional rate during the month of January.

To change the default rate navigate the loan category configuration screen listing the charge rates. Use MNCNFB #1, select a credit card category, and press Enter several times to move to the screen below.

Select the default charge rate (999 or most recent default rate) and select “Update default rate.”

Session 0 CU\*BASE GOLD - Credit Card Definition

**Credit Card Definition** UPDATE

Begin with type  Category code 75 VISA CLASSIC (R 13.9 / P 3.0%) Show dates 00000000 [MMDDYYYY] (Blank for all)

Typ	Seq	Start	End	Rate	Rate Code	Description	Promo Or Default	Rate Locked	Active Loans	Not Active Loans
BT	999	Default	Default	13.900	000	Balance Transfer	Active	Locked	1	441
BT	005	Jan 01, 2005	Jan 01, 2005	6.900	000	\$6,999 @ 6.90% PROMOTION	Promo	Locked	3	0
BT	004	Feb 01, 2006	Mar 31, 2006	6.000	000	Balance Transfer Promotion	Promo		0	1
BT	003	Jun 01, 2007	Sep 01, 2007	8.250	000	Balance Transfer Promo	Promo	Locked	1	5
BT	002	Jan 16, 2007	Apr 15, 2007	8.250	000	Balance Transfer Promo	Promo	Locked	2	7
BT	001	Jan 01, 2006	Jan 01, 2006	12.900	000	GF Balance Transfer	Promo		0	141
CR	999	Default	Default	13.900	000	Cash Advance	Active	Locked	99	343
CR	001	Jan 01, 2006	Jan 01, 2006	12.900	000	GF Cash Advance	Promo	Locked	4	137
PU	999	Default	Default	13.900	000	Purchase	Active	Locked	386	54
PU	001	Jan 01, 2006	Jan 01, 2006	12.900	000	GF Purchase	Promo	Locked	33	109

Change Delete View History Update default rate

Backup F3  
Add New F6  
Bypass F8

[3991] 2/29/12 10:25:52

Enter in a roll start date and rate, and press Enter. You may wish to fill in additional fields as well. For an explanation of the fields on this screen and for directions for creating a promotional rate, refer to page 23.

Session 0 CU\*BASE GOLD - Credit Card Definition

**Credit Card Definition** DEFAULT

Category code 95 MASTERCARD GOLD (R 16.4/P 3%)

Type BT Balance Transfer Sequence 999 Default

Start date 00000000 End date 00000000  
(Leave start date and end date zeros for the default code)

Description Balance Transfer Statement description Balance Transfr

Rate 14.400 Daily rate 0.0394520000000000

Roll start date Mar 14, 2012 [MMDDYYYY] Roll rate 14.500 Roll daily rate 0.0000000000000000

Variable Rate Information

Variable rate code

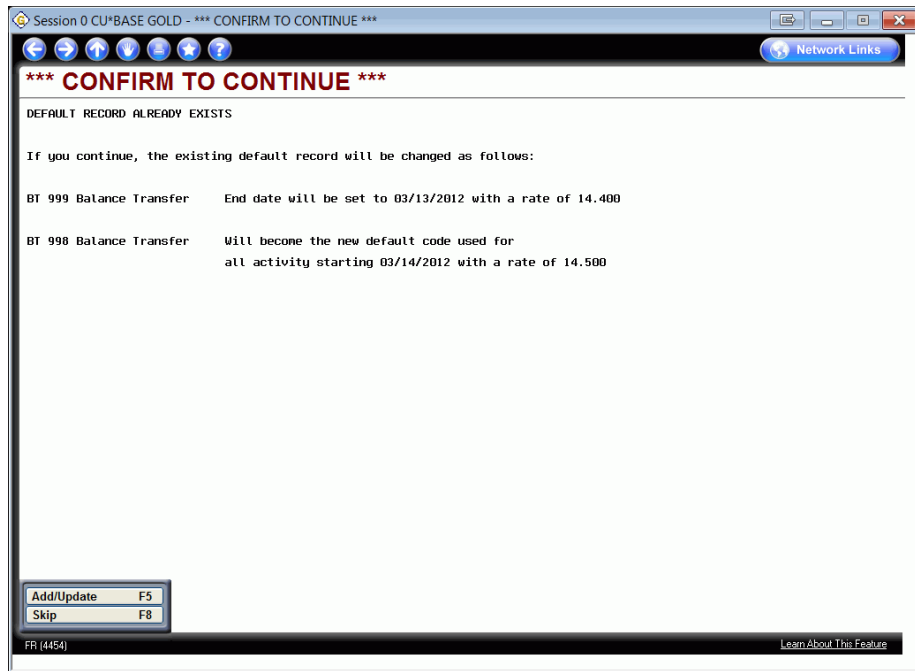
General Rate Information

Use grace period  
 Forgive finance charges for zero balance loans

Transaction charges: % of transaction amount 0.000  
Minimum 0.00 Maximum 0.00 (Max 999.99 - no maximum)

Transaction finance charge G/L account   
Transaction description

FR [1731] 3/12/12 17:23:58



Confirm the change and use F5-Add/Update to move to the final update screen.



After Enter, you will return to the original screen with the new default charge type listed.

Session 0 CU\*BASE GOLD - Credit Card Definition

**Credit Card Definition** UPDATE

Begin with type  Category code **75 VISA CLASSIC (R 13.9 / P 3.0%)** Show dates **00000000** [MMDDYYYY] (Blank for all)

Typ	Sug	Start	End	Rate	Rate Code	Description	Promo Or Default	Rate Locked	Active Loans	Not Active Loans
BT	999	Default	Default	13.900	000	Balance Transfer	Active	Locked	1	441
BT	998	Mar 14, 2012	Default	14.500	000	Balance Transfer	Default		0	0
BT	005	Jan 01, 2005	Jan 01, 2005	6.900	000	\$6,999 @ 6.90% PROMOTION	Promo	Locked	3	0
BT	004	Feb 01, 2008	Mar 31, 2008	8.000	000	Balance Transfer Promotion	Promo		0	1
BT	003	Jun 01, 2007	Sep 01, 2007	8.250	000	Balance Transfer Promo	Promo	Locked	1	5
BT	002	Jan 16, 2007	Apr 15, 2007	8.250	000	Balance Transfer Promo	Promo	Locked	2	7
BT	001	Jan 01, 2006	Jan 01, 2006	12.900	000	GF Balance Transfer	Promo		0	141
CA	999	Default	Default	13.900	000	Cash Advance	Active	Locked	99	343
CA	001	Jan 01, 2006	Jan 01, 2006	12.900	000	GF Cash Advance	Promo	Locked	4	137
PU	999	Default	Default	13.900	000	Purchase	Active	Locked	386	54
PU	001	Jan 01, 2006	Jan 01, 2006	12.900	000	GF Purchase	Promo	Locked	33	109

Change   
 Delete   
 View   
 History   
 Update default rate

Backup F3

Add New F6

Bypass F8

(3981) 2/29/12 10:25:52 Learn About This Feature

*This screen shows the addition of the 998 Balance Transfer charge type which will be new default charge type beginning on March 14, 2012.*

# CONFIGURING THE LOAN PRODUCT

Once your credit card loan category has been set up, the next step is to create a corresponding **loan product code**, which is used to set up the loan request on CU\*BASE, and to display your credit card in the **It's Me 247** loan rate board. Members can apply for credit card loans from online banking, just like any other line of credit loan, and the product code lets you define exactly how the loan requests will be set up for your staff to work in CU\*BASE.

*Following are special instructions for setting up a credit card loan product. Refer to online help [Learn About This Feature](#) for additional information on using these screens.*

MNCNFB #6 "Rate Inq/PC Bank Ln Product Cfg"  
Screen 1

Corp ID	Prod #	Sequence	Product Description	Loan Category
01	014	00	Visa Classic	VISA CLASSIC
01	015	00	HELOC Balloon	HELOC LOANS
01	016	00	home equity closed end	HOME EQUITY
01	017	00	interest only balloon	INTEREST ONLY
01	018	00	Agriculture loan	AGRICULTURE LN
01	019	04	USED AUTO 48 MONTHS	INSTALLMENT LN

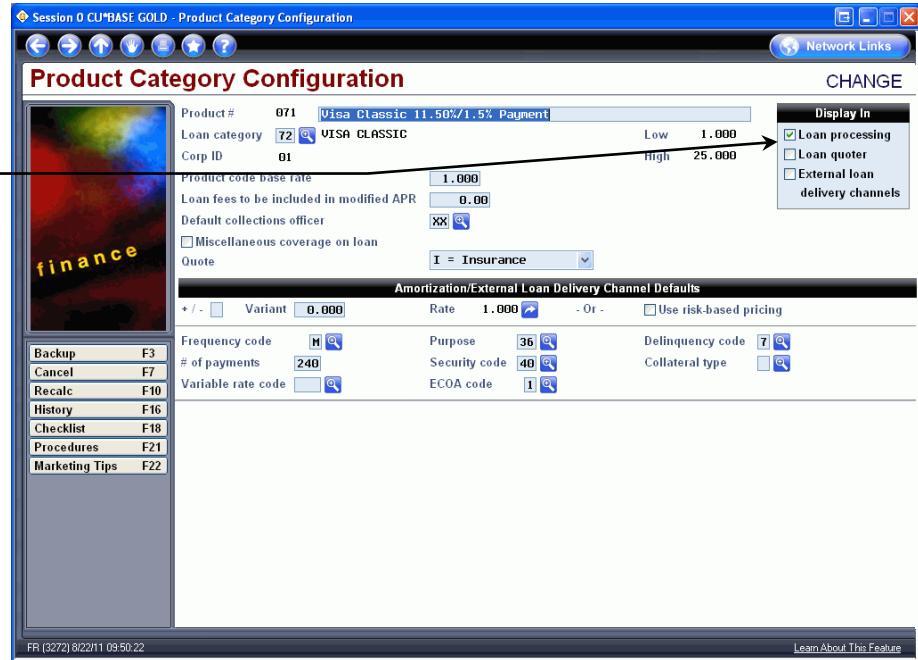
The Product code allows you to set defaults common to the loan category which will be auto-filled when the credit card loan requests are created, such as purpose and security codes, delinquency fine level, etc., similar to other types of loans. A product code is also used to quote rates to staff and help sell your credit card products to your members.

***IMPORTANT:** Because the loan product codes you set up for credit cards must have a rate of 0.000 (because rates come from the configured charge types for these loans), if you want to be able to display a generic rate in Rate Inquiry or for use in online banking, you may need to set up a separate product code used only for quoting rates, but not used when setting up loan requests. Contact a Client Service Representative for assistance.*

On this first screen, use **F6-Add Product** to create a new product (or select an existing item in the list and use the Change option to modify it). The screen shown below will appear.

Screen 2

Options for Loan Quoter and Extended Loan Delivery Channels are not available for credit card (Process type V) loans.



On this screen, set up the basic parameters that are used to set up new credit card loans in CU\*BASE.

**CU\*TIP:** To speed up the process of creating these loans on CU\*BASE, it is recommended that a default value be set up wherever appropriate (see below) so that the loan officer needs only to fill in the loan amount (credit limit) to create the loan request.

The fields on these screens are common to the product category configuration screens, but due to the nature of credit card loans some of them have unique behavior, as described below:

#### Field Descriptions

Field Name	Description
Display In	Display in Loan processing should be checked. Neither Loan Quoter nor Extended Loan Delivery Channels are currently available for credit card loan products.
Product code base rate	<b>Enter 0.000 in all cases.</b> The actual rate to be used is based on the finance charge rates from charge type configuration. (See Page 11.)
Miscellaneous coverage on loan	Check this checkbox if Miscellaneous coverage is offered for members with credit card loans. If this is checked, a screen will appear allowing you to select a Miscellaneous coverage (not shown in this booklet)
Quote	Choose here whether to add D= Debt Protection or I = Insurance to this product. The following screen will allow

<i>Field Name</i>	<i>Description</i>
	<p>you to select the specific coverage options for this loan. Premiums are handled the same as with other loans and will be posted against your default purchase charge type (PU999).</p> <p><b>IMPORTANT:</b> If you are offering payment protection for credit cards, you <i>must</i> set up separate insurance/debt protection code(s), even if the program is similar to what you offer for other loans.</p>
<b>Amortization/ External Loan Delivery Channel Defaults</b>	
Variant -OR- Rate  Use risk-based pricing	Enter 0.000 as the rate. (Actual rates are controlled by the configuration for each charge type.) Risk Based Pricing is not valid for credit card products.
Frequency code	Always set this default to <b>M (Monthly)</b> for credit card loan products.
Purpose	Although the field can be left blank, this should be filled in with a default purpose code in order to make it faster for the loan officer to create a new loan request.
Delinquency code	Although the field can be left blank, this should be filled in with a default delinquency fine code in order to make it faster for the loan officer to create a new loan request.
# of payments	Enter the number of months to control the <i>Review date</i> that appears on the loan account record.  <p>This date is simply for information only and is required in order to process the loan request. It has no affect on the credit card renewal process, which is currently handled by your vendor.</p>
Security code	Although the field can be left blank, this should be filled in with a default security code in order to make it faster for the loan officer to create a new loan request.
Collateral type	<b>Leave this field blank</b> so that collateral is not required on new credit card loan requests.
Variable rate code	Credit card loans will use group type variable rate codes only. Codes are 3 digits and drive the rate change according to a scheduled date.
ECOA code	Use this to designate an ECOA code (default is 0 = Undesignated).

### Screen 3

Session 0 CU\*BASE GOLD - Product Category Configuration

**Product Category Configuration** Insurance Product Selection

Corp ID 01  
Product # 071  
Description Visa Classic 11.50%/1.5% Payment  
Loan category 72 VISA CLASSIC  
Low 1.000  
High 25.000  
Product code base rate 1.000

**Payment Protection Codes**

Single credit life MC  
Joint credit life MC  
Disability MC  
 Add to balance  
 Include balloon amount

Backup F3  
Cancel F7

FR [3275] 8/22/11 09:52:21 [Learn About This Feature](#)

Use this screen to add any insurance or debt protection to the loan. This screen may be preceded by a screen for the addition of Miscellaneous Coverage, if that option is selected. (All of these options are selected on the configuration screen shown on page 32.) The insurance, debt protection or miscellaneous coverage that is configured will then will be available for selection at the time the loan is created.

**IMPORTANT:** If you are offering payment protection for credit cards, you *must* set up separate insurance/debt protection code(s), even if the program is similar to what you offer for other loans.



# CONFIGURING THE CREDIT CARDS

The data entered on the following screens will be supplied from multiple sources. Your vendor supplies the BIN number, Institution ID, Security code, and the Card stock, all of which help to uniquely identify the credit card program. This screen displays the BIN number and description of the credit card programs already defined.

MNCNFG #16 - Online Credit Card Config.  
Screen 1

See Page 40 for information about using Cardstock option here.

Bin	Description	Bin	Description
	VISA CLASSIC		
	VISA GOLD		
	VISA CLASSIC (TC)		
	VISA PLATINUM		
	MASTERCARD CLASSIC		
	MASTERCARD GOLD		

● Update    ● Card Stock    ● Update    ● Card Stock

Add F6  
Cancel F7

FR (1076) 1/13/09 14:28:06 [Learn About This Feature](#)

To add a new credit card plan click, press F6 or click the **Add** button. The screen shown below will display.

Screen 2



See Page 39 for information about using the F6-Add Admin Crd feature to set up a special card for testing purposes.

Use this option to reveal a screen where you can enter as many loan categories as you would like to tie to this card type.

Field Descriptions

Field Name	Description
BIN	The 10-character BIN number identifies the credit card plan. The BIN supplies the first 10 digits of the credit card number. This data is also part of the header record in the Positive Balance File (PBF) transmission to your vendor.
Next	This 5 character numeric field is used to generate the next card number.  The BIN, combined with this five digit number, forms the first 15 digits of the card number. A check digit is then calculated and placed in position 16 to complete the credit card account number.
Vendor	Enter the 7 character vendor name of the credit card processing service.
Expiration month	This 2 character numeric field indicates the number of months credit cards of this plan will be in effect. At the end of this term, the credit card will need to be reissued.  Your credit union may elect to have your vendor automatically reissue cards that are due to expire. This process is referred to by your vendor as “auto-reissue.” Auto-reissue means that your vendor initiates the reissue of credit cards.  If your credit union chooses to track reissues internally, you will be responsible for sending embossing requests to your vendor at the appropriate time.
Institution ID	The 6 character numeric Credit Union ID supplied by your vendor. This code is part of the header record in the Positive Balance File (PBF) transmitted to your vendor.
Card stock	The 5 character stock code provided by your vendor. Indicates which credit card stock will be used when embossing this card. Once an initial card stock is configured, use the lookup to select a different card stock.

<i>Field Name</i>	<i>Description</i>
	For information on how to configure these card stock options, see page 40.
Score card	Leave unchecked unless scorecard rewards transmissions are used. Contact a CU*Answers representative for assistance with this feature
Card verification	<p>The 1 character alpha code indicates data the member must provide to activate this card. The credit union determines which code they will use and your vendor uses that code to configure their card activation process. Valid codes:</p> <p style="padding-left: 40px;">M = Account base</p> <p style="padding-left: 40px;">S = SSN (Social Security number)</p> <p>The physical card is labeled with a sticker on the front that provides instructions for activating the card. If the member calls from their home phone number, the card is activated automatically and no other action by the member is required.</p> <p>Otherwise, if the activation process begins from a phone other than what is stored on the credit card record, the member must enter their Social Security number or their member base account number, depending on the choice entered here.</p>
Description	The 20 character field that identifies the credit card plan (e.g. Visa Classic, Visa Platinum, Visa Gold, etc.).
Security code	The 8 character numeric code supplied by your vendor that identifies the credit union. This code is part of the header record in the Positive Balance File (PBF) transmitted to your vendor.
Authorization days	Enter the number of days funds will be held on credit card transactions when an authorization is received.
ISA G/L	Enter the G/L account number for foreign transaction fees, if you pass them directly on to the member. If you do not wish to pass these fees to members, enter 99999 here.
Clearing G/L	The General Ledger Clearing Account number. This is an asset account. We recommend that 802.22 be created for your clearing G/L. The amount stored in this account represents all monetary transactions for this loan category. Posting programs clear this account as each credit card account is updated with the transaction. The clearing account will always be at zero.
Suspense G/L	The General Ledger Suspense Account number. This is normally in the 870 number range. We recommend that 870.22 be created for your suspense G/L. This account stores the dollar amount of transactions that were processed but not posted. The items that comprise this account are generally exceptions and must be reconciled and posted manually. The suspense account should always be brought to zero.
<i>New Card Defaults</i>	
These codes will be entered automatically whenever a card order is created for a new loan account (where no cards have been ordered previously). The user can adjust these codes on a case-by-case basis at the time the order is placed, however.	
Card activation code	The 1 character alpha code used by your vendor to indicate the type of issue and if card activation is to be used.

Field Name	Description
	Blank = Do not use card activation I = Issue with activation ( <i>member will be required to call the card activation line before the card can be used</i> ) N = No activation
Issue action	The Issue Action code indicates to your vendor if a PIN mailer, card, or both should be generated. B = Produce both card & PIN P = Generate PIN only Y = Generate card only
<b>Additional/Replacement Card Defaults</b> These codes will be entered automatically whenever a card order is created for an existing account (where at least one card has been ordered previously). The user can adjust these codes on a case-by-case basis at the time the order is placed, however.	
Card activation code	The 1 character alpha code supplied and used by your vendor to indicate the type of issue and if card activation is to be used. Blank = Do not use card activation A = Additional card, no activation D = Duplicate card, no activation N = No activation
Issue action	The Issue Action code indicates to your vendor if a PIN mailer, card, or both is to be generated. E = Pull offsets from your vendor master file; produce both card & PIN F = Pull offsets from your vendor master file; produce PIN only G = Pull offsets from your vendor master file; produce Card only

#### F6-Add Admin Crd

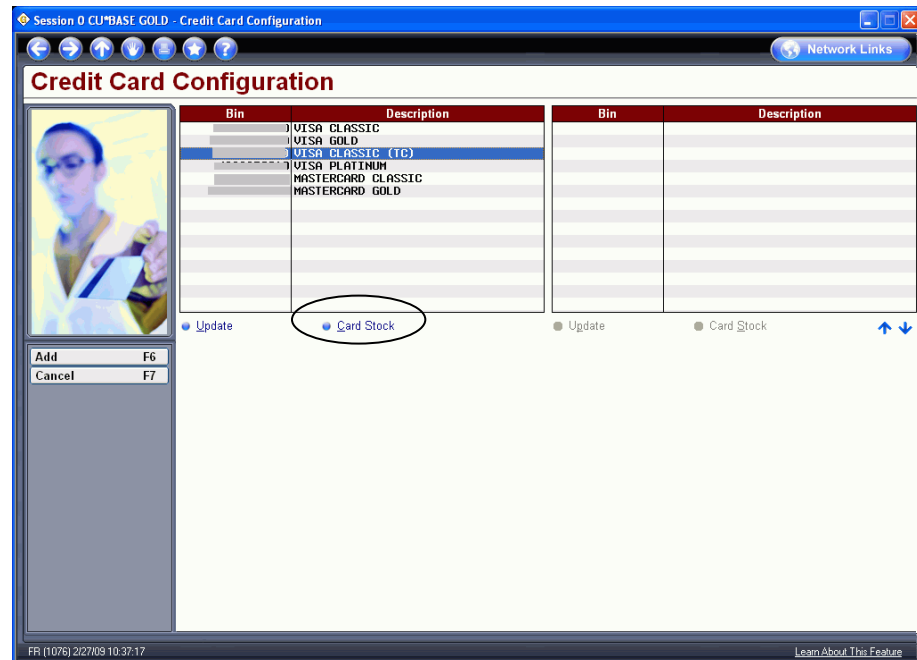
Enter the 16-digit card number your credit union uses for administrative and testing purposes. Then enter the account base and suffix (type) for your administrative account. Use Enter to save and return to the previous screen.

## CONFIGURING CARD STOCK OPTIONS

CU\*BASE allows you to configure multiple card stock (plastic) options for each individual BIN. For example, you might want to offer your Platinum members a “Classic” card as well (as extra perk) a card with palm trees on it (a “vacation view”) card. Or perhaps you are a multi-corp credit union with two or more credit unions using a single BIN—but you want each credit union have its own credit union specific card. Configuring multiple card stocks allow you to handle both these situations.

- If you are considering offering multiple card stocks, contact a CU\*Answers EFT Product Specialist for assistance.

### MNCNFG #16 Online Credit Card Config



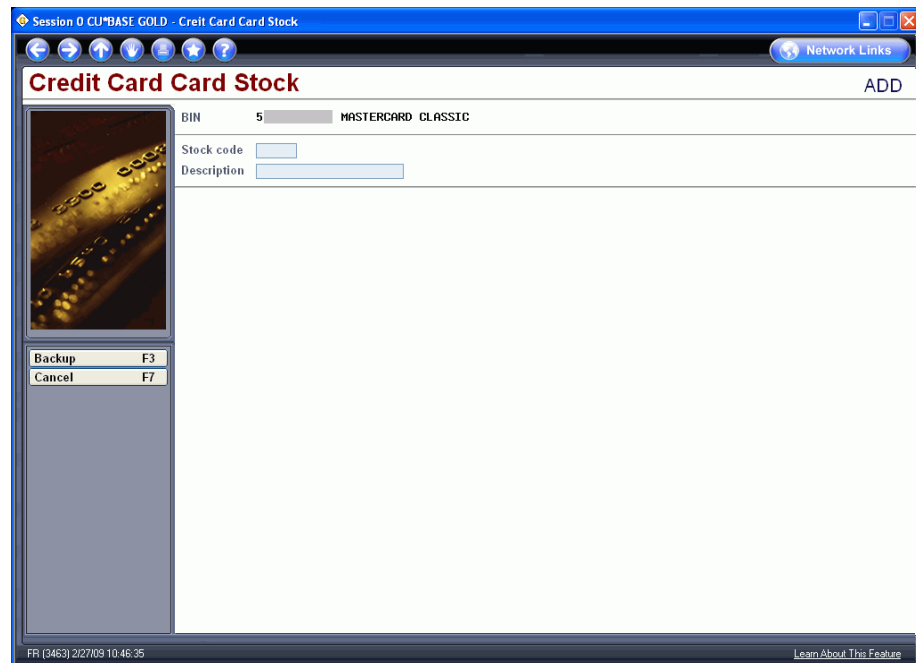
Selecting the Card Stock option from the screen above allows you to view the card stocks available for the selected BIN (card stock is configured by BIN).

## Selecting the Card Stock Option



This screen shows a listing of all card stocks that have been configured for this particular BIN. To add an additional card stock option for the selected BIN, use F6-Add.

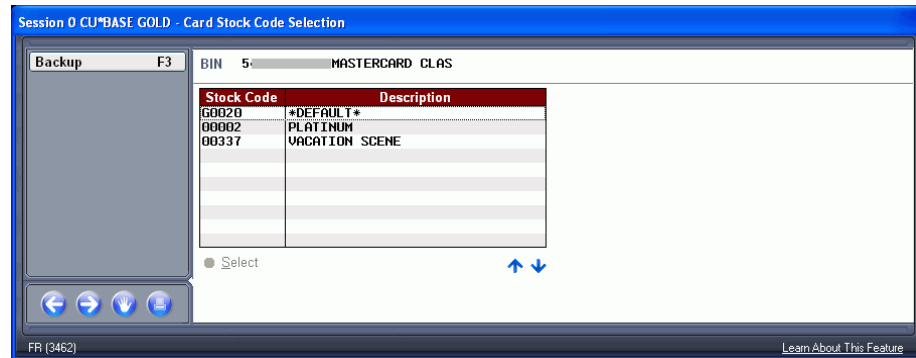
## F6-Add



On this screen, enter your Stock Code (the plastic card stock code used with the plastics vendor—the physical plastic) and a Description to help you identify the card stock. Press Enter to save this card stock.

These card stock options can be selected during three activities: when the card is itself is configured (from the Card Configuration Screen shown previously), when the credit card loan is initially created, and during loan account maintenance (MNLOAN #5).

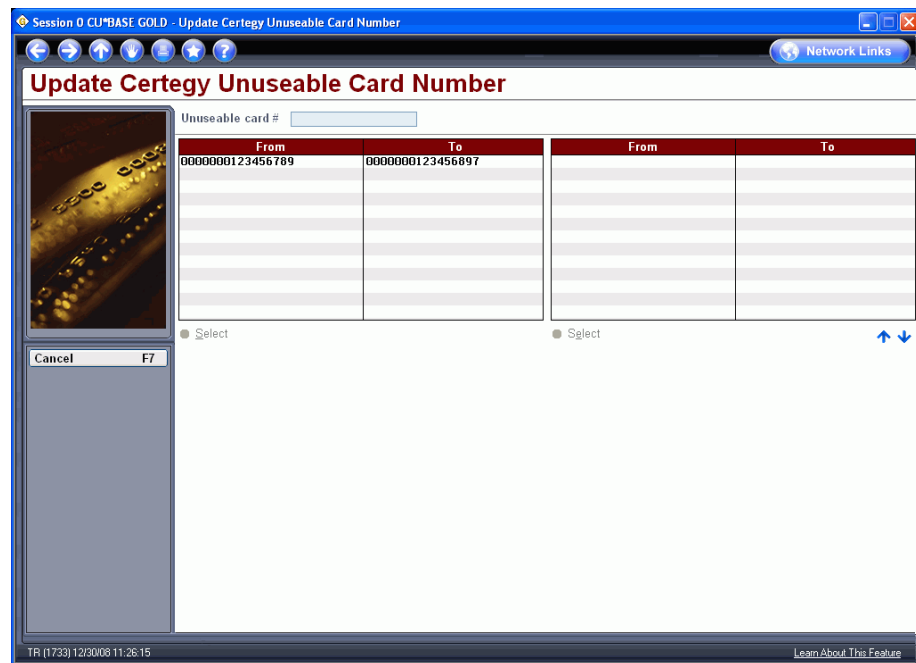
### Card Lookup



## BLOCKING RESTRICTED CREDIT CARD NUMBERS

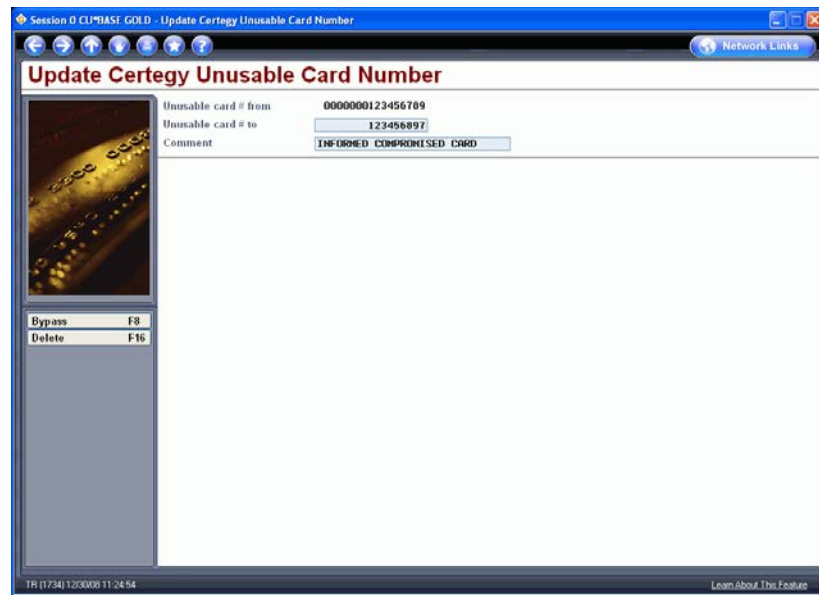
There is sometimes a need to restrict the use of certain credit card numbers. To prevent CU\*BASE from generating a credit card with those numbers, enter the number or number range as specified below.

### MNATMD #4 Screen 1



On the first screen, key the beginning card number and press Enter.

## Screen 2



On screen 2, key in the ending card number and a comment. Press Enter to save.

*To delete the restricted card numbers entry, use F16-Delete. One confirmation message will appear.*

### Field Descriptions

<i>Field Name</i>	<i>Description</i>
Unusable card # from	A 16-digit credit card number to be restricted from use. If you are entering a range of numbers, enter the lowest number.
Unusable card # to	A 16-digit credit card number to be restricted from use. If you are entering only one number, this will be the same as the from card #. It is the highest number of the range.
Comment	Enter a 30 character description.

---

# OFFERING SKIP-A-PAY FOR YOUR ONLINE CREDIT CARDS

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 and with no intervention needed by our staff.

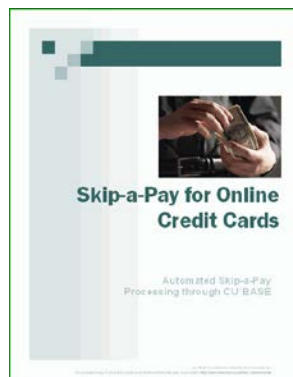
Using the configuration on menu MNCNFG #18, you can define multiple programs (such as a “Holiday Visa Platinum Skip-Pay” or “MasterCard Summer Break”) according to loan category and statement period. Set up eligibility rules such as delinquency status, how long the account has been opened, presence of 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.

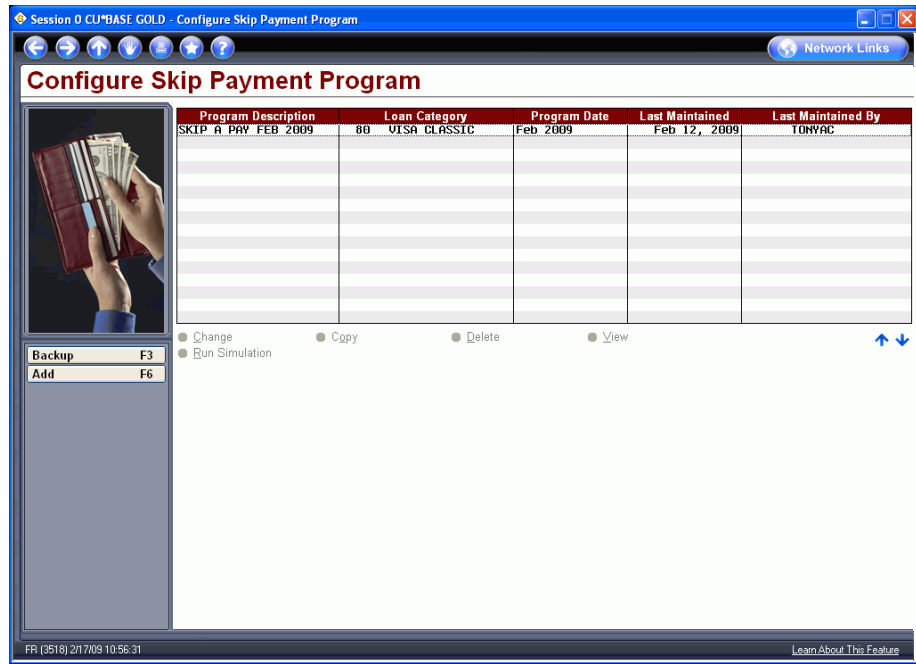
Members can still make their regular payment if they wish, and automated payment features such as ACH distributions or AFT will continue to work as before. (HINT: If you’ve set up any AFTs to automatically pay the minimum payment amount, since the minimum will be \$0, those members won’t have a transfer that month.)

Following is a brief introduction to setting up a Skip-a-Pay to show you affected screens as well as the general process. For more detailed information on offering a Skip-a-Pay offering to you online credit card holders, check out the booklet “Skip-a-Pay for Online Credit Cards, located under “S” on the CU\*Answers reference page:

[http://www.cuanswers.com/client\\_reference.php](http://www.cuanswers.com/client_reference.php).



MNCNFG #18-Credit Card Skip-a-Pay Config

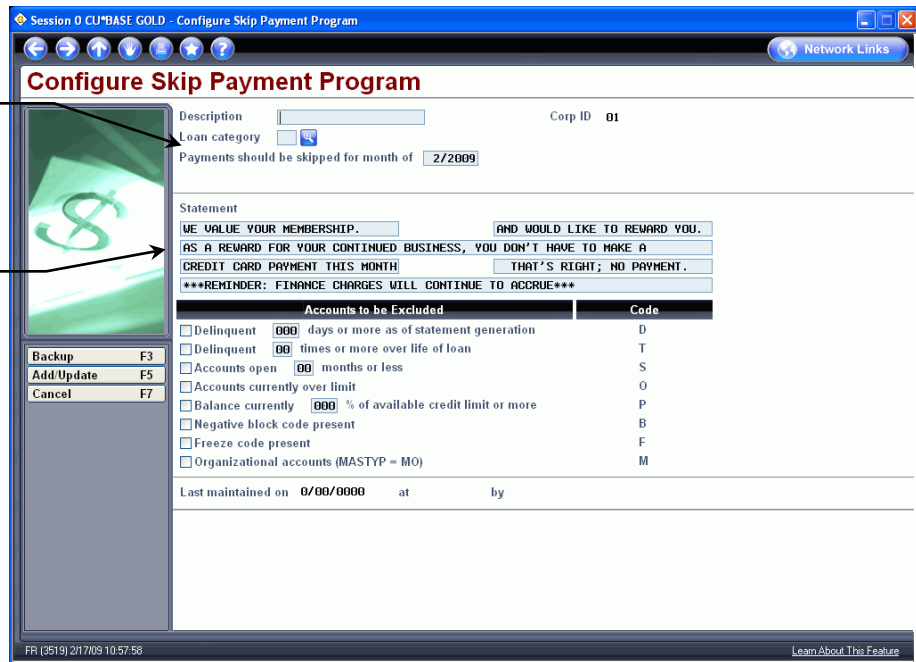


Use the previous screen to begin configuring your programs. The screen lists previously scheduled programs, with their scheduled run dates (if any exist). To configure new program, use F6-Add (or use the Copy option to create a program based on one that is already created).

F6-Add

Select the online loan category and indicated the month the offer will be processed 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 [Learn About This Feature](#) in the lower right hand corner of the screen.

## EXAMPLE OF AND NOTE ON 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 this month.

### Example of Statement

Summary of Account	
Previous Balance	7,451.29
Payments, Credits, Benefits (-)	150.00
Purchases, Cash Adv, Bal Transfers (+)	60.94
Finance Charges and Other fees (+)	99.23
<b>Misc Adjustments</b>	<b>.00</b>
New Balance	7,461.46
<hr/>	
Available Credit	
Credit Limit	7,500.00
<b>New Balance</b>	<b>7,461.46</b>
Credit Available	38.54

Account Information	
Member Number	██████████
VISA CLASSIC	*****
<b>Statement Date</b>	<b>12/31/2008</b>
<b>Payoff Amount</b>	<b>\$7,461.46</b>
<b>Minimum Payment</b>	<b>\$ .00</b>
Payment Due Date	1/25/2009

### Transactions

POST	TRANS	TRANSACTION DESCRIPTION	LOCATION OF ACTIVITY	AMOUNT
Dec 08	Dec 08	PC CU TRANSFER	Transfer Acct: ██████████-000	150.00 CR
Dec 08	Dec 07	RUDYS MARKET	CLARKSTON , MI	13.78
Dec 09	Dec 07	RITE AID STORE 4592	CLARKSTON , MI	18.96
Dec 09	Dec 08	GEB CLARKSTON	CLARKSTON , MI	6.25
Dec 10	Dec 08	SUNOCO SVC STATION	CLARKSTON , MI	16.00
Dec 30	Dec 29	CR *CONSUMERREPORTS.	800-333-0663 , NY	5.95
Dec 31	Dec 31	PIN CHG PURCHASE		99.23
Dec 31	Dec 31	WE VALUE YOUR MEMBERSHIP.. AND WOULD LIKE TO REWARD YOU.		.00
		AS A REWARD FOR YOUR CONTINUED BUSINESS, YOU DON'T HAVE TO MAKE A		
Dec 31	Dec 31	CREDIT CARD PAYMENT THIS MONTH THAT'S RIGHT; NO PAYMENT.		.00
		***REMINDER: FINANCE CHARGES WILL CONTINUE TO ACCRUE***		

Once the program is configured, press Enter to move to a simulation of the project which will identify how many members are affected. This screen generates two reports, one of member who qualify for the Skip-a-Pay and one of members who do not qualify. These reports are also archived in CU\*SPY in the Miscellaneous category.

## Skip-a-Pay Batch Confirmation

Report Options	Response
Program description	SKIP A PAY FEB 2009
Loan category	80
Type	S = Simulation

Job queue

Copies

Printer

Cancel F7

FR (3517) 2/17/09 11:11:40 [Learn About This Feature](#)

Adjustments to the program can then be made to the program. On the last day of the month, CU\*BASE creates a payment change record for members included in the program. This can be adjusted by the credit union on the last day of the month. At EOD on the last day of the month, these payment changes are processed and the message and minimum balance of \$0.00 is printed on the included members' statements.



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# CREDIT CARD STATEMENTS

The billing statement is produced on the last day of each month, at the end of the Billing Cycle. Your current statement configuration may need to be altered to assure that every credit card holder receives a monthly statement. Some member statements are produced on a quarterly rather than monthly basis.

*IMPORTANT: The following information assumes your credit union uses Sage Direct to process member statements. See Page 4 for more information if you have a different statement processor.*

## PRINTED STATEMENTS

The Credit Card Statement is printed with your credit union logo, address, and phone number. In some cases, the address and phone number for multiple branches can be accommodated.

The remittance coupon is perforated to allow easy detachment when payments are made. The back of the coupon is printed with the remittance address and change of address information. The member name and address is printed on the coupon front which also contains the account number, credit card number (last few digits, according to your configured setting), payment and due date information.

Credit card statements are inserted with your regular member statements, as they are produced at the same time by the same vendor. Both will be printed on white paper, and the credit card statement will be inserted behind the regular member statement in the envelope. Your members will receive a statement for any month in which activity occurs or a balance is carried. When the credit card loan has a zero balance and there has been no activity, no statement will be printed for that month.


A sample of the printed credit card statement is shown on the following page.

## CONFIGURING STATEMENT MESSAGES

Just like with your regular member statements, **each month you will need to update the message** that appears at the top of the credit card statement.

*Refer to the separate “Online Credit Cards: User Guide” for instructions on the monthly task of setting up statement messages and insert instructions.*

Sample Credit Card Statement



**ICCU**  
Isabella Community  
Credit Union

PO Box 427  
Mt. Pleasant MI 48804-0427  
(989) 773-5927 or toll free (866) 773-5927  
www.ICCUonline.com

**\*\* CREDIT CARD STATEMENT \*\***

Member Number 999999-850  
VISA PLATINUM \*\*\*\*\*9999  
Statement Date 4/30/2010  
Payoff Amount **\$3,344.51**  
Minimum Payment **\$119.00**  
Payment Due Date 5/28/2010

Amount Enclosed \$

AUTO "AUTO" SCH 5-DIGIT 12345  
00002487 02 AV 0.460  
JOHN D SAMPLE  
123 ANY STREET  
ANYTOWN USA 12345-6789

0001  
0002495

**ISABELLA COMMUNITY CREDIT UNION**

Your credit union is online, real time. When you make a deposit it is posted immediately. When you check your VISA balance with "It'sMe247" online access it's free and it's real-time. Online, real time for more than 20 years. Expect nothing less.

Summary of Account	
Previous Balance	4,056.56
Payments, Credits, Benefits	(-) 375.00
Purchases, Cash Adv, Bal Transfers	(+) 232.79
Finance Charges and Other Fees	(+) 30.16
Misc Adjustments	.00
<b>New Balance</b>	<b>3,944.51</b>

Available Credit	
Credit Limit	5,000.00
New Balance	3,944.51
<b>Credit Available</b>	<b>1,055.49</b>

Account Information		
Member Number	999999-850	
VISA PLATINUM	*****9999	
Statement Date	4/30/2010	
Payoff Amount	<b>\$3,344.51</b>	
Minimum Payment	<b>\$119.00</b>	
Payment Due Date	5/28/2010	

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$15 late fee and your APRs may be increased up to the Penalty APR of 15.900%.

**Minimum Payment Warning:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

If you make no additional charges using this card and each month you pay,	You will pay off the balance shown on this statement in about,	And you will end up paying an estimated total of,
Only the minimum payment	12 years	\$5,181
\$125	3 years.	\$4,509 (Savings=\$672)

If you would like information about credit counseling services, call 1-866-853-2227.

Transactions				
POST	TRANS	TRANSACTION DESCRIPTION	LOCATION OF ACTIVITY	AMOUNT
Apr 09	Apr 08	CFCA *SPONSORSHIP	800-875-6564 , KS	30.00
Apr 09	Apr 08	RIE'S FOOD CENTER	MT PLEASANT , MI	35.28
Apr 12	Apr 09	MEIJER INC #69 Q	MT PLEASANT , MI	61.34
Apr 12	Apr 11	USPS 256440955208018	MT PLEASANT , MI	7.92
Apr 17	Apr 17	LANDSCAPE BUSINESS	800-338-2000 , WI	58.30
Apr 24	Apr 23	WEIGHTWATCHERS.COM	800-957-4293 , NY	39.95
Apr 26	Apr 26	AUTO. FUNDS TRANSFER	Transfer Acct: 999999-000	375.00 CR
Apr 30	Apr 30	FIN CHG PURCHASE		30.16

Total Fees Charged in 2010	\$0.00	Total Fees For This Period	.00
Total Interest Charged in 2010	\$129.76		

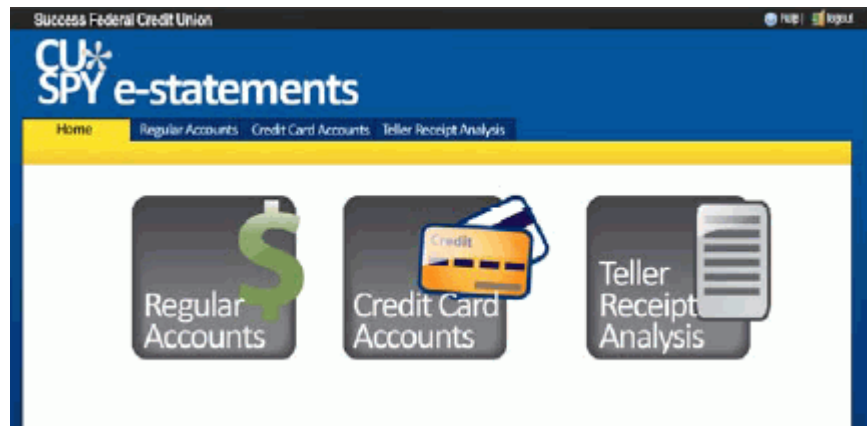
Rates and Fees			
Periodic Rates	Balance Transfr	Cash Advance	Purchase
Daily Rate	.02438 %	.03150 %	.02438 %
<b>Annual Percentage Rate</b>	<b>8.900 %</b>	<b>11.500 %</b>	<b>8.900 %</b>
Average Daily Balance	\$0.00	\$0.00	\$4,122.33

<b>Finance Charges</b>			
Interest Charges	\$0.00	\$0.00	\$30.16
Transaction Fees	\$0.00	\$0.00	\$0.00
<b>Total Finance Charge</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$30.16</b>

037030100024953V0\_460 P 5 3 M 0000126 00 0000001 1AAAAA 01

## E-STATEMENTS

Credit card statements will also be produced as e-statements using CU\*SPY, with features similar to the existing e-statements for regular member statements. When a member uses the e-statement link in **It's Me 247**, the member will see the following page.



The user simply clicks either Statements or Credit Card Accounts to proceed to the desired statement archives. Both use the standard retention period of 12 months.

When a credit union staff member uses the F20-Statements feature in Inquiry or Phone Operator, the employee goes directly to the e-Statement page and can select the Credit Card tab – members are also given this option to select any statement from this screen as well – they just see the above screen first.

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## Q&A

### Can a member have multiple credit card accounts?

Yes, just like with your other line-of-credit products you can define a range of account suffixes that can be used by each credit card loan category. So a member could have more than one Visa Classic, for example, both under the same credit card *program*.

In addition, you can define as many different credit card programs as you wish by creating additional loan categories, and then members could have one or more accounts under each of your programs.

### Can a credit card account be used for overdraft protection?

Yes, and it will work exactly the same as any other line-of-credit used for overdraft protection on a checking account. Setup is the same; simply select the credit card loan as one of the accounts in the ODP configuration.

When funds need to be pulled from the credit card, the system will first check to see if funds are available (will not take the account overline), then will apply the withdrawal to the Cash Advance (CA) charge type bucket currently in effect.

### When reporting is necessary with Visa or MasterCard International, who will be responsible for this task?

For any *affiliate* members of Visa/MasterCard, your vendor will complete the quarterly reporting. Any *principal* members are required to complete their own reporting.

### When compliance issues come up, who will be responsible for translating, addressing, implementing and meeting these deadlines?

All regulatory and compliance changes required by the associations will be completed and implemented by your vendor.

Regulatory and compliance issues related to servicing credit card loans (statements, interest calculations, payments, etc.) is a partnership between CU\*Answers and its processing credit unions consistent with any other CU\*BASE serviced loan.

### Will our BIN numbers change, requiring our members to get new account numbers?

This depends on several factors, such as who owns the BIN, keys, etc. In many cases the change only requires a BIN change with Visa.

How do you plan to stay informed and keep us updated with the industry standards and new products and features?

Through our clients, and through the work we do in the industry either through sales efforts or educational/partnering projects like Member Value Network or Callahan & Associates. It is important that credit unions focus on what works for them based on their scale, ability to reach members, and controlling costs. CU\*Answers will be hesitant to spend funds to chase MBNA and others who rely on a completely different set of market conditions to make a dollar. Credit unions must use the advantages we have as cooperative organizations to tailor products, control costs, and evolve value.

Will our credit union be responsible for the purchase of features *a la carte* through our vendor or will CU\*Answers be able to offer and implement the same products?

Once again, a combination of both. We have begun the process of understanding your vendor's offerings and co-marketing their products to CU\*Answers clients. We do believe this will be successful, and efforts to combine education events and to program collateral pieces should improve even more how CU\*Answers clients understand their possibilities and potential. However, you will still need to work with your vendor, keeping yourselves and CU\*Answers in the loop as to changes, their evolution and the possibilities based on your vendor's development. Add to that the fact that we will also work with other providers down the road (such as PSCU), and we should have a stronger partnership for tracking products.

If our vendor processes our authorizations will we still auto-settle our cash advances?

How you settle network cash advances (posted using your vendor's authorization channels) will be dictated by your vendor. CU\*BASE cash advances are instantly settled against your balance sheet, and income is 100% owned by the credit union, much like advances on other LOC accounts (although most CUs do not typically charge a fee for those types of advances).

Is activity between CU\*Answers and our vendor real time?

Yes, current functionality is an online interface for real time authorizations.

Will each credit union have a client relations representative with our vendor or will we contact them through CU\*Answers?

The current plan is that you will have both. Remember that the process is split, just like debit cards: your vendor is your window to Visa and plays a key role. CU\*Answers is your servicing partner, and also plays a key role. But you still need to manage both relationships, educate yourself on both, and drive both.

Will we still get the same E-reports we get now from our vendor?

Yes, the reports will work the same as they do now. Some changes to the report formats may be necessary, but you will still get a full array of daily and monthly reports via E-reports.

Who does the card disclosures?

Once the credit card moves in-house, the credit union is responsible for disclosures. This is typically done as part of the card issuance process.

How are renewals handled?

Your credit union may elect to have your vendor automatically reissue cards that are due to expire. This process is referred to vendor as “auto-reissue.” Auto-reissue means that your vendor initiates the reissue of credit cards. If your credit union chooses to track reissues internally, you will be responsible for sending embossing requests to your vendor at the appropriate time. CU\*BASE includes tools to communicate card ordering, maintenance files, and renewal information.

Now we use a web application to view things like account balances, available limits, statements, etc. How does this information get to CU\*BASE?

It is all generated *by* CU\*BASE, just like any other loan. Think about a car loan or a simple line of credit. It’s all the same, but with an additional disbursement channel attached to the loan (Visa authorizations/disbursements). The process is designed to parallel a debit card and how it has changed the credit union-owned checking account. For example: where do car loan statements come from? How many ways can you view them? The answers are the same for credit cards.

Do I have to attach a card to these types of loan, or could I use the product for other offerings to my members?

Servicing credit cards is just a set of tools and rules that can be combined like Lego building blocks in many different ways. We already have been talking to a credit union who is going to use credit card servicing rules for an internal loan without attaching the plastic or using Visa/MasterCard to authorize. Imagine in the future, a car loan with multiple buckets for annual insurance borrowings, maintenance, etc. It is just accounting and creative servicing concepts. We’ll work with you to make your dreams a reality!

How do we handle share-secured cards?

Exactly the same as currently-serviced CU\*BASE lines of credit that are secured with share accounts.

We want to offer cards tied to home equity loans. Can these be reported to the credit bureau as real estate and not revolving credit?

As with other types of loans, this will be based on the loan Purpose Code and its credit bureau type.

Can we temporarily increase a member's credit limit?

Your credit union can manage credit disbursement limits the same as you can with other line of credit loans now. Maintenance of these limits will be real time, either up or down. Tracking will be part of the File Maintenance programs, and reminders for employees can be tracked through the Tickler follow-ups system.

Is there an option for a lock box to receive payments?

Although your vendor can do lock box payments, the process of receiving a file and posting payments will need to be developed. CU\*Answers does plan to tackle this as soon as a client requests the option.

However, we do believe that it will not be as important as it might be currently, since repayment options will be available in every servicing channel you currently have for other loans. With online credit card loans there are a lot more ways to pay, and a lot more people involved: AFT, ACH, payroll deductions, teller line, mail, shared branching, online banking, audio response, etc.

Can members get money from their credit card at an ATM machine? What about making payments from an ATM?

This will depend on the ATM switch and the way in which cards are configured with your vendor (i.e., PIN or not). Not currently available but will be revisited in future phases as needed.

Can members overpay their credit cards in order to extend their credit line, such as for a vacation?

Yes, CU\*BASE has been adjusted to allow for negative balances on credit card loans. A negative balance indicates the amount *overpaid* on the loan, and will automatically be added in to the available balance to increase the credit limit accordingly for all authorizations for purchases and cash advances. Reports will be available for credit unions to monitor and disburse these funds as needed.

Can our Credit Union League still provide services for our credit card product once we bring it in house?

Yes. Your relationship with the Credit Union League need not change. The back office services they provide today can continue. Among those tasks are resolving or handling credit card related transactions such as disputed items and charge backs.

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# CREDIT CARD SETUP QUESTIONNAIRE

## Credit Union Information

**CU Name:** \_\_\_\_\_

**Date scheduled for conversion:** \_\_\_\_\_

(As assigned by CC Vendor)

**CU Contact Person:** \_\_\_\_\_

**CU Phone Number Extension:** \_\_\_\_\_

**CU Contact Email:** \_\_\_\_\_

## Credit Card Processor Information

**Credit Card Processor:** \_\_\_\_\_

**CC Contact Person:** \_\_\_\_\_

**CC Contact's Phone & Extension:** \_\_\_\_\_

**CC Contact Email:** \_\_\_\_\_

**CC Address:** \_\_\_\_\_

**Do you handle your own CC back office processes, i.e. charge backs, disputes?**  Yes  No

**If No, provide name of Servicer:** \_\_\_\_\_

**Service Provider Contact:** \_\_\_\_\_

**Service Provider Contact's Phone & Extension:** \_\_\_\_\_

**Service Provider Contact Email:** \_\_\_\_\_

**Service Provider Address:** \_\_\_\_\_

**What programs do you currently run with this product:**

- \_\_\_\_\_ **Cash back (rebate program)**
- \_\_\_\_\_ **Rewards program**
- \_\_\_\_\_ **Convenience Checks**
- \_\_\_\_\_ **Introductory Rates**
- \_\_\_\_\_ **Risk Based Rates**

**Credit Card definition:**

**Number of Products:** \_\_\_\_\_

**Do you purchase your PLASTIC from this provider?**  Yes  No

**(If Yes, provide Card Stock Number)**

**Card Stock Number:** \_\_\_\_\_

**Institution ID:** \_\_\_\_\_

**Security Code:** \_\_\_\_\_

**Score Card:**  Yes  No

**Card Verification based on:**  Account Base (B)  SSN (S)

**Number of months before card expires:** \_\_\_\_\_

**Authorization days (Auth days): How many days will you hold funds on authorized transactions?** \_\_\_\_\_

**New Card Defaults:**

**Card Activation Code:** \_\_\_\_\_

**Issue Action Code:** \_\_\_\_\_

**Additional/Replacement Card Defaults:**

**Card Activation Code:** \_\_\_\_\_

**Issue Action Code:** \_\_\_\_\_

**CU Product Offerings Information**

(Please provide copies of current disclosures and sample statements for all products listed below)

**Product Name:** \_\_\_\_\_

**Card Type(check all that apply):**

VISA    MASTERCARD    Business    Individual

**BIN Number:** \_\_\_\_\_

**Do you own this BIN?**    Yes    No

**Card Starting #:** \_\_\_\_\_

**Loan Category definition:**

**Loan Category to be attached to:** \_\_\_\_\_

**Loan Suffix Range:** \_\_\_\_\_ to \_\_\_\_\_

**Interest Rate Range:** \_\_\_\_\_ to \_\_\_\_\_

**Use review date for disbursements?**    Yes    No

**Allow Teller Disbursements?**    Yes    No

**Warn Teller if different Payment Amount?**    Yes    No

**Include Delinquent Fine in Partial Payment?**    Yes    No

**Allow Payment Protection (Insurance)?**    Yes    No

**Payment Controls:**

Allow to post partial payments

Allow payment prior to first payment date

Allow payment prior to 20th if current (360 calc type only)

**Online/Audio Banking:**

**Allow disbursements from audio/online banking**    Yes    No

**If yes, minimum disbursement amount** [ \_\_\_\_\_ ]

**Maximum disbursement amount** [ \_\_\_\_\_ ]

**Allow payments via audio/online banking**    Yes    No

Linked to Loan Category \_\_\_\_\_

Is Card Tied to Home Equity Product:  Yes  No

Is 1098 Form Needed:  Yes  No

Add Overline to Payment amount due?  Yes  No

Maximum Loan amount allowed: \_\_\_\_\_

**At Category Level:**

If using Transaction charges, apply to:

- All Activity
- Switched Activity Only

Should new payment amount be rounded up to whole dollar?

Yes  No

New payment calculated on \_\_\_\_\_% Minimum Payment \_\_\_\_\_

**Format CC#:**

Portion of Credit Card account number to DISPLAY [ \_\_\_\_\_ ]

Portion of Credit Card account number to PRINT [ \_\_\_\_\_ ]

**Charge types and rates:**

What charge types do you plan to use with this product:

(System will automatically require a PU charge type )

- Purchases (PU)
- Cash Advances (CA)
- Balance Transfers (BT)

**Payment Priority (Rank 1-3):**

**Rate Priority (Pay first):**

CA (Cash Advance) \_\_\_\_\_

\_\_\_\_\_ (H)ighest/(L)owest

BT (Balance Transfer) \_\_\_\_\_

\_\_\_\_\_ (H)ighest/(L)owest

PU (Purchase) \_\_\_\_\_

\_\_\_\_\_ (H)ighest/(L)owest

**Rates:**

Penalty Rate if Past due or Overlimit: \_\_\_\_\_%

Activate after \_\_\_\_\_ consecutive days delinquent

Or after \_\_\_\_\_ consecutive days overlimit

Allow auto rate change back to base rate (999 chg type)  Yes  No

Linked to Loan Category \_\_\_\_\_

If Yes, number of cycles in good standing before  
resuming the base rate \_\_\_\_\_ ( 99 = NEVER RESUME)

Do you plan to charge an annual fee?  Yes  No

If Yes, when should it be applied to card? \_\_\_\_\_

Amount or % to be charged: \_\_\_\_\_

Type:  Fee  Transactional Finance Charge

Do you plan to charge an overlimit fee?  Yes  No

Amount or % to be charged: \_\_\_\_\_

Type:  Fee  Transactional Finance Charge

Will Non-Tolerance limit be in effect for overlimit fee?  Yes  No

If Yes, what amount: \_\_\_\_\_

Delinquency Fine:  Fee  Transactional Finance Charge

**Charge Type definitions:**

**PU Purchase:** \_\_\_\_\_

**Fixed Rate:** \_\_\_\_\_

**Variable Rate Code:** \_\_\_\_\_

If using Variable Rates, only group codes are valid.

**Introductory Rate:** \_\_\_\_\_ **Term:** \_\_\_\_\_

Use Grace Period on this charge type?  Yes  No

Forgive Finance charges for zero balance loans?  Yes  No

Will Transactional Finance Charge apply to transactions?

Yes  No

If Yes, % of transaction amount: \_\_\_\_\_

Minimum: \_\_\_\_\_ Maximum: \_\_\_\_\_

Transaction Description: \_\_\_\_\_

(Limited to 20 Characters)

**CA Cash Advance**

**Fixed Rate:** \_\_\_\_\_

**Variable Rate Code:** \_\_\_\_\_

If using Variable Rates, only group codes are valid.

**Introductory Rate:** \_\_\_\_\_ **Term:** \_\_\_\_\_

Use Grace Period on this charge type?  Yes  No

**Forgive Finance charges for zero balance loans?**  Yes  No

**Will Transactional Finance Charge apply to transactions?**

Yes  No

**If Yes, % of transaction amount:** \_\_\_\_\_

**Minimum:** \_\_\_\_\_ **Maximum:** \_\_\_\_\_

**Transaction Description:** \_\_\_\_\_

(Limited to 20 Characters)

**BT Balance Transfer**

**Fixed Rate:** \_\_\_\_\_

**Variable Rate Code:** \_\_\_\_\_

**If using Variable Rates, only group codes are valid.**

**Introductory Rate:** \_\_\_\_\_ **Term:** \_\_\_\_\_

**Use Grace Period on this charge type?**  Yes  No

**Forgive Finance charges for zero balance loans?**  Yes  No

**Will Transactional Finance Charge apply to transactions?**

Yes  No

**If Yes, % of transaction amount:** \_\_\_\_\_

**Minimum:** \_\_\_\_\_ **Maximum:** \_\_\_\_\_

**Transaction Description:** \_\_\_\_\_

(Limited to 20 Characters)

**G/L Accounts:**

**Loan Category** \_\_\_\_\_  
**Finance Charges Earned** \_\_\_\_\_  
**Clearing /Settlement (For Posting) 802.22**  
**Suspense (For Posting) 870.22**  
**Delinquent Fine** \_\_\_\_\_  
**Annual Fee** \_\_\_\_\_  
**Overlimit Fee** \_\_\_\_\_

**Transactional Finance Charge G/L's:**

(i.e. Cash Advance fee, Balance Transfer fee)

**CA Charge Type** \_\_\_\_\_  
**PU Charge Type** \_\_\_\_\_  
**BT Charge Type** \_\_\_\_\_

**\*\*\*Copy these pages for each additional product type you will be using making sure to indicate at the top of each page the loan category/card to which the information applies. \*\*\***