
Member Service Denial Notices

Printing Customized Denial Notices for Any Member Service Need

INTRODUCTION

Many credit unions perform credit checks and other verifications in order to approve a member's application for a checking account, ATM card, debit card, or other similar service. Typing denial notices to these members by hand is not only time-consuming and unprofessional in appearance, it also makes it very difficult to track the volume and reasons why these applications were denied.

The **Miscellaneous/Member Service Denial Notices** feature lets your credit union configure multiple application types (membership, checking, ATM, debit card, etc.), generate denial notices on-line, and print them on your laser printer. Any notice generated is added to a report which can be produced each month to show any applications denied during the month.

Obviously, the goal of any credit union is not to deny applications, but to approve them wisely, making the best decision for both the credit union and the member. But in those cases where a denial is called for, this system makes the paperwork easier, and lets management keep on top of WHO, WHAT, WHY and WHEN for the individuals being denied.

This booklet describes the initial configuration necessary for setting up the Member Service Denial Notice system, the day-to-day procedures for filling out and printing a Denial Notice form, and instructions for printing the monthly statistical report.

*NOTE: Denial Notices will print only on configured laser printers. Refer to the handbook, "Laser Printing and CU*BASE" for more information about setting up laser printing at your credit union.*

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For an updated copy of this booklet, check out the Reference Materials page of our website:
http://www.cuanswers.com/client_reference.php
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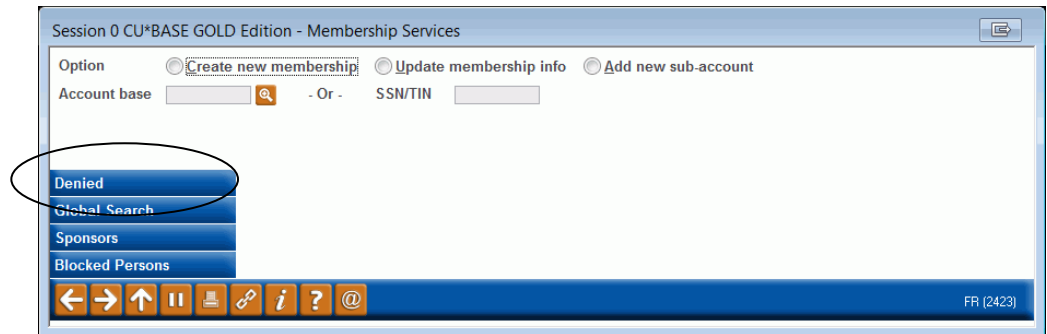
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ACCESSING THE DENIAL NOTICES SYSTEM

DENYING MISCELLANEOUS MEMBER SERVICES

When denying a miscellaneous service such as an ATM or debit card, etc., use **Open/Maintain Memberships/Accts** available on the Member Service (MNSERV) menu.

“Open/Maintain Memberships/Accts” on the Member Service (MNSERV) menu

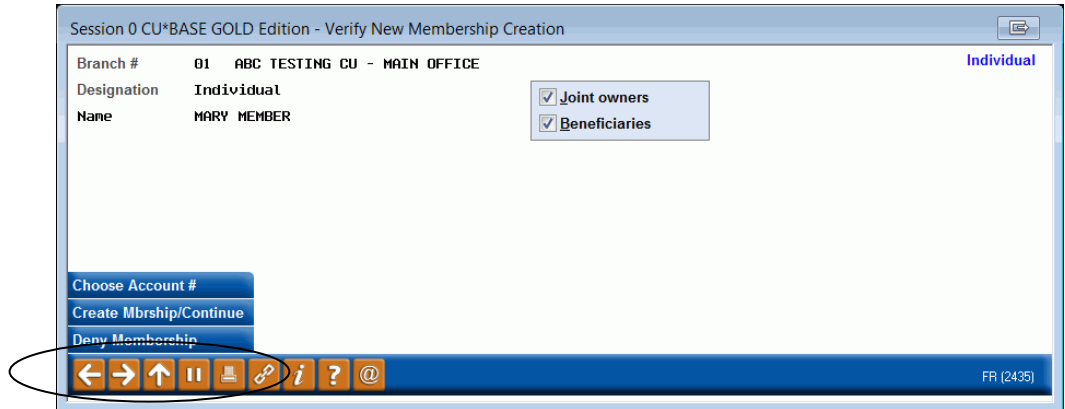


Once the initial screen appears, use **Denied** (F10) to display the screen shown on Page 8.

This is also the method you can use to access the configuration for setting up different Denial Notice Type codes. See Page 5 for more details.

DENYING A MEMBERSHIP

The system can also be accessed via the final membership creation confirmation screen:



Click ***Deny Membership*** to display the screen shown on Page 8.

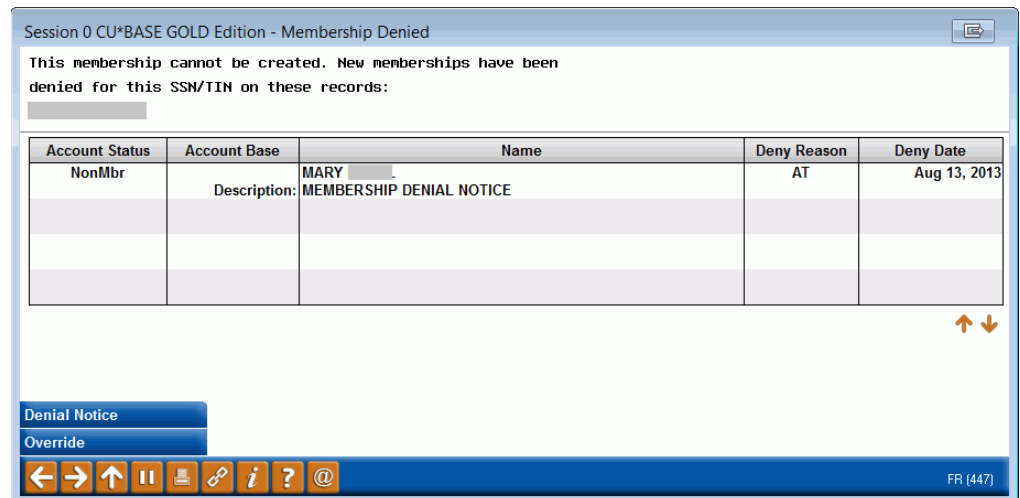
The difference here is that if a denial notice is printed via this option (the notice must actually be *printed*), the system will automatically mark the member or non-member record as denied, with the Denial Notice type code entered as the reason. This check box will appear on the member or non-member information screen as follows:

Deny membership

Reason

Date [MMDDYYYY]

If this flag is checked, in the future if a membership is opened using this same SSN/TIN, the system will warn the member service representative as follows:



Another denial notice can then be printed at that time.

CONFIGURING MEMBER SERVICE DENIAL NOTICE TYPES

The first step in generating miscellaneous denial notices is to configure Denial Notice Type Codes for each of the different types of applications that might be denied. For example, if your credit union processes applications for checking accounts, ATM cards, and Debit cards, a different code would be configured for each. This code serves several purposes:

- To control the descriptive text that will appear at the top of the actual denial notice form. For example, if the application being denied is for a checking account, the code description might be, “Checking Account Application.” (See the sample on Page 7.)
- To group and sort the list of denied applications on the monthly analysis report. (See Page 11.)
- When denying a membership, this code serves to record the reason for the denial, displayed as *Denial Reason* on the Update Membership Info screen. (See Page 4.)

First, access the Denial Notice program as described on Page 3. The following screen will appear:

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

File Edit Tools Help

Denied Application Processing

Corp ID Account #

OR

SSN/TIN

JOHN K MEMBER
123 EAST STREET

ANN ARBOR MI 49000 0000

Notice type

Date of application [MMDDYY]

Verify Corp ID for non-members.

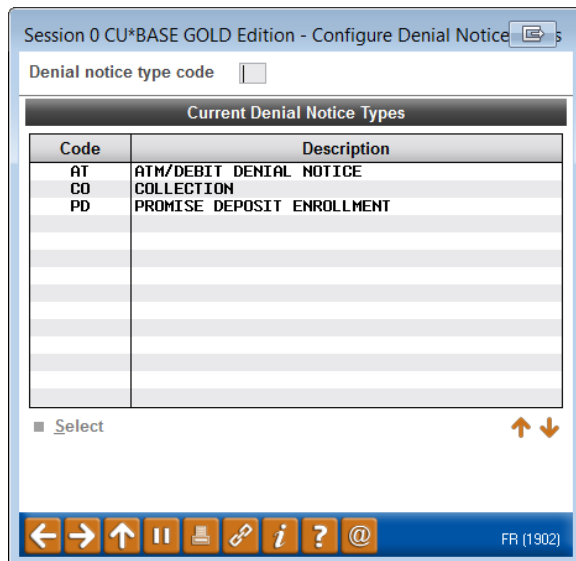
Accept

Cfg. Denial Notice Types

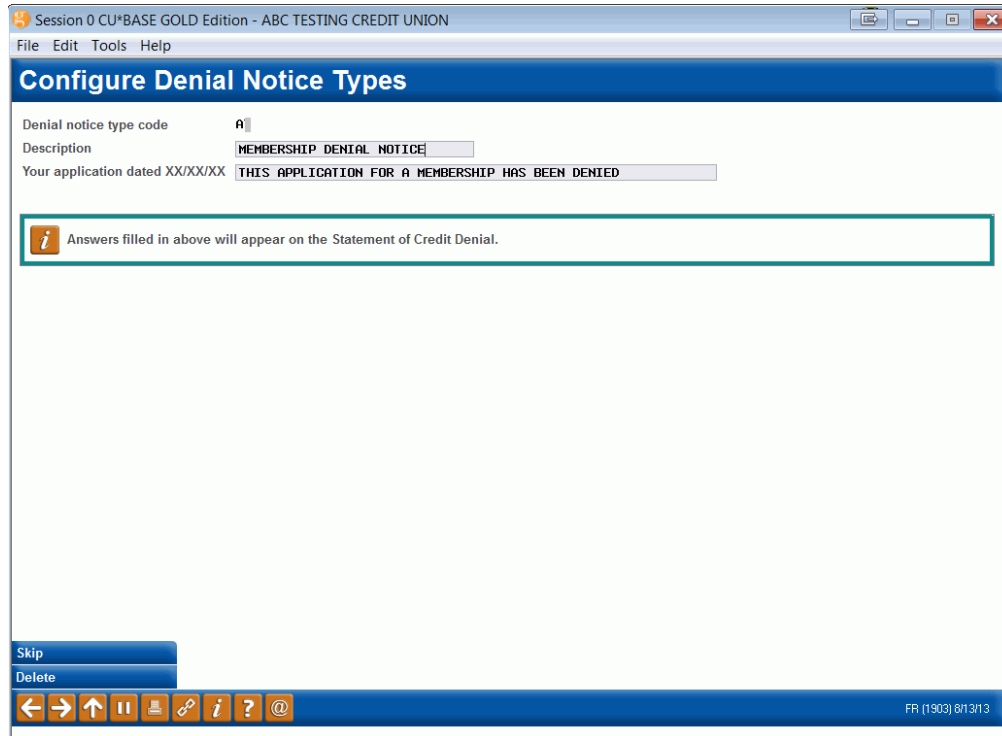
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FR (13) 8/13/13

To configure the Denial Notice Type Codes, use **Cfg Denial Notice Types** (F12). The following window will appear:



To create or modify a denial notice type, enter a 2-character code and use Enter to proceed to the next screen.



There are two description fields to be completed on this screen. The first field is used for a description of the type of application being denied. This will appear at the top of the form. The second field finishes a sentence that begins on the form. This sentence will vary depending on the type of application. When done, use Enter to record the change and return to the previous screen.

See the following page for a sample of the printed form showing the placement of these two statements.

SAMPLE PRINTED DENIAL NOTICE

The Description entered in Denial Notice Type configuration will appear here.

Notice

Statement of Credit Denial, Termination, or Change

Account: _____	Credit Union: <u>CREDIT UNION</u>
Appl No: _____	<u>5</u> <u>ST</u>
Applicant Name: <u>K V</u>	<u>PO BOX</u>
Applicant Address: <u>3388</u>	<u>MI 4</u>
<u>SA MI 48 -5832</u>	<u>() 4 -16</u>

Your application for ATM/DEBIT DENIAL NOTICE dated 12/07/2011 in the amount of \$ N/A has been given careful consideration and:

We are unable to make a decision on your application because it is missing the following information:
TEST FIELD
TEST FIELD
 In order to give your application further consideration, this information must be sent to the lender's address shown above no later than 12/25/2011.

We are unable to offer credit for the reasons shown below, but can offer you credit on the following terms:

 If this is acceptable, please notify us no later than _____ at the lender's address shown above.

- Your application has been denied because of the following reason(s): (see checked boxes)
- | | |
|--|---|
| <input type="checkbox"/> Incomplete application | <input type="checkbox"/> Insufficient number of credit references |
| <input type="checkbox"/> Unacceptable type of credit references | <input type="checkbox"/> Unable to verify credit references |
| <input type="checkbox"/> Delinquent past or present credit Obligations | <input type="checkbox"/> Limited credit experience |
| <input type="checkbox"/> Bankruptcy | <input checked="" type="checkbox"/> Poor credit performance with us |
| <input type="checkbox"/> Excessive obligations in relation to income | <input type="checkbox"/> No credit file |
| <input type="checkbox"/> Garnishment, attachment, foreclosure, collection action or judgment, repossession or suit | <input type="checkbox"/> Length of employment |
| <input type="checkbox"/> Unable to verify employment | |
| <input type="checkbox"/> Temporary or Irregular employment | <input type="checkbox"/> Unable to verify income |
| <input type="checkbox"/> Insufficient income for amount of credit requested | <input type="checkbox"/> Length of residence |
| <input type="checkbox"/> Temporary residence | |
| <input type="checkbox"/> Unable to verify residence | |
| <input type="checkbox"/> Other | |

Disclosure of Use of Information Obtained From An Outside Source

Our credit decision was based in whole or in part on information obtained in a report from the consumer reporting agency listed below. You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at the consumer reporting agency. The reporting agency played no part in our decision and is unable to supply specific reasons why we have denied credit to you. You also have a right to a free copy of your report from the reporting agency, if you request it no later than 60 days after you receive this notice. In addition, if you find that any information contained in the report you receive is inaccurate or incomplete, you have the right to dispute the matter with the reporting agency.

Agency Name and Address: Experian Agency Telephone: 888-397-3742
PO Box 2002
ALLEN TX 75013
WWW.EXPERIAN.COM

We also obtained your credit score from this consumer reporting agency and used it in making our credit decision. Your credit score is a number that reflects the information in your consumer report. Your credit score can change, depending on how the information in your consumer report changes.

Credit score: 624 Date: 11/15/2011 Scores range from a low of 100 to a high of 150.

Key factors that adversely affect your credit score: _____ Number of inquiries: 14
 1) Serious delq/pub rcd/coll 2) Proportion bal to high cr/rev
 3) Number of delinquent accounts 4) Length of time accts establish

If you have any questions regarding your credit score, you should contact the reporting agency identified above.

Our credit decision was based in whole or in part on information obtained from an outside source other than a consumer reporting agency. Under the Fair Credit Reporting Act, you have the right to make a written request, no later than 60 days after you receive this notice, for disclosure of the nature of this information.

The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is: Federal Trade Commission, Cleveland Regional Office, Ste 520A, Atrium Bldg, 668 Euclid, Cleveland, OH 44114

Should you have any additional information which might assist us in evaluating your credit worthiness, please contact us at (989)497-1600. Thank you for applying.

Dated: 12/07/2011 By: CU * ANSWERS CLIENT SUPPORT (89)

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This is the sentence that is completed by the text you enter in the Denial Notice Type configuration screen.

GENERATING A DENIAL NOTICE

First, access the Denial Notice program as described on the Page 3. The following screen will appear:

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

File Edit Tools Help

Denied Application Processing

Corp ID Account #

OR

SSN/TIN

Notice type

Date of application [MMDDYY]

Verify Corp ID for non-members.

Accept

Cfg. Denial Notice Types

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The Corp ID determines which CU name will appear on the printed form. Enter the account base (for a member) or Social Security number (for a non-member), then enter one of your credit union's configured Denial Notice Type codes. (Click the lookup button to see a list of your credit union's configured codes.) Also enter the date on which the original application was made.

If denying a new membership at the end of the member account opening process (see Page 4), the account number/SSN information will already be filled in and all you need to do is select a notice type (reason code). Also, assuming there is not already a membership on file for this person, a non-member record will be created automatically.

Use Enter to confirm. If an account base was entered, the system will display the member's name and the description of the notice type selected. If a new non-member was entered, a Non-Member Information screen will appear to allow you to record a name, address, and other basic information about the non-member. Otherwise, if the information shown is correct, use *Accept* (F10) to proceed.

The next three screens that will appear are used to indicate the reason for the denial notice. Place a checkmark and fill in the blanks wherever appropriate and use Enter to proceed through the screens.

Screen 1

Session 0 CU*BASE GOLD Edition - ABC TESTING CREDIT UNION
File Edit Tools Help

Statement of Credit Denial, Termination, or Change

Applicant Name **JOHN K MEMBER**

Your application for **MEMBERSHIP DENIAL NOTICE** dated **00000000** [MMDDYYYY]
in the amount of **0.00** has been given careful consideration and:

We are unable to make a decision on your application because it is missing the following information:

In order to give your application further consideration, this information must be sent to the lender no later than **00000000** [MMDDYYYY]

We are unable to offer credit for the reasons shown below, but can offer you credit on the following terms:

If this is acceptable, please notify us no later than **00000000** [MMDDYYYY]

Continue

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NOTE: This last portion of this sentence will be replaced by the text entered in the Denial Notice Type Code configuration.

Screen 2

Session 0 CU*BASE GOLD Edition - ABC TESTING CREDIT UNION
File Edit Tools Help

Statement of Credit Denial, Termination, or Change

Applicant Name **JOHN K MEMBER**

Your application for **MEMBERSHIP DENIAL NOTICE** dated **00000000** [MMDDYYYY]
in the amount of **0.00** has been given careful consideration and:

We are unable to make a decision on your application because it is missing the following information:

In order to give your application further consideration, this information must be sent to the lender no later than **00000000** [MMDDYYYY]

We are unable to offer credit for the reasons shown below, but can offer you credit on the following terms:

If this is acceptable, please notify us no later than **00000000** [MMDDYYYY]

Continue

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Screen 3

The screenshot displays the 'Statement of Denial, Termination, or Change' form. At the top, the title bar reads 'Session 0 CU*BASE GOLD Edition - ABC TESTING CREDIT UNION'. The form header includes 'Statement of Denial, Termination, or Change' and an 'UPDATE' button. The applicant name is 'JOHN K MEMBER'. A section titled 'Disclosure of Use of Information Obtained From an Outside Source (Check one only)' contains two radio buttons. The first is selected: 'Our credit decision was based in whole or part on information obtained in a report from the consumer agency listed below:'. Below this, 'Experian' is selected in a dropdown menu, with a 'lookup' icon to its right. Other fields include 'PO BOX 2002', 'ALLEN TX 75013', 'WWW.EXPERIAN.COM', and 'Scores range from a low of 549 to a high of 730'. The second radio button is 'Decision based on an outside source'. Below this, the 'Federal Agency administering this CU for EOA compliance:' is listed as 'Federal Trade Commission, Cleveland Regional Office, Ste 520A, Atrium Bldg, 668 Euclid, Cleveland OH 44114'. Other fields include 'Date Aug 13, 2013', 'Denied by' (checkbox), 'Last modified Aug 13, 2013', 'Primary borrower credit rep 0000000', 'CU risk level' (checkbox), and '# copies 1'. At the bottom, there are buttons for 'Save', 'Print Denial Notice', and 'View Credit Report'. A navigation bar at the very bottom contains icons for back, forward, up, down, print, search, help, and refresh. The text 'FR (4362) 8/13/13' is visible in the bottom right corner.

To change the credit bureau, use the lookup here.

Configuration of these agency names as well as the EOA compliance agency is done via **Loan Denial Notice Agency Cfg** on the Loan Products (MNCNFB) menu.

When all information has been entered, use *Print Denial Notice* (F14) to print the notice (it is not necessary to use Enter for these miscellaneous notices). The following message will appear:

IMPORTANT: Unlike loan denial notices, misc. member service denial notices are not saved. Make sure the notice has printed properly, and then use the up arrow to return to the first screen and create another notice.

Remember that if a denial notice is printed via the open memberships system (by checking "Deny Membership" on the final confirmation screen), the member or non-member record will be flagged not to allow a new membership to be opened in the future. See Page 4.

MEMBER SERVICE DENIED APPLICATIONS STATISTICS

“Member Svc Denied App Statistics” on the Reports D (MNRPTD) menu

This statistical report can be printed each month to show all miscellaneous/member service denied application activity for the month. Enter the month and year (current month or previous month). If you wish to include only one type of notice on the report, enter the Denied Notice Type code; leave the field blank to include all types. When ready, use Enter to produce the report.

Report Sample

SSN/ ACCOUNT	NAME	DATE	DENIED BY
11/28/05 DENIAL NOTICES ISSUED PAGE: 1 REPORTING PERIOD: 11/05			
01 CU*BASE TEST CREDIT UNION			
AT	ATM CARD		
000576385	EDWARD M. SMITH	05/05/1997	KAREN A STAFF
000047209	CHARLES MILLER	05/05/1997	MARY N EMPLOYEE
2 RECORD(S)			
CK	CHECKING ACCOUNT		
444555666	DAWN M. PERSON	05/05/1997	MARY N EMPLOYEE
778998778	JOHN TESTPERSON	05/05/1997	MARY N EMPLOYEE
2 RECORD(S)			
10 TOTAL DENIAL NOTICES			