
Configuring Tools for Your Loan Team

Using CU*BASE Tools to Standardize and Streamline Your Lending Department

INTRODUCTION

CU*BASE Loan Processing tools are designed to increase the productivity, accuracy, and efficiency of your credit union's lending efforts.

With CU*BASE, loan applications can easily be worked by more than one credit union employee. Status of the application can be communicated to the member or any other credit union employee through the Application Status inquiry, report, or even WMail and WCalendar. Whether you have one branch or many, CU*BASE tools help make sure everyone can access the information they need to answer a member question and keep the ball rolling.

These tools are designed to give your loan interviewers and underwriters more time to do what they do best...take care of your members' borrowing needs.

Included in this booklet:

- ◆ Loan Product Configuration (including risk-based pricing)
- ◆ Delivery Channel Configuration
- ◆ Rate Maintenance
- ◆ Rate Inquiry - Your Online "Quote Sheet"
- ◆ Underwriting Codes and Controls, and setting limits
- ◆ Application Status Inquiry and the Lending Team "Dashboard"
- ◆ Loan Application File Verification



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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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All of these tools apply to normal member lending as well as the CU*BASE Pre-Membership Lending for non-member loan application processing.

ABOUT THIS BOOKLET

This book is designed to provide an overview of some CU*BASE features and tools that will help you streamline and organize your lending department.


It is not an exhaustive list of all loan-related features in CU*BASE, of course, but does explain some of the key configuration options you can use to make your team more efficient.

CONTENTS


COMPANION BOOKLETS	3
LOAN PRODUCT CODES: WHAT DO YOU SELL TO YOUR MEMBERS?	4
SETTING UP LOAN CATEGORY CODES	5
DISBURSING FUNDS	5
BUSINESS UNIT	6
LOAN PRODUCT CODES	6
CONFIGURING LOAN DELIVERY CHANNELS	13
ONLINE LOAN APPLICATIONS	15
CONFIGURING COLLATERAL	16
MANAGING LOAN RATES AND YOUR ONLINE “QUOTE SHEET”	18
RATE MAINTENANCE	18
RATE INQUIRY	19
UNDERWRITING CODES AND CONTROLS	20
OVERVIEW	20
ABOUT UNDERWRITING CODES	21
CONFIGURING UNDERWRITING CODES	21
MARKING LOANS WITH UNDERWRITING CODES	23
SETTING UNDERWRITER / INTERVIEWER SECURITY	25
LOAN UNDERWRITER APPROVAL LIMITS	26
UNDERWRITER AUDITING	28
USING THE “UNDERWRITING CONTROL” SYSTEM FLAG	32
SAMPLE UNDERWRITING CODES AND SCENARIOS	33
APPLICATION STATUS INQUIRY: A “DASHBOARD” APPROACH	36
LOAN APPLICATION STATUS INQUIRY	36
STATISTICAL ANALYSIS: THE “DASHBOARD”	37
LOAN FILE VERIFICATION: KEEPING UP WITH THE PAPERWORK	40
RECORDING VERIFICATION DATES FOR NEW LOANS	40
USING THE ELECTRONIC CHECK LIST FOR FILE VERIFICATION	41
PRINTING THE FILE VERIFICATION REPORT	42
USING SYSTEM CONTROLS FOR LOAN FILE VERIFICATION	43

COMPANION BOOKLETS


Be sure to check out these companion booklets.



**Loan Interest Calculation:
360/365 Daily Interest**



**Escrow Processing
with CU*BASE**



**CU*BASE Mortgage Products:
Interest Payment
Only Loans**


Collateral

Tools for Tracking Property Securing Loans

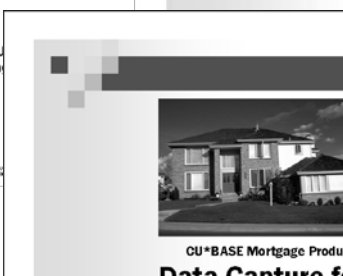
INTRODUCTION
This booklet documents how you can configure and track collateral that services member loans. Included is also a discussion of the collateral collection type.

Contents


- PROPERTY CONFIGURATION..... 7
- PROPERTY TRACKING REPORT..... 7
 - Collateral Collection Type "Mortgage"..... 7
 - Collateral Collection Type "Daily Escrow"..... 7
 - Default Events Collateral Items..... 7
- PROPERTY TYPE SYSTEMS..... 9
 - Collateral Collection Type "Collateral"..... 9
 - Assets and Liabilities - Mortgage Collateral..... 11
 - Reporting Mortgage Type Collateral..... 11
- PROPERTY INFORMATION REPORT..... 17
- 17
- 22




**Variable Rate Loan
Products**



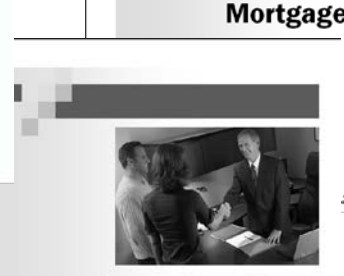
**CU*BASE Mortgage Products:
Data Capture for
Mortgage Closing
Forms**



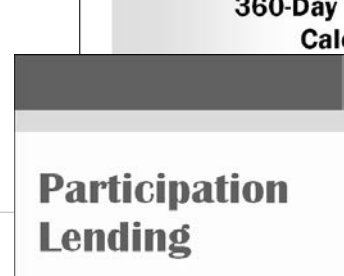
**CU*BASE Mortgage Products:
360-Day Interest
Calculation**



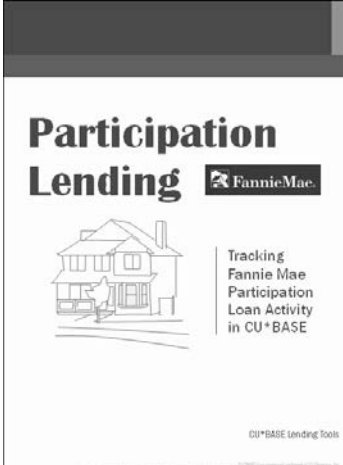
**Configuring Tools for
Collectors**
Developing a Collections Strategy




Lease Loan Tools



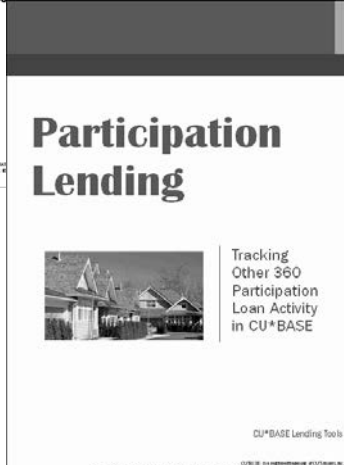
**Participation
Lending**



**Participation
Lending** 

Tracking Fannie Mae Participation Loan Activity in CU*BASE

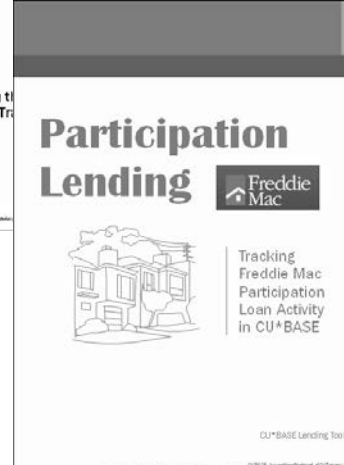
CU*BASE Lending Tools




**Participation
Lending**

Tracking Other 360 Participation Loan Activity in CU*BASE

CU*BASE Lending Tools



**Participation
Lending** 

Tracking Freddie Mac Participation Loan Activity in CU*BASE

CU*BASE Lending Tools

**Big-Picture Planning
for Your Loan
Configurations**

What to Consider When Setting Up Your Lending Codes and Configurations

A CU*BASE Best Practices Document

INTRODUCTION
The CU*BASE lending platform is very robust and allows credit unions to configure and deliver any type of lending product that suits their member needs. However, before a single code is configured, it is important to spend some time thinking about the most-relevant code configuration, the efficiency of the system. There is a balance in the code such as staff support, integration, reporting features, and how they fit the report generation and data analysis. And because any configuration change can have a ripple effect on other areas of the system, and the various profiles, all team members need to be in the loop when planning any major change to the top production products are configured.

This is a "best practice" document focused on key lending parameters available in CU*BASE. It is designed to help credit union managers through a thought process to build code and configuration that will help future code will help build a solid foundation for your lending factory.

Contents

- PROPERTY..... 1
- PROPERTY TRACKING REPORT..... 1
- PROPERTY TYPE SYSTEMS..... 1
- PROPERTY INFORMATION REPORT..... 1

All of these booklets can be found posted on the CU*Answers Reference Page: http://www.cuanswers.com/client_reference.php

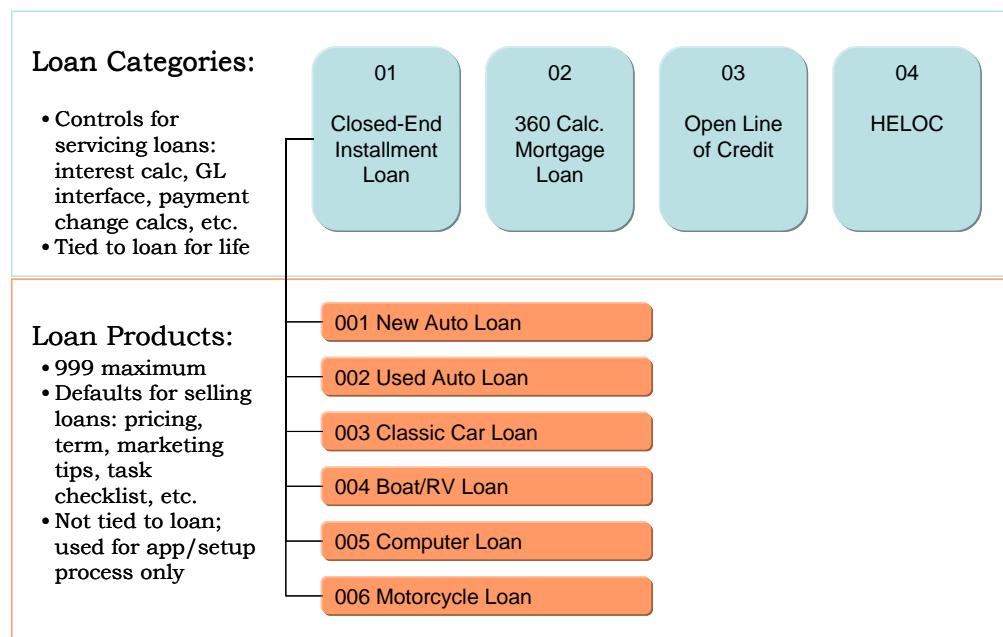
LOAN PRODUCT CODES: WHAT DO YOU SELL TO YOUR MEMBERS?

There are two key codes that are configured in CU*BASE to allow your credit union to lend to your members: Loan Category Codes and Loan Product Codes. In addition to myriad other codes that record the purpose of the loan, collateral, payment protection, and other loan features, these two codes are the key codes that control the lending experience from initial application to loan payoff.

- The **Loan Category** is the CU*BASE configuration that governs how the loan is **serviced** (payment and interest calculations, payment spread, G/L accounts, etc.).
- A **Loan Product** is a specific type of loan offered to members, and is the key mechanism for how your credit union **sells** loan products to your members.

Multiple loan products can be tied to individual loan categories. Examples of loan products include your credit union's used car loan offering, new car loan, RV loan, etc.—these products could all be tied to the same generic "closed-end installment loan" or "vehicle loan" category.

Up to 999 loan products can be configured per corporation. Up to 50 of those products can be flagged to appear in the Loan Rate Board in **It's Me 247** or from any external website, similar to share and certificate products, complete with "sales information" describing the loan and how to apply, and an online loan application that is integrated directly into CU*BASE.



SETTING UP LOAN CATEGORY CODES

Loan Category Codes are set up using the **Loan Category Configuration** command on menu MNCNFB.

Setting up loan categories requires that you spend time evaluating how loan accounts are disclosed to members and determining how the accounts should be handled on a day-to-day basis, including interest accruals, daily G/L interface for loan income, payment matrix settings to control the spread, etc.

*To ensure that your loan categories behave the way you expect and disclose to your members, a CU*BASE Client Service Representative can work with you as you set up the various control parameters. Also refer to online help*

[Learn About This Feature](#) *while working in those screens.*

DISBURSING FUNDS

Certain checkboxes in the Loan Category configuration determine how loan funds can be disbursed. Others do not require special configuration. Additionally, the initial disbursement of the loan funds can be restricted so that the person approving the loan cannot also disburse the loan.

Following is a listing of ways that loan funds can be disbursed:

1. The loan funds can be disbursed directly when the loan is created.
2. Loan funds can be disburse though MNLOAN #2-Disburse Member Loan.

By pressing Enter on this screen, you are able to post all the loan funds or individual loan fund amounts at separate times. The Total Disbursed records the entire amount disbursed.

3. Via Phone Operator and regular funds transfer

Tellers can transfer money from MNSERV #5-Member Transfers and from Phone Inquiry. Additionally this screen is accessed via F13-Transfer from the Teller Processing screen.

4. Via Online and Audio Banking if the correct configuration is set in the Loan Category configuration. Just select F23-Audio PC Bank from within the Category configuration and check to "Allow payments via audio online banking". (See following image.)
5. Funds can also be disbursed via teller processing (a withdrawal field will be available) if the configuration in the Loan Category configuration allows for it. (See following image.)

Additionally, the Loan Category configuration can restrict who can disburse the loan funds. Check "Restrict approving loan officer from disbursing same loan" to require that two different people approve the loan and disburse the funds. (See following image.)

Loan Category Configuration (Screen 1)

Business Unit allow you to group similar loans to assist with daily work and filtering. Refer to the Business Unit explanation below .

Simply check Allow Teller Disbursements to allow your tellers to disburse loan funds from within the Main Teller Posting screen.

Use this function key to allow disbursements through Audio Banking or Online Banking.

Check this box to require that different people approve the loan and disburse the loan funds.

The screenshot shows the 'Loan Category Definition' screen. At the top, it displays 'Session 0 CU*BASE GOLD - Loan Category Definition' and 'UPDATE'. The main title is 'Loan Category Definition'. Below this, there's a 'General Information' section with fields for 'Full description' (FIRST MORTGAGE FREDDIE MAC), 'Abbreviated description' (FREDDIE MORTG), 'Business unit' (FRANKENMUTH CREDIT UNION), and 'Process type' (M MORTGAGE LOAN). There are also fields for 'Account type range' (Low 780, High 781) and 'Interest rates' (Low 1.000, High 12.000). The 'Interest calculation type' is set to '3 = 360 / Post' and 'Day to calculate interest' is '16'. The 'Payment calculation type' is 'Principal and Interest' and 'Next payment date/delinq control' is '9 = Can Pay Nine Periods Ahead'. A list of function keys is on the left: Suspend (F4), Ratio (F6), Bypass (F8), End (F10), View UW Limits (F11), Delete (F16), Pmt Controls (F17), and Audio/PC Bank (F23). The bottom right has a 'Learn About This Feature' link.

BUSINESS UNIT

Credit unions can group loans with a specific purpose, such as mortgage loans, via use of the new Business Unit codes. Credit unions first configure their Business Unit code(s) via Loan Products menu (MNCNFB) #12-Business Unit Configuration), then enter that code in the Business Unit field in the first Loan Category configuration screen of the related loan categories. Using this feature simplifies analysis and day-to-day work since Business Unit has been added to several reports and filtering tools, such as the Loan Queue and Activity Tracking dashboards.

LOAN PRODUCT CODES

Loan Product Codes are set up using the **Loan Product Configuration** command on menu MNCNFB.

Setting up loan product codes first requires a thorough understanding of the categories you have configured, as well as a plan for the types of loans you will be offering to your members. Since loan product codes also control what appears on the electronic rate sheet in CU*BASE Rate Inquiry, your current loan rate sheet is a good place to start.

Following are samples of the screens used to configure loan product codes.

For complete details on all fields and options, refer to online help

[Learn About This Feature](#) while working in the screens.

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

Use these to display only those products that have been tied to a particular loan category, to make sure each of your categories has the appropriate products set up. Or display products according to delivery channel (in this context, this groups products according to where they are displayed):

- Loan Processing
- Loan Quoter
- **It's Me 247**
- Other external channels

Product Category Configuration Selection List

Search Options: Product code, Prod Desc, Loan category, Delivery channel, Corp ID (99 = all)

Corp ID	Prod #	Sequence	Product Description	Loan Category
01	002	01	NEW VEHICLE 75 MONTHS	NEW VEHICLES
01	003	00	NEW VEHICLE 63 MONTHS	NEW VEHICLES
01	004	00	NEW VEHICLE 51 MONTHS	NEW VEHICLES
01	005	00	NEW VEHICLE 39 MONTHS	NEW VEHICLES
01	009	00	CLOSED END HOME EQUITY LOAN	CL END HOME EQU
01	010	03	ATV's, Snowmobiles, Jet Ski's, Lawn & Garden, Trail	REC VEHICLES
01	011	00	MOBILE HOME LOAN	SECURED CL END
01	012	10	OVERDRAFT PROTECTION	OVERDRAFT PROT
01	013	06	SHARE PLEDGED LOAN	SHARE PLEDGE LN
01	014	05	SIGNATURE LOAN	SIGNATURE LOAN
01	026	04	RV's, Boats, Travel Trailers and Planes	REC VEHICLES
01	027	00	SECURED CLOSED END LOAN	SECURED CL END
01	028	00	GOLD LINE OF CREDIT INTEREST ONLY PAYMENTS	GOLD LOC INT

Toolbar: Add New Product F6, Cancel F7, Change, View, Copy, Reassign, Delete, History

Annotations:

- Use F6-Add New Product to create a new code.
- Use Reassign to rearrange the product code numbers so the products appear in a logical order.

FR (2631) 7/02/08 11:05:55 Learn About This Feature

Screen 2

The screenshot shows the 'Product Category Configuration' window for 'NEW AUTO LOAN 61-72 MONTHS'. The interface includes a left-hand menu with options like Backup, Cancel, Recalc, History, Checklist, Procedures, and Marketing Tips. The main area contains fields for Product #, Loan category, Corp ID, Product code base rate, Loan fees, and Default collections officer. It also features sections for 'Amortization/External Loan Delivery Channel Defaults' and 'Loan Quoter Defaults'. A 'Display In' section on the right has checkboxes for 'Loan processing', 'Loan quoter', and 'External loan delivery channels'. A 'CHANGE' button is located in the top right corner.

Check this checkbox if you want to offer specific Miscellaneous Coverage options for this product.

To automatically quote insurance or debt protection in select from the drop-down here.

A Checklist lets staff mark all required tasks off as they are completed.

Marketing Tips help your staff sell the loan to members. Procedures help them process it properly.

To quote up to 81 payments in Loan Quoter, check this flag and fill in fields in this bottom section.

The middle section of the screen contains defaults used when creating new loan requests. These save time and make your efforts more consistent.

If Use risk-based pricing is checked, the screen Risk Based Pricing screen will display.

These flags control where this loan product can be sold, including external loan delivery channels (SEG web site, Dealer Track, etc.). Online banking access is controlled on the Online Banking screen.

Notice that only one rate is entered for the product; all other rates, including risk-based pricing and the online banking offered rate, will be entered as a variant (plus or minus xx.xxx) based on that rate.

Insurance or Debt Protection Configuration

If Debt Protection had been selected on the previous screen, you would be able to add your codes for Debt Protection here. This screen allows you to enter Insurance codes if that selection was made on the previous screen. These codes will be the default when the loan is created

The screenshot shows the 'Product Category Configuration' window with the 'Insurance Product Selection' tab active. The window title is 'Session 0 CU*BASE GOLD - Product Category Configuration'. The main content area displays the following information:

- Corp ID: 01
- Product #: 001
- Description: NEW AUTO LOAN 61-72 MONTHS
- Loan category: 01 INSTALLMENT LN
- Low: 0.000
- High: 18.000
- Product code base rate: 5.000

Below this information is a section titled 'Payment Protection Codes' with the following options:

- Single credit life: CU
- Joint credit life: CU
- Disability: CU
- Add to balance
- Include balloon amount

On the left side, there is a 'Backup' button (F3) and a 'Cancel' button (F7). The bottom status bar shows 'TR (3275) 6/16/09 14:44:30' and a 'Learn About This Feature' link.

Miscellaneous Coverage

If the Miscellaneous Coverage checkbox is checked, this screen will appear to allow you to enter Miscellaneous coverages for the product.

The screenshot shows the 'Product Category Configuration' window with the 'Miscellaneous Coverage Selection' tab active. The window title is 'Session 0 CU*BASE GOLD - Product Category Configuration'. The main content area displays the following information:

- Corp ID: 01
- Product #: 001
- Description: NEW AUTO LOAN 61-72 MONTHS
- Loan category: 01 INSTALLMENT LN
- Low: 0.000
- High: 18.000
- Product code base rate: 5.000

Below this information is a table with the following columns: Code, Corp ID, Description, Fee Amount, and Include in Loan Amount.

Code	Corp ID	Description	Fee Amount	Include in Loan Amount
DJ	01	DEALER JOINT INSURANCE	.00	N
DL	01	DEALER LIFE INSURANCE	.00	N
GA	01	GAP INS ADDED TO LOAN	250.00	V
GP	01	GAP INS NOT ADDED TO LOAN	.00	N

On the left side, there is a 'Backup' button (F3), an 'Add Coverage' button (F6), and a 'Cancel' button (F7). The bottom status bar shows 'TR (3271) 6/16/09 14:47:55' and a 'Learn About This Feature' link.

Risk-Based Pricing

Up to 8 different prices can be set for each risk level (paper grade).

Level	Tier	From	To	Rate	Tier	From	To	Rate	Tier	From	To	Rate	Tier	From	To	Rate
1	5	0675	0739	5.000	2	0550	0599	7.500	3	0600	0639	6.500	4	0640	0674	5.500
					6	0740	0999	4.750	7	0000	0000		8	0000	0000	

Online Banking Configuration

A sequence number here (1-50) means this product will be shown to members on the **It's Me 247** Loan Rate Board.

These settings are used to control the loan application process for members through online banking.

IMPORTANT: If you set up any products to be offered via online banking, also be sure to review your Delivery Channel configuration to control how those incoming applications will be coded by the system. See Page 13 for details.

Member Sales Information

This screen appears automatically for loans that are being included in the **It's Me 247** Rate Board.

A URL and/or free-form text should be configured to sell the loan to the online banking member.

F18-Checklist (From first screen)

Tasks can be marked as completed, one at a time, during the application process and after the loan account has been created.

Task	Description	Task	Description
01	VERIFICATION OF INCOME		
02	DEALER INVOICE		
03	PLACEMENT OF LIEN @ DEALER		
04	SIGNED NOTE AND SECURITY AGREE		
05	PROOF OF INSURANCE		
06	WHATEVER YOU NEED		

F21-Procedures or F22-Marketing Tips (from first screen)

A URL and/or free-form text can be configured to help staff sell the loan to members, and to document the steps required to process it.

Session 0 CU*BASE GOLD - Credit Union Product Procedures

Network Links

Credit Union Product Procedures

CHANGE

Product 001 NEW AUTO LOAN 61-72 MONTHS

URL link

Comments
SIGNED APPLICATION
VERIFY EMPLOYMENT
CREDIT BUREAU
PROOF OF INCOME

Save Changes

Backup	F3
Save Changes	F5
Talking Points	F9
Copy Procedures	F10

COMMENTS TIP:
When you add or remove characters, it might cause fragmented lines of text. Place the cursor at the end of the shortened line and press the Delete key to remove the line break and clean up the paragraphs as needed.

COMMENTS TIP:
If you insert text or copy and paste text that exceeds the space provided, a pop-up window will appear. Select Yes to retain text you have written or pasted, but be careful, this may delete following text. Select No to cancel a paste. **WARNING:** Never check the "Remember my decision" checkbox on this pop-up window.

TR [2299] 6/16/09 15:22:37 Learn About This Feature

CONFIGURING LOAN DELIVERY CHANNELS

One of the unique features of the CU*BASE loan application processing system is that it can handle applications that come from many different sources. An application that comes directly from a member using online banking is handled using the same tools as one keyed by a credit union employee at a loan officer desk—without time-consuming re-keying of application data.

Likewise, CU*BASE can also receive, process, and respond to any type of Internet loan application through its XML Lending Gateway, which allows applications from external sources to be funneled through CU*BASE loan processing tools.

Even if your credit union will not be using an external source for applications (such as Dealer Track or a web site), you must use the Loan Delivery Channel Configuration to control how loan applications entered in **It's Me 247** online banking will be coded for handling by CU*BASE.

MNCNFB #21 "Loan Delivery Channel Config"



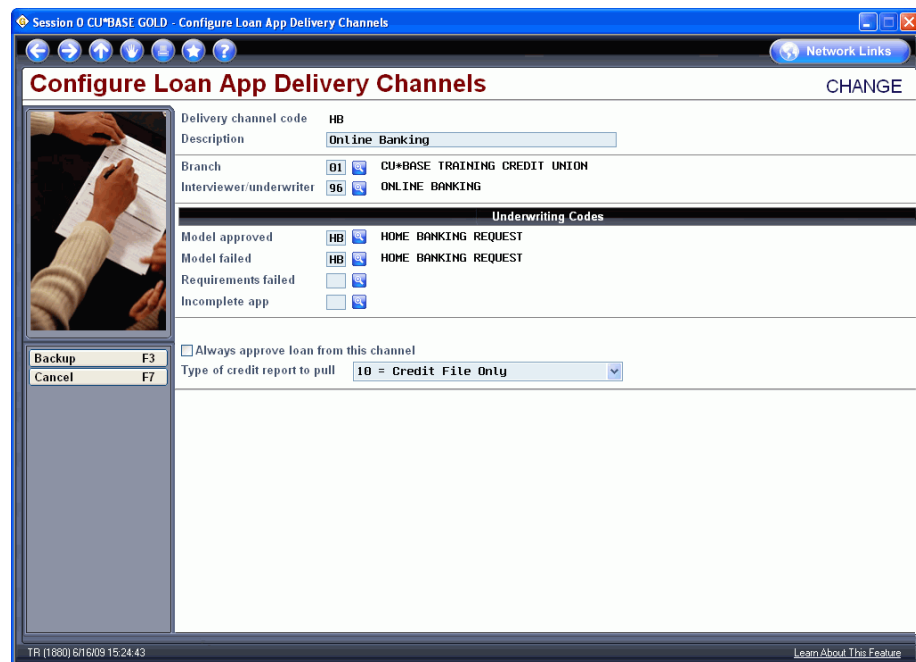
This is the first screen used to configure default settings used by loan delivery channels. In this context, a Delivery Channel is simply a source of loan applications funneled from any source into the CU*BASE loan application database. Currently there are three main sources, and more will be added over time:

CU*BASE (CU)	This channel represents loan applications entered directly into CU*BASE using the loan processing features on menu MNLOAN. There are no configuration options for this channel; it
--------------	---

	is listed here for information only.
Dealer Track (DT)	This channel is our first link to a third-party source of loan applications. If your credit union has been set up to use this channel, you may access various configuration screens here that will allow you to define which CU*BASE loan products correspond to incoming Dealer Track loan applications, including free-form text for stipulations to be communicated back to an automotive dealer via the Dealer Track software. Contact a CU*BASE Client Service Representative for assistance planning for and setting up an integration with Dealer Track.
Online Banking (HB)	This channel represents loan requests that come to CU*BASE from a It's Me 247 online banking loan application.

Currently this configuration is used primarily to set default settings used by online banking loan applications. Select the **HB** channel and use Enter or click the Change option to proceed to the second screen:

Screen 2



Use these fields to designate which branch, employee ID and underwriting codes should be used on applications that come in from **It's Me 247**. When done, use Enter to save and return to the previous screen.

For complete details on all fields, refer to online help [Learn About This Feature](#) while working in the screens.

ONLINE LOAN APPLICATIONS

Refer to the separate “**It’s Me 247** Configuration and User Guide” for information on the Online Loan Application that is used by **It’s Me 247** online banking. You can also link to this same online application from any website to channel member and non-member applications directly from the Web to your loan officers in CU*BASE.

CONFIGURING COLLATERAL

The primary purpose of a Collateral Type code is to define what the screen will look like (which fields and field labels will appear) when detailed information about the collateral is recorded in CU*BASE. Each collateral type, such as vehicles, mortgages, bonds, durable goods, and stock, has a corresponding definition type which controls the data fields that are relevant for that type of collateral.

It is not unusual to use Collateral Type for the purposes of aggregating data for the 5300 and risk concentration, but it would typically not be used for any of the other areas such financial reports, ALM, etc., and cannot be used to control credit bureau reporting on CU*BASE. Most credit unions typically configure fewer than 10 collateral type codes.

MNCNFB #5 "Collateral Type Configuration"



This screen is used to create a credit union-defined collateral code, and choose the Definition Type that determines which fields are used for the collateral items. There are only four collateral definition types that determine the fields on the collateral screen:

V=Vehicle

R=Real Estate

S=Stocks

O=Other

M=Medallion

However, your credit union can configure up to 26 different collateral codes from those four definitions (for example, “Automobile” and “Watercraft” may both use definition type “V”). Any Collateral Type codes that are configured with definition type “V” have the Title Tracking feature. Any Collateral Type codes that are configured with definition type “R” have the Property Tax Tracking feature.

- Also refer to this companion booklet: “Collateral – Tools for Tracking Property Securing Loans”

MANAGING LOAN RATES AND YOUR ONLINE "QUOTE SHEET"

RATE MAINTENANCE

After your loan products are set up, you should not need to access the Loan Product configuration again except to make changes to default settings. For rate changes, a much easier and more efficient method is to use the same Rate Maintenance feature you use to update savings and certificate rates.

MNMGMT #2 "Member Rate Maintenance"

Use these buttons to update the Procedures and Marketing Tips for each product.

Click the lookup to modify the rate that is initially quoted to members in online banking.

Use these function keys to limit which products are displayed, making it easier to verify rates.

Code	Description	Base Rate	+/- Variant	Offered Rate	Online Banking
001	NEW AUTO LOAN 61-72 MONTHS	5.000	0.000	= 5.000	1
002	PRE-OWNED AUTOS 2007 & OLDER UP TO	5.950	0.000	= 5.950	50
003	CLASSIC/RESTORED AUTOS UP TO 12 MO	9.900	0.000	= 9.990	2
004	NEW BOAT UP TO 60 MONTHS	7.500	0.000	= 7.500	
005	USED BOAT UP TO 60 MONTHS	8.250	0.000	= 8.250	
006	NEW & PREOWNED 2008-2009 TRAVEL TR	8.000	0.000	= 8.000	
007	USED SPORT VEHICLES	9.250	0.000	= 9.250	
008	HOME EQUITY LINE OF CREDIT	6.750	0.000	= 6.750	
009	SIGNATURE LOAN	6.500	0.000	= 6.500	
010	NEW RV/BOAT/TRAVEL TRAILER	5.000	+ 1.250	= 6.250	
011	USED BOAT/RV/TRAVEL TRAILER	5.000	+ 1.250	= 6.250	
012	MORTGAGE - FIXED RATE	3.000	0.000	= 3.000	
013	5 YEAR BALLOON MORTGAGE	5.502	+ 0.250	= 5.752	
014	Visa Platinum	0.000	0.000	= 0.000	
015	HELOC Balloon	5.000	+ 3.000	= 8.000	
016	home equity closed end	3.000	0.000	= 3.000	

On this screen you can update the base rate for all your loan products in the same place. Simply enter the desired rate (use three places past the decimal point) into the *Base Rate* column for each item. At any time, press Enter to save the changes and recalculate the rates shown in the *Offered Rate* column.

RATE INQUIRY

Similar to rate maintenance, the Rate Inquiry screen provides “one stop shopping” for rates on any of your credit union’s loan products. Because these rates are updated immediately after any rate maintenance, this online inquiry can provide an excellent alternative to the traditional paper quote sheets that often clutter up your employees’ desks.

As shown below, the Rate Inquiry screen is simply a view-only version of the same screen used for rate maintenance. Click the Rate Inquiry button on any CU*BASE menu to access this screen.



F7 (or the button shown above) from any CU*BASE Menu

Loan Product Interest Rates

Corp ID 01 BEDROCK COMMUNITY CREDIT UNION
Filter ALL LOAN CATEGORIES

Code	Description	Base Rate	+/- Variant	Offered Rate	Online Banking
001	NEW AUTO LOAN 61-72 MONTHS	5.000	0.000	= 5.000	1
002	PRE-OWNED AUTOS 2007 & OLDER UP TO	5.950	0.000	= 5.950	50
003	CLASSIC/RESTORED AUTOS UP TO 12 MO	9.990	0.000	= 9.990	2
004	NEW BOAT UP TO 60 MONTHS	7.500	0.000	= 7.500	
005	USED BOAT UP TO 60 MONTHS	8.250	0.000	= 8.250	
006	NEW & PREOWNED 2008-2009 TRAVEL TR	8.000	0.000	= 8.000	
007	USED SPORT VEHICLES	9.250	0.000	= 9.250	
008	HOME EQUITY LINE OF CREDIT	6.750	0.000	= 6.750	
009	SIGNATURE LOAN	6.500	0.000	= 6.500	
010	NEW RV/BOAT/TRAVEL TRAILER	5.000	+ 1.250	= 6.250	
011	USED BOAT/RV/TRAVEL TRAILER	5.000	+ 1.250	= 6.250	
012	MORTGAGE - FIXED RATE	3.000	0.000	= 3.000	
013	5 YEAR BALLOON MORTGAGE	5.502	+ 0.250	= 5.752	
014	Visa Platinum	0.000	0.000	= 0.000	
015	HELOC Balloon	5.000	+ 3.000	= 8.000	
016	home equity closed end	3.000	0.000	= 3.000	

TR (419) 6/16/09 15:31:49 Learn About This Feature

UNDERWRITING CODES AND CONTROLS

OVERVIEW

In the past, if a credit union decision maker wished either to deny or to approve a member's loan on the CU*BASE system, it meant that either the account had to be created or the actual loan request be processed as a denial. An interim step was needed to allow a "memo" posting of the decision, pending action.

With CU*BASE, a loan application can be worked by more than one credit union employee, and the status can be communicated to the member or any other credit union employee through an Application Status inquiry, report, or even WMail. This is often used by multiple-office credit unions where approvals on loan requests/applications must be obtained from a second party before the actual account is created.

In most cases, member loan requests are granted some form of action (whether approval or denial) immediately, but certain situations may require some delay. In these cases, either a reply to the loan interviewer or a member's inquiry into the status of the request comes into play.

Following are some examples of situations where Underwriting Codes, Application Status inquiry, and WCalendar are used to communicate and process loan request information:

Example 1

ABC Credit Union has three satellite offices with only small service staffs. The branch staff conducts loan interviews, processes paperwork, and distributes loans, but does not approve loans.

Using the Application Status inquiry, the underwriter would review pending requests submitted by branch personnel, and then approve or deny the loans using Underwriting Codes.

The branch employee then processes the request based upon the underwriter's decision using the same Application Status software.

Example 2

Bill Smith comes into ABC Credit Union's main office and drops off a loan application on his lunch hour for a loan officer's review. The loan receptionist tells Bill that the loan application will be processed and a decision made within an hour. Bill arranges to call later from work for an update and to schedule an appointment.

When Bill calls, his loan application status is brought up on the CU*BASE terminal through the Application Status inquiry. The loan application is still pending. The loan receptionist checks the application checklist to see what portion of the application is still outstanding.

She tells Bill that his loan is only waiting for proof of insurance, and that if he would like to bring it in with him she would be happy to schedule a loan closing. The employee schedules the appointment using the CU*BASE WCalendar software.

Example 3

Jill Jones, a new loan officer at ABC Credit Union, has an approval limit of \$5,000 on signature loans. A long-time participating member, Jack Miller, comes in to apply for a line of credit with a disbursement limit of \$15,000. Jill is the only loan officer available, so after entering the information into CU*BASE she sends a WMail message to her loan supervisor at the main branch requesting an immediate approval on Jack's application. The loan supervisor reviews the loan request on CU*BASE, records her approval, and sends a return WMail message to Jill indicating that the loan is ready for processing.

In addition, to ensure that Underwriting Codes are used consistently according to your credit union's policies, a special **Underwriting Control** feature is available. This control ensures that a loan is not created or denied without a specific Underwriting Code being in place. See Page 32 for more details.

ABOUT UNDERWRITING CODES

Underwriting Codes are credit union-defined codes that are used to flag a loan with an underwriter's approval, denial, or even "memo" notes regarding tasks to be completed in order for a determination to be made. Key features include:

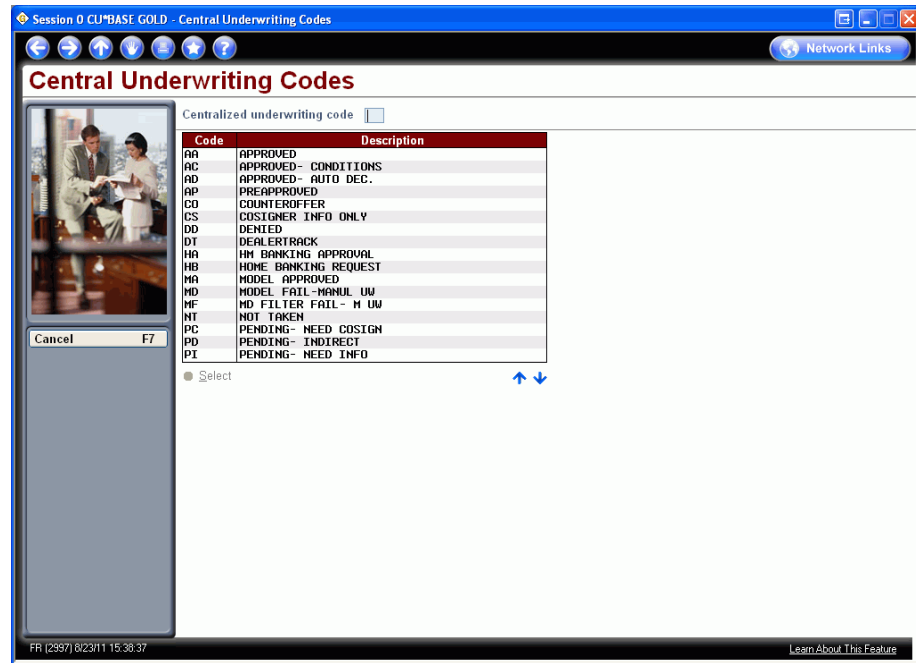
- ⇒ **Comprehensive security** attached to Underwriting Codes, to prevent unauthorized users from marking a loan or changing the loan information after underwriter review.
- ⇒ **Workflow automation** options to prompt underwriters to fill in comments or complete appropriate notices.
- ⇒ A credit union can control the actual creation and denial processing on a loan account, so that a loan account cannot be created without proper **underwriting approval**.
- ⇒ Underwriting **Auditing** lets you review daily all underwriting activity on loan requests.

Even if you decide not to use underwriting codes, CU*BASE has Special Employee Security settings to control who can create loans and process denial notices. (See Page 25.)

CONFIGURING UNDERWRITING CODES

The Underwriting Codes feature does more than just mark a loan approved or denied. It allows the credit union to create up to 99 codes, each indicating a different pending status. In addition, each code can be set up with special security and automation features, depending on the credit union's underwriting policies.

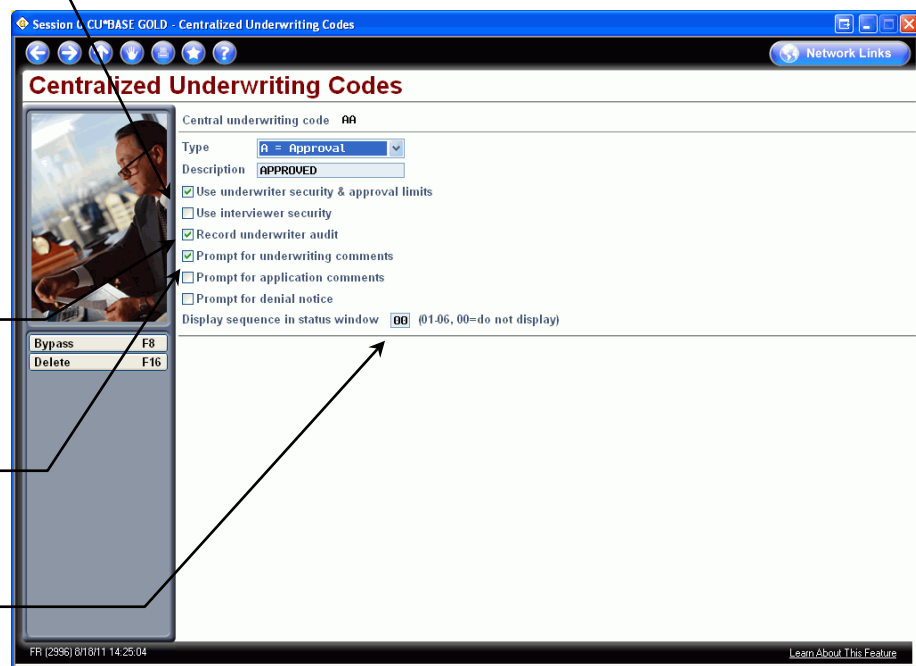
MNCNFB #11 "Underwriting Code Config"



This is the first of two screens used to configure an Underwriting Code. Enter a two-character code (both numbers and letters are allowed) and use Enter to proceed to the second screen.

The first two options relate to settings in Employee Special Security (see Page 25). Refer to the following section on page 26 for more information on underwriter approval limits. NOTE: The text "& approval limits" is conditional on the "Underwriter Approval Limits" feature being activated.

Screen 2



Underwriter audit records lets you track changes made to loans once a final determination is made, and are typically used on Approval and Denial type codes only. See Page 28 for more details.

The "Prompt" options are workflow controls that streamline the process and minimize keystrokes.

Use this to display counts for this code on the Application Status screen (see Page 37). Great for "submitted for approval" memo-type codes to make sure they are handled promptly.


This is the second screen used to specify the description, parameters and security for this Underwriting Code. When done, use Enter to record all changes and return to the previous screen.

For complete details on all fields, refer to online help [Learn About This Feature](#) while working in the screens.

MARKING LOANS WITH UNDERWRITING CODES

This shows the Underwriting Control setting for your credit union. See Page 32 for details.

This is the Loan Recap screen, used to display information about the loan application. It is also used to flag the application with one of the Underwriting Codes (see Page 21 for information on configuring these codes).

To mark a loan with an Underwriting Code, enter the 2-character code (click the lookup button  to see a list of your credit union's configured codes) as well as the underwriter's Employee ID and password, then press Enter. If the ID and password entered are not valid, or do not have the proper security to assign this code, an error message may appear. Otherwise, the code description and employee name will be filled in. (If the Underwriting Code you entered is configured to display Comments or Notice screens, those screens will appear now.)

NOTE: If the wrong code is accidentally entered, it is necessary to enter both the correct code and reenter the password. This prevents someone from changing a code without the proper authorization.

Changing or Overriding an Existing Loan Request

Once an Underwriting Code has been entered on the Recap screen, the system will assess that code whenever an attempt is made to edit the original loan request using **F2-Edit Loan** or **F13-Override**.

If an Underwriting Code with a type "D" (denial) or "A" (approval) is already assigned to the loan, both F2-Edit Loan and F13-Override will be disabled. **In order to modify the loan request or override loan terms, it is necessary to clear all Underwriting Code fields (Code, ID and Password).** If the code was originally configured to record an Underwriter Audit record, the process of clearing the code will cause a record to be written to the Audit Report, and a warning message will appear:

2460-Audit record will be written: Enter to continue, F7 to Cancel

Using Enter at this time will add a record to the Underwriter Audit Report (see Page 31 for details about this report), giving underwriters and lending managers a written record that changes were attempted on the loan request. It will be important to monitor this report to ensure that these requests are followed up. For information on tracking all underwriting activity on outstanding loan requests, see “Underwriter Auditing” on Page 28.

After the original code has been cleared, use F2-Edit Loan or F13-Override and make changes to the loan request as needed. Once the changes have been made, one way to ensure that the Underwriter is made aware of the changes is to add a special Underwriting Code such as “CHANGE & RESUBMIT” or something similar. This code would also be configured with *Record underwriter audit* feature turned on so that another audit record, showing the change made to the loan request, will be added to the audit report.

Although the use of a “CHANGE” type Underwriting Code is optional, if your credit union uses this type of code to record an audit record and alert your Underwriters of the change, it is best to add the code after the change has been made. If you assign the code before editing the loan, the audit record will not include the changes made to the loan request.

IMPORTANT: The only way to ensure that changes made to loan requests after initial underwriter approval or denial are carefully controlled and tracked is through the Underwriter Audit system. Therefore, it is important that these codes be configured with the *Record underwriter audit* flag turned on in the Underwriting Code configuration (see Page 22).

Who Can Create or Deny a Loan?

The system will NOT allow a user to use the **Create Loan Account** or **Deny Loan** buttons on the Loan Recap screen unless that employee (the one who originally accessed the loan recap screen from the CU*BASE menu) is set up as a loan interviewer in employee security (*Loan interviewer/processor* flag is checked).

In addition, if your credit union uses Underwriting Control (see Page 43), the system will check the same employee security, but will also check to make sure there is an appropriate “A” type code in the Underwriting Code field, with an ID that is set up as an underwriter, before allowing Create Loan Account or a “D” type code before allowing Deny Loan. Therefore, the employee must be an interviewer, and the loan must also have been coded by an authorized underwriter.

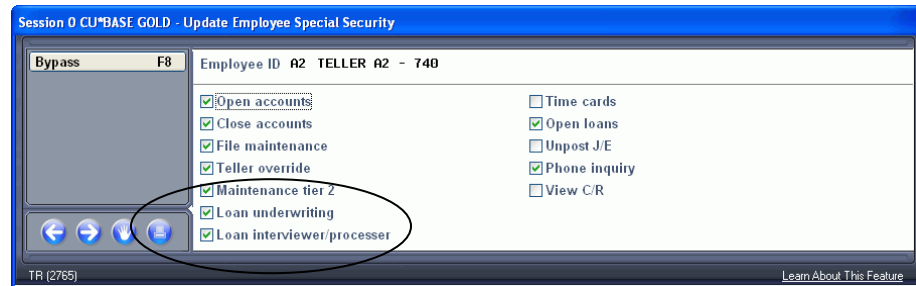
IMPORTANT: If you want your underwriters to also be able to actually create a loan account or process a denial notice, you must also make them interviewers/processors in their employee security. See Page 25 for details on setting up employee security.

CU*TIP: Underwriting Security does not apply to the Process OTB Approval/Denial feature - no special security or underwriting codes are

required in order to approve or deny an application when processed as an OTB credit card application with this feature.

SETTING UNDERWRITER / INTERVIEWER SECURITY

MNMGMT #1, "CU*BASE Employee Security", then Update Special Security



By default, the *Loan underwriting* and *Loan interviewer/processor* flags are checked for all existing employees, meaning that the employee can add any Underwriting Code, and can create loan accounts and process denial notices. You must manually remove the checkmark from these flags if you wish to revoke Underwriter or Interviewer privileges for an individual employee. Following is a synopsis of the privileges for each:

An Underwriter:

- CAN enter any Underwriting Code marked with *Use underwriter security* turned on (see Page 22)
- CANNOT enter any Underwriting Code marked with *Use interviewer security* turned on
- CANNOT create a loan account
- CANNOT process a denial notice

An Interviewer:

- CAN enter any Underwriting Code marked with *Use interviewer security* turned on (see Page 22)
- CANNOT enter any Underwriting Code marked with *Use underwriter security* turned on
- CAN create a loan account*
- CAN process a denial notice*

*Remember that if your credit union uses Underwriting Control (see Page 32), the system will still require that the proper code has been entered by an underwriter before the Interviewer/Processor can create the loan account or process a denial notice.

IMPORTANT: *If you want your Underwriters to also be able to process denial notices and create loan accounts, it is best to check both flags for those employees. However, to keep loan Interviewers from marking loans as approved or denied, uncheck Loan underwriter for those employees and make sure to turn on Use underwriting security for all of the Underwriting Codes that you do not want interviewers to use (see Page 22).*

CU*TIP: For credit unions which use a special employee ID to represent a loan committee that performs underwriting tasks, that ID would be set up as follows:

- Loan underwriting**
- Loan interviewer/processor**

LOAN UNDERWRITER APPROVAL LIMITS

Credit unions can restrict the dollar amount that a loan officer (configured with loan underwriting privileges – see previous section) can either approve. These limits are configured through the use of Loan Underwriter Approval Limits. Underwriter Approval Limits are activated in the Master CU Parameter Config (see page 32). Once activated, CU*BASE refers to the Underwriter Approval limits before allowing any loan officer to approve a loan, when the underwriter code is set to use “underwriter security & *approval limits.*” (This italicized text is conditional, appearing once the limits feature is activated.)

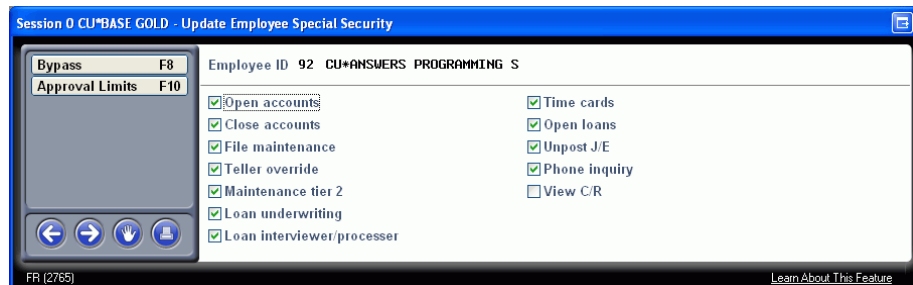
A Word of Caution

One word of caution for credit unions considering using underwriting approval limits. Once this feature is activated in OPER, underwriter approval limits are required for all loan officers approving loans using codes with underwriter security. The absence of a limit (configured by loan category) will be viewed by the system as a limit of zero. Since the underwriter limit feature has a Copy option, it is recommended that credit unions create a “Loan Officer” Employee ID, add limits to this ID. Then the Copy feature can be used to copy these limits to all loan officers’ Emp IDs, with individual adjustments made to each Emp ID as needed.

How to Add Underwriter Approval Limits

Underwriter approval limits are added by Emp ID and by category by using the Update Special Security screen.

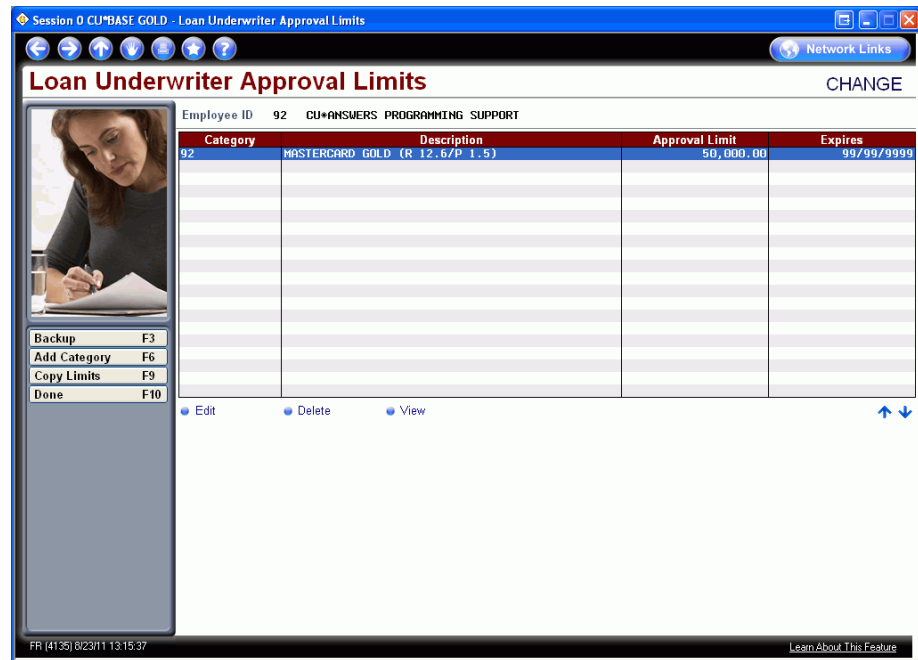
Management menu #1-Employee Security, select an Emp ID, then Update Special Security



Use F10-Approval Limits from this screen to reveal the listing of limits for the Emp ID. (This function key requires that “Loan Underwriting” is selected on this screen.)

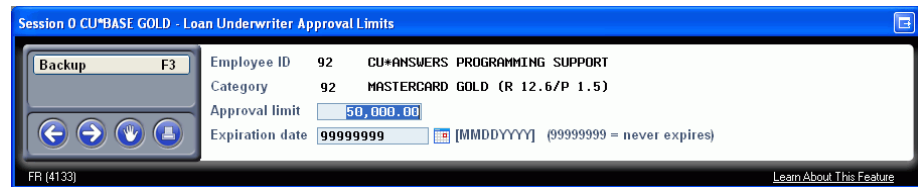
- NOTE: The function key F10-Approval Limits is not available until the Underwriter Approval Limits feature is activated in OPER.

F10-Approval Limits



From the Underwriter Approval Limits screen, use F6-Add Category. Then enter a limit and an expiration date for this category for this Emp ID (shown below).

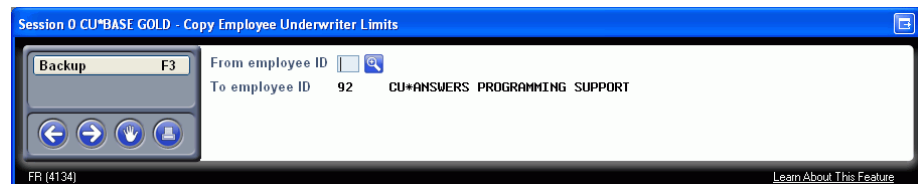
F6-Add Category



- NOTE: All 9's in the Approval limit field indicates the Emp ID can approve any amount (unlimited). All 9's in the Expiration date field means the limits never expire.

Use F9-Copy Limits to copy the limits from one Emp ID to another. It is recommended that you set up baseline limits for a "Loan Officer" Emp ID, then copy these limits to each Loan Officer's Emp ID, making adjustments as needed.

F9-Copy Limits



Approving a Loan with Loan Underwriter Approval Limits

Every time a loan officer enters an underwriter code (such as AA) that requires a limit check, CU*BASE checks the Emp ID of the loan officer to review the configured limits (after first confirming the password).

If the loan is greater than the limit, the following messaging will appear.

2465-You are not authorized to enter this code.

Do Automated Channels Use Approval Limits?

Automated approval systems such as approvals per Decision Modeling do not check underwriter approval limits. When a loan underwriter adds a second approval, however, the underwriter approval limits are used.

Deletion of Limits

Approval Limits are deleted from the system in the following instances:

- All existing limits are removed, if the flag in the Master Parameters in OPER (see page 32) is unchecked after being checked.
- All limits for a Emp ID are removed if the Emp ID is deleted or if “Loan Underwriter” is unchecked in Special Security for that Emp ID.

UNDERWRITER AUDITING

One of the most important features of CU*BASE Underwriting Codes is their ability to track an audit trail showing underwriting activity on a loan application. This auditing feature is flexible in that your credit union can configure the types of activities that should be included in the written audit records.

For example, you may configure several Underwriting Codes that are just “memo” type codes for notifying other staff of the status of the request, such as “submitted to underwriting,” “pending income verification” or other similar codes. With these, it is not important to audit the loan information at each stage, since it may be changed often while handling the request.

However, once a loan request has been reviewed by an underwriter and marked either “approved” or “denied” as it was submitted, any changes made after that must be carefully monitored, so that a change is not made without additional underwriter review. After all, if your underwriter approves a \$5,000 loan, you don’t want the loan to be bumped up to \$25,000 without the underwriter reviewing it again!

To assist you in monitoring and controlling these requests, two security features are in place:

- First, any Underwriting Code can be configured to record an audit record showing all loan information (amount, term, rate, etc.) at the time the code is attached to the loan request. This flag, called *Record underwriter*

audit (see Page 22), should be turned on for any codes that indicate a final decision by an underwriter, such as “Approved” or “Denied.”

- Second, once an Underwriting Code type “A” (approval) or type “D” (denial) has been entered on a loan request, no changes will be allowed on that request. If the code is removed, an audit record will be written (assuming the *Record underwriter audit* flag is on), with an initial warning message to keep employees from changing the request without proper authority.



- **NOTE:** Once you add an Underwriting Code type of “A” (approved) or type “D” (denied) to a loan request, that request is then removed from the “Wait Times this Week” that appear on the left of the Work/View Application Status screen (shown to the left in the orange area). **This does not mean that the request is removed from the listing, just from the wait times.** (These wait times indicate that paperwork is still in process for these applications.)

In addition, if you wish to track requests that have been changed intentionally and need to be reviewed again by an underwriter, a special “CHANGE & RESUBMIT” code can be helpful, and this code would also be set up to record an audit record. As you will see in the following scenario, this provides a complete picture of the key underwriting activity on a loan request for an accurate and safe audit trail:

ABC Credit Union has a central underwriting department that reviews all loan requests submitted by branch locations. On Tuesday, underwriter John Smith reviews application # 372 for a \$5,000 home equity loan. Based on the member’s application, he marks the loan as “Approved” using Underwriting Code “AA.” (This code has been configured as type “A,” and is set up to record an audit record.)

When John presses Enter on the Recap screen after entering the Code and his ID and password, the system automatically adds a record to the Underwriter Audit Report showing the loan amount and other terms and conditions:

Applic.		Loan		Pmt		# of		Payment		--UNDERWRITER INFO--		
App #	Date	Acct #	Type	Amount	Freq	Pmts	Pmts	Amount	Rate	Code	Emp ID	Date
372	04/01/05	56789	02	5,000.00	M	60	327.38	8.725	AA	32	04/13/05	

Later that day, the member calls and asks if he could increase the loan amount to \$7,500. In order to be able to change the loan information, the branch loan officer clears the original underwriting codes, causing a second audit record to be written:

Applic.		Loan		Pmt		# of		Payment		--UNDERWRITER INFO--		
App #	Date	Acct #	Type	Amount	Freq	Pmts	Pmts	Amount	Rate	Code	Emp ID	Date
372	04/01/05	56789	02	5,000.00	M	60	327.38	8.725	AA	32	04/13/05	
372	04/01/05	56789	02	5,000.00	M	60	327.38	8.725				

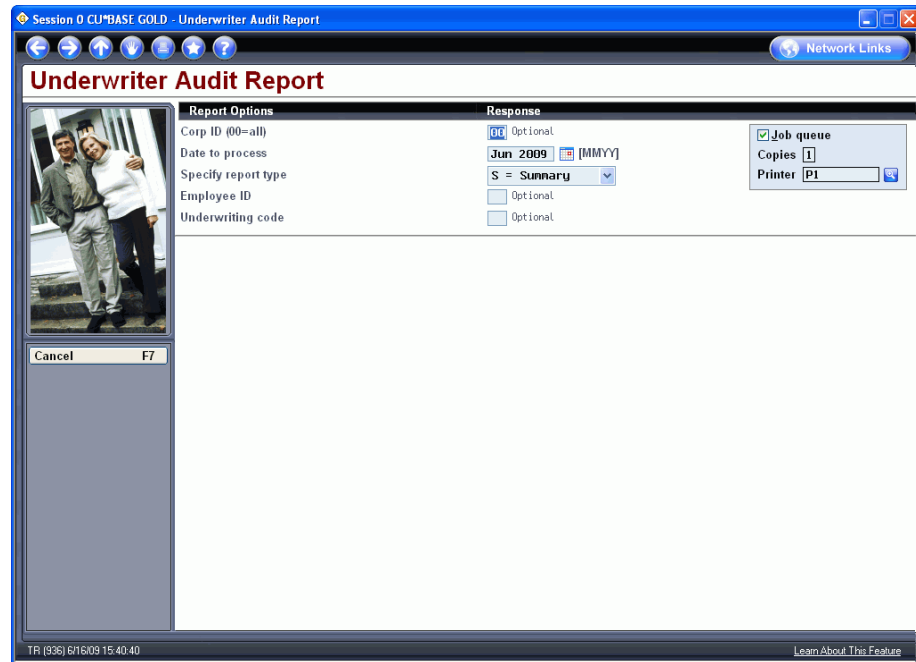
The loan officer makes the changes to the loan account, then enters Underwriting Code “CH,” which the credit union has configured to indicate “change and resubmit to underwriting.” Because this code is also configured to write an audit record, a third record is added to the report:

Applic.		Acct #	Member Name	Loan Type	Amount	Pmt Freq	# of Pmts	Payment		--UNDERWRITER INFO--		
App #	Date							Amount	Rate	Code	Emp ID	Date
372	04/01/05	56789	EDWARD ANYBODY	02	5,000.00	M	60	327.38	8.725	AA	32	04/13/05
372	04/01/05	56789	EDWARD ANYBODY	02	5,000.00	M	60	327.38	8.725			
372	04/01/05	56789	EDWARD ANYBODY	02	7,500.00	M	60	450.97	8.725	CH	47	04/13/05

IMPORTANT NOTE: If the credit union had not configured the “CH” code, the audit report would not include the third item showing the change that was made. However, the second record (with no Underwriting Code) would be a warning flag that this loan requires further follow-up.

Underwriter Audit Report

MNRPTD #15 "Underwriter Audit Report"



Remember that this report is designed to show an audit trail of key underwriter action on loan requests, using Underwriting Codes that have been configured to record an audit record (see Page 22). Therefore, not every loan request that is currently pending will be included on this report. Its main purpose is to monitor discrepancies between what is approved and what actually gets processed.

For report samples and other information about the options available with this report, refer to online help by clicking [Learn About This Feature](#) while working on this screen.

Records will be sorted by member account number, then by loan application number (for members with more than one loan request), making it easy to see the chain of events that affect each loan request, even if more than one employee was involved.

Remember that for both reports, records are written only when a code is either added or cleared, if that code was configured with *Record underwriter audit* turned on. Therefore, not every loan request that is currently pending will be included.

USING THE "UNDERWRITING CONTROL" SYSTEM FLAG

To ensure that Underwriting Codes are used consistently according to your credit union's policies, a special system control is available: **Use Underwriting Control** and **Use Underwriter Approval Limits**

*For self-processing credit unions, this option is available via OPER #10 "Serviced CU Configuration", then #1 "Master CU Parameter Config." Because on-line credit unions do not have access to these master settings, contact CU*Answers Client Services if your credit union wishes to turn this control on.*

- If **Use Underwriter Control** is turned on, the system will not allow **Create Loan Account** or **Deny Loan** on the Loan Recap screen to be used without the proper Underwriting Code being entered.
- If **Use Underwriter Approval Limits** is turned on, the system will review the approval limits for the Emp ID to see if the user can approve a loan at that dollar amount. (See separate section earlier in this document about Underwriter Approval Limits.)

As discussed earlier, Underwriting Codes also have their own security system to prevent an unauthorized user from marking a loan with an underwriting code. This control flag adds another layer to that security, by preventing a loan from being created or denied unless an underwriter has marked the loan request. In other words, to create a loan, there must be an "A" (approval) type Underwriting Code on the loan request (with an ID authorized as an underwriter). To deny a loan, there must be a "D" (denial) type code in place. Without this control, a loan that has been marked "denied" by an underwriter could actually be created.

This control is only necessary if your credit unions wishes to make the use of underwriting codes mandatory in order to allow the creation or denial of a loan. You may still use the full functionality of the underwriting codes system, including employee security for entering the codes themselves and making changes to existing loan requests, regardless of the setting in this control.

In addition, the system will *always* check to see if a person has proper security clearance to create a loan account or process a denial notice. The main difference with this control is whether or not an Underwriting Code must be assigned in order to process the loan account. Turning this control on provides the highest level of control and security.

Remember, this employee security only applies when a user tries to actually create a loan or process a denial notice from the Loan Recap screen. All employees that have access to the MNLOAN menu option can create a loan request, fill out an application, and check loan details at any time.

SAMPLE UNDERWRITING CODES AND SCENARIOS

Test Cases

Because setting up a comprehensive underwriting security system can be complex, here are two common scenarios to give you ideas for setting up your own system:

Test Case 1: ABC Credit Union

ABC Credit Union is a small credit union with two loan officers who share the responsibilities of processing and approving all loan requests. Because of their size and configuration, they do not have a need for an entire system of underwriting codes. However, to make sure that approvals and denials are handled correctly according to all credit union policies, they want to ensure that only the two loan officers are able to create loan accounts and process denial notices.

Because they are not going to require the use of Underwriting Codes, ABC Credit Union leaves the Underwriting Control flag turned off. All they need to do, then, is edit the Special Security for all their employees, and ensure that only the two loan officers are set up as Underwriters and Interviewers. They may choose to use some memo-type Underwriting Codes for their own tracking purposes, but the system will not require them for the purpose of creating or denying a loan account.

Test Case 2: XYZ Credit Union

XYZ Credit Union is a large credit union with a central headquarters and several branches. Each branch has at least one loan officer that interviews members and submits loan requests. Underwriters are located at the main headquarters and are responsible for evaluating all loan requests before the branch officer can process the paperwork.

XYZ Credit Union wants to ensure that no branch officer can create or deny a loan request without the proper authorization from an underwriter. Therefore, they set the Underwriting Control system flag to Yes to ensure that loans cannot be created or denied without the proper Underwriting Code type being assigned. They set up their “Approved” and “Denied” Underwriting Codes to use Underwriter employee security, so that only Underwriters can assign these approval and denial codes.

In addition, XYZ Credit Union also wants to divide the responsibilities so that the actual creation or denial processing on a loan account is not handled by the Underwriters, but rather by the branch loan officers (interviewers). Therefore, employee security is set up to grant only underwriter authority to the underwriters, and only interviewer/processor authority to the branch loan officers.

Because Underwriting Control is turned on for this credit union, loan officers can create a loan only after code “AA” has been assigned by the underwriter, and can deny a loan only after code “DD” has been assigned by the underwriter. If Underwriting Control was turned *off*, the loan officers would still be the only ones who could handle the actual creation and denial process, but it would be possible to create a loan that an underwriter had denied.

Following is a description of the Underwriting Codes set up by XYZ Credit Union, with a description of how each code is used:

Sample Underwriting Code Configuration - XYZ Credit Union

<i>Code</i>	<i>Type</i>	<i>Description</i>	<i>Use underwriter security</i>	<i>Use interviewer security</i>	<i>Record underwriting audit</i>	<i>Prompt for underwriting comments</i>	<i>Applicant comments</i>	<i>Prompt for denial notice</i>
AA	A	Approved	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CH	M	Change and resubmit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DD	D	Denied	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MD	D	Member Denied	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PV	M	Pending Verification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SB	M	Submitted	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AA	This code is set up to be used only by Underwriters, to mark that a loan is approved as submitted. It is also set up so that an audit record will be written every time this code is added or cleared on a loan request. Because it is code type “A,” no changes will be allowed to any loan that has been marked with this code, unless the code is cleared (causing an audit record to be written).
CH	This code is used when changes need to be made to a loan that has already been marked with an “AA” or “DD” code by an underwriter, and can be used only by loan interviewers/processors. This code also writes out an audit record to record the change and flag an underwriter to review it again. In addition, this code is set up to automatically prompt the processor to enter Underwriting Comments, explaining the reason for the change. (If the comments should print as part of the loan application, the <i>Applicant comments</i> option would be turned on.) It is code type “M” so that additional changes to the loan request are not restricted.
DD	This code can be used only by Underwriters to mark that a loan is denied as submitted. It is set up to record an audit record when the code is added or cleared on a loan request. Because it is code type “D,” no changes will be allowed to any loan that has been marked with this code, unless the code is removed (causing an audit record to be written). In addition, this code also displays the Underwriting Comments screen to prompt the underwriter to enter notes about why the loan was denied. (If the comments should print as part of the loan application, the <i>Applicant comments</i> option would be turned on.) If XYZ Credit Union wanted their Underwriters to process the actual denial notice at the same time as this code is entered, the <i>Prompt for denial notice</i> setting would need to be turned on. In addition, the underwriters’ Employee Security would need to include Interviewer/Processor privileges, in order for them to have the proper authorization to process a denial notice.
MD	This code is designed to be used when a member indicates they do not want the loan as quoted. This code does not require any special security, so it can be assigned by any employee. To ensure that a record is kept as to why the member denied the loan, the Underwriting Comments screen will be displayed automatically. (If the comments should print as part of the loan application, the <i>Applicant comments</i> option would be turned on.)

PV	This code is a general-purpose code to be attached to any loan that is awaiting further verification, paperwork, or tasks that must be completed, before an underwriter reviews the request. This code would be helpful for keeping track of outstanding loan requests to keep them moving quickly and make sure things don't fall through the cracks. The code can be assigned by any employee.
SB	This code is designed to be assigned only by an Interviewer/Processor, to indicate that everything is in order and the loan is ready for underwriter review. These items could easily be tracked to ensure prompt underwriter action. If these items need to appear on the Underwriting Audit Report, the <i>Record underwriter audit</i> flag would be turned on.

APPLICATION STATUS INQUIRY: A “DASHBOARD” APPROACH

With the CU*BASE Application Status feature, any credit union employee at any CU*BASE workstation can view the status of all loan requests, including those that have been recently booked or denied. Instead of a member having to call and get shuffled from one employee to another in an effort to locate the original loan officer, any employee who answers the phone can give the member an update right over the phone.

In addition, this feature provides a centralized place where underwriters and loan processors can review applications and mark approvals or denials quickly and efficiently. Direct access is available to process a new loan request, update or review underwriting comments, and even communicate with other employees via WMail and WCalendar.

Up to six underwriting codes can be configured to display right on the Application Status screen, with a button to display all additional codes. Each code shows a record count of applications currently sitting at each status. This was designed especially for central underwriting teams to show a quick count of all newly submitted applications awaiting underwriter action.

The Activity Tracking statistics provide a status “dashboard” for your loan team’s daily efforts, so lending managers can tell at a glance where to “step on the gas” to make sure the department meets its goals.

LOAN APPLICATION STATUS INQUIRY

The Work/View Application Status system consists of three screens that can be used to view pending, booked (loan accounts created) and denied loan requests. The Application Status system is great for:

- Checking on the status of a loan request to answer a member inquiry.
- Reviewing the progress of various tasks on the Electronic Checklist.
- Updating Underwriting Comments for a member.
- “Working” a loan request, including assigning Underwriting Codes, printing or viewing amortization data, updating Household information—even creating the loan account or processing a denial notice.

In addition, you can access the WMail electronic mail or WCalendar scheduler programs directly from the status screens, to allow for quick communication between loan officers, underwriters, and member service personnel.

MNLOAN #8 "Work/View Application Status"

Use these filters to narrow down your listing to just the applications you want to view.

The green "Cmt" indicates that there are comments on this application.

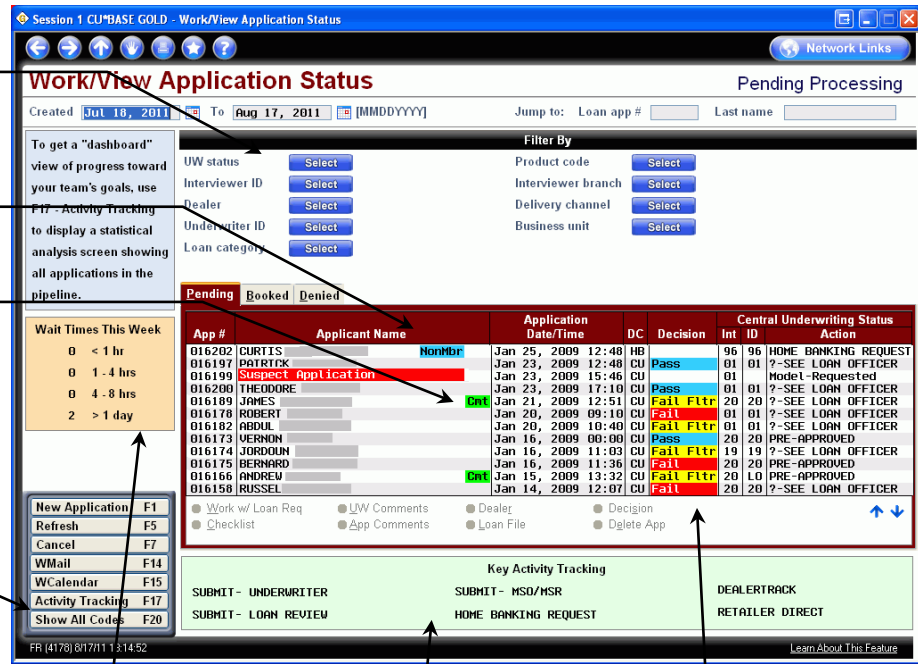
This application has "NonMbr" in blue, indicating that it is a pre-membership application.

To get a "dashboard" view of the loan team's activity and progress towards team goals, use **F17-Activity tracking** to display a statistical analysis screen showing all applications in the pipeline. See below for more details.

For busy loan departments, the "Wait times" area is a great way to keep tabs on loan applications waiting to be handled. (Applies to this week's incoming apps, regardless of what apps are being displayed in the list.)

A record count for top six different underwriting codes is displayed here. This example does not have numbers of applications in each status, but this would be shown. To view stats on all codes use F20-Show All codes.

The Decision column records the Decision for the loan and also shows the decision in a text as well. If you are currently utilizing 247 Lender decision model, the CU delivery channel is color coded: A Decision Code of 1-5 (passed) is blue, a Decision code of 97 (failed the filter) is yellow, and a Decision Code of 98 (failed the model) or 99 (failed) is red.



The Application Status inquiry displays the current status of all loan applications "in the pipeline," showing their status as they are handled by different members of the loan team.

Use the fields at the top of the screen to choose a range of dates to display. Search and selection fields are available to find a particular application quickly or to display only applications with certain attributes.

Use **F5-Refresh** at any time to update the list with new loan requests as they are submitted by staff throughout the day.

For complete information, refer to online help by clicking [Learn About This Feature](#) while working on this screen.

STATISTICAL ANALYSIS: THE "DASHBOARD"

Introducing a "Statistical Dashboard" for Loan Department Activity: An instant view of the lending team's output at any time during the month.

Today's credit unions want an instant look at where they are throughout the month in relationship to their goals and where they hope to end up. In the past, you simply ran a report after the fact to see how you did. Today, we

need to stay aware of how many days we have left to meet our goals, in order to affect how fast we're moving toward those goals. We need to make sure we inspire the right people in order to stay on track.

That's what this Loan "Statistical Dashboard" is all about. This feature should help you get a team-wide awareness of where you are and where you are going.

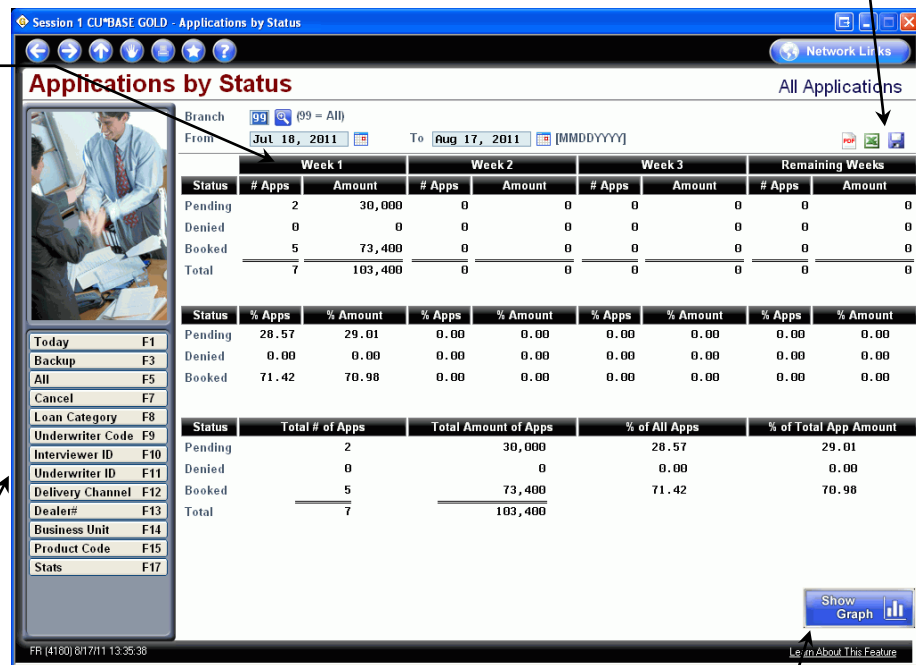
Now leadership can pop in on the loan department any time they want. Data can be displayed for any time period and grouped by employee, loan category, branch, or delivery channel. At a glance the stats can point to the need to encourage an employee on an individual goal, counsel a branch leader on the team's goals, touch base with an indirect lender, or even work with the web team to try and increase the number of applications coming in through the Internet.

Click the export button to pull this data into an Excel worksheet so that it can be manipulated further (requires Excel 2003 to 2010).

MNLOAN #8 "Work/View Application Status"
F17-Activity Tracking

For the range of dates selected, Week 1 is always the last (most recent) week in that range. Week 2 would be the next most recent, and so on. (Basically the system starts at the end of the range (the "To" date) and works backwards.)

Use the command keys to filter the list and show statistics for only certain applications.



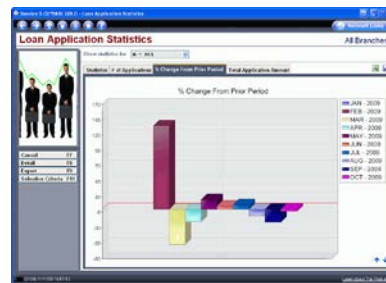
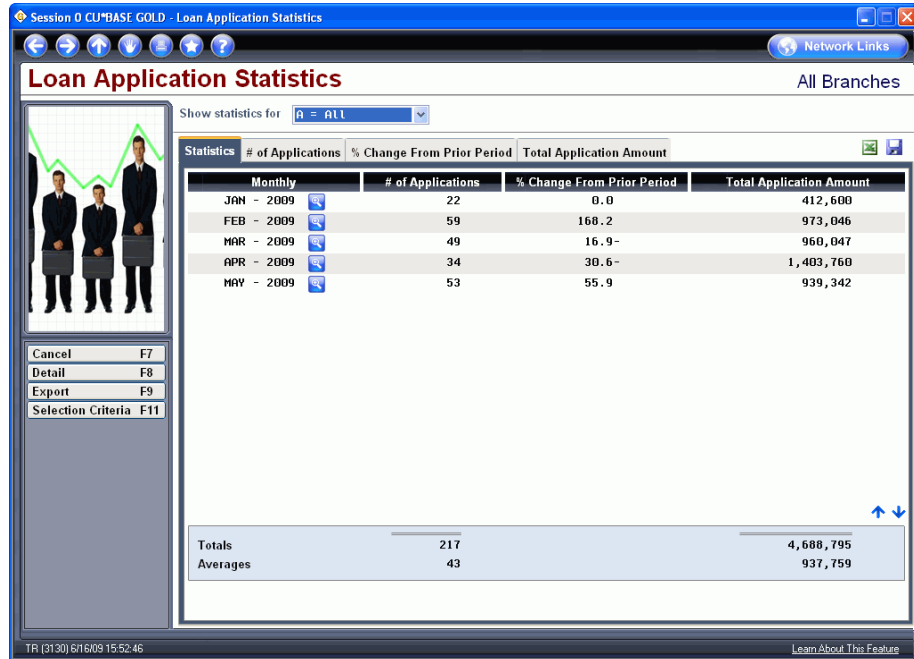
Click the Show Graph button to see this same data in graphical form.

The idea with this screen is to show how many applications were added to the pipeline during the chosen period. In this context the date range relates to the date on which the application record was created. So if an application was created during the time period specified at the top of the screen, it will be included in the analysis.

To group applications according to status (Pending, Denied, Booked), the system looks at the current status of the app as it sits in the pipeline now. Among other things, the analysis answers the question, "How many of the applications that came in during the week of _____ are sitting at a pending (or denied, or booked) status today?"

For complete information, including an explanation of the calculations used to define these statistics, refer to online by clicking [Learn About This Feature](#) while working on this screen.

To view a summary of these statistics, click F14-Stats. Clicking the tabs across the top will show graphical images of the data on the screen.



LOAN FILE VERIFICATION: KEEPING UP WITH THE PAPERWORK

Few processes in the day-to-day life of a credit union produce more paperwork than a loan application file. From start to finish, the file can contain multiple forms, copies and notes, all of which must be filed and maintained as part of your normal record-keeping process. Who makes sure this paperwork actually gets to its final destination? How can you know if all the forms have been filled out and everything has been done according to credit union procedures?

The CU*BASE **Loan Application File Verification** feature lets you record a date on which loan application records are to be verified, after the loan has been finally approved (created). A report can be produced showing files due for verification, with special features that allow you to “mark” a file as verified.

In addition, this feature combines with the **Electronic Check List** feature to let you track all necessary tasks that should be completed, both before and after the loan is approved.

RECORDING VERIFICATION DATES FOR NEW LOANS

Loan Creation Screen

This is the screen used to create a loan account. When a loan is being created, the *File verification date* field is available to record the date on which the paperwork from this loan application needs to be verified for accuracy and completeness.

NOTE: The depending on the Loan Configuration, same person may not be able approve a loan and disburse its funds. If this setting is set, eparate people will need to authorize these actions.

If you wish this date to be mandatory for all loans being created, use the File Verification system control feature described on Page 43. If this control has been turned on, the system will automatically fill in a date using the default number of days configured.

USING THE ELECTRONIC CHECK LIST FOR FILE VERIFICATION

As shown on Page 11, an Electronic Checklist is a great way to make sure all the “i”s are dotted and “t”s are crossed in completing a member’s loan request. Before the loan is approved and the loan account created, you can work the checklist from the Loan Recap screen.

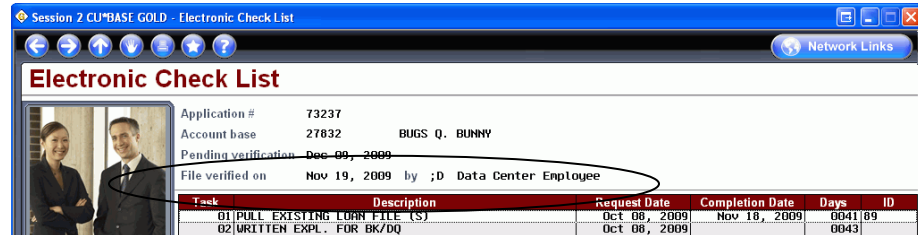
After the loan has been created, you can still access the checklist by using the “Loan App File Verification” command on menu MNLOAN. Enter the member’s account base and loan suffix and use Enter to proceed to the screen shown below:

Task	Description	Request Date	Completion Date	Days	ID
01	PULL EXISTING LOAN FILE (S)	Jul 25, 2008		0003	
02	WRITTEN EXPL. FOR BK/DQ	Jul 25, 2008		0003	
03	PROOF CURRENT OR PAID-IN-FULL	Jul 25, 2008		0003	
04	PMT ON FCU LOAN, CD, OR -110	Jul 25, 2008		0003	
05	ADDITIONAL COLLATERAL INFO	Jul 25, 2008		0003	
06	VERIFY COLLATERAL VALUE	Jul 25, 2008		0003	
07	DEBT TO INCOME RATIO	Jul 25, 2008		0003	
08	MI REPEAT OFFENDER REG	Jul 25, 2008		0003	
09	APPLICANT OPEN ACCT W/\$10	Jul 25, 2008		0003	
10	CO-APPLICANT OPEN ACCT W/\$10	Jul 25, 2008		0003	
11	INCOME VERIFICATION FOR APP	Jul 25, 2008		0003	
12	INCOME VERIFICATION FOR CO-APP	Jul 25, 2008		0003	
13	DEALER # & CONTACT, USE UW CNT	Jul 25, 2008		0003	

To mark a task as completed, select the item in the list (use Ctrl and click on additional items if desired) then use the **Select** option (or press F6-Maintenance). The following window will appear:

Enter the date on which the tasks were completed, and the Employee ID of the person completing the tasks. The system will automatically calculate the number of days between the initial loan request date and the completion date for the task. Use Enter to mark the task(s) and return to the check list.

Once all of the tasks are completed and all necessary paperwork has been verified, use **F10-File Verified**. Because the system will automatically insert your ID and the current date, and these fields cannot be changed, a warning message will appear. Use Enter to confirm and a notation will appear near the top of the screen showing the verification date and employee ID.



PRINTING THE FILE VERIFICATION REPORT

This report, also called the “Pipeline” report, is traditionally used to show the status of tasks for all pending loan requests. It can also be used to show the status of tasks after a loan has been created, as well as a summary of File Verification information for your records department.

MNRPTD #6 “Loan Pipeline Analysis”



There are two reports available: The normal Detail report showing the status of all tasks for each individual loan request, and a Summary report that lists basic details about loans with the file verification dates included.

For report samples and other information about the options available with this report, refer to online help by clicking [Learn About This Feature](#) while working on this screen.

USING SYSTEM CONTROLS FOR LOAN FILE VERIFICATION

To ensure that File Verification features are used consistently according to your credit union's policies, a special system control is available: **Loan Application File Verification**.

*For self-processing credit unions, these options are available via OPER #10 "Serviced CU Configuration", then #1 "Master CU Parameter Config." Because on-line credit unions do not have access to these master settings, contact a CU*Answers Client Service Representative if your credit union wishes to turn these controls on.*

If this control setting is turned on, the system will require a file verification date to be entered into the Loan Creation screen when a loan account is being created. You may also enter a default number of days, and the system will automatically calculate the verification date by adding that number of days to the date on which the loan was created.

For example, if you wish to allow 15 days from when a loan is created to when the final paperwork is verified by your records department, this setting would automatically calculate a verification date 15 days from the loan creation date. Therefore, a loan created on April 1 would have a verification date of April 16.

The verification date will appear on reports and the Electronic Check List screen for use by record-keeping personnel in tracking the status of loan application file paperwork.

If this control setting is turned off, a verification date can still be entered and the reports can still be pulled, but will not be required or calculated automatically by the system.