
Managing Your Opt In/Opt Out Reg E Offering

Opt In/Opt Out Features in CU*BASE

INTRODUCTION

This booklet covers the screens used to configure your credit union's Opt In/Opt Out Reg E offering and the decisions your credit union needs to make. It then covers the various methods you can use to capture your members' selections, including while opening a new membership, updating a membership or through the new Opt In/Opt Out Management screen.

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A CEO'S THINKING ON REGULATION E

Some Thoughts from Randy Karnes, CEO, on the Reg. E Opt In Process

June 9, 2010

These comments are a different kind of introduction to one of our topical reference booklets. They are very specific to the current industry conditions related to the new Reg. E Opt In provision, and address many of the short-term options credit unions are facing as the new reg. comes into effect.

This is the hardest regulation of 2010 for credit unions, as it is one that requires *salesmanship*. You have to craft a service and then get a positive confirmation that the member wants the service. The reason this is tough is that credit union camps are split in their motivations: the “consumer protectionist” camp, the strict “rule compliance and interpretation” camp, and the “reality of needing the income stream and avoiding negative savings account losses” camp.

Lingering doubts about the service and the issues with holds and posting conditions make the application of the rule difficult for sales people to commit to the sale. When members challenge the process, the sales person has a hard time overcoming obstacles. The MSR and the consumer are confused by the multiple scenarios for how a transaction was designated as a Courtesy Pay or NSF transaction. This is compounded by having two balances involved (current and available) and multiple reasons for the negative status (outlined below). Committing to the service is tough when confusion abounds in so many cases. Therefore, your vision for the *service* you are selling, the *service for which members are opting in*, must be compelling.

Unfortunately, it will take some time for most credit unions and technical networks (probably for good reason) to see how their peers, competition, and consumers crack the problem. What will fly with regulators? What will fly with consumers as a mass audience? What will fly with the people who count on these transaction postings? While it is easy to the CEO or CFO (“the transaction posted to a negative balance, available or current...so it deserves a fee!”), the sales and service aspects are not as easy in practice. It will take commitment and vision for the service. It will require evolution as the marketplace responds, and it will take experience to do it well.

APPROVED VS. NON-APPROVED, EXPECTED VS. UNEXPECTED

When you think about your overall NSF and Courtesy Pay income, you must segment how you make income on ATM and Debit Card negative balance postings. It's a mixed bag: remember that **all of these transactions are force paid** if they clear the initial approval process.

There are two ways to clear the approval process at the point of the transaction (retailer or ATM machine):

1. First, the member's transaction is verified and agreed to by the CU (live communication), and

2. Second, the member's transaction is just passed to the CU. In this case there was no direct communication or the item was posted against a static negative balance file (NBF) or positive balance file (PBF).

Either way the transaction now belongs to the credit union. Of course a member just wants his transaction to be approved; he doesn't know (or probably care) which party approved it.

CONDITIONS THAT CAUSE NEGATIVE POSTING

So how do you get a negative posting on an ATM or debit card transaction?

1. The member's current balance is positive prior to posting, but short of the amount of an unexpected transaction (there was no verification or NBF or PBF).
2. The member's current balance is already negative prior to posting an unexpected transaction (no verification or NBF or PBF).
3. The member's current balance is positive, but the *available* balance is short due to other holds and not able to cover an unexpected transaction (no verification or NBF or PBF).*
4. The member's current balance is positive, but the *available* balance is short due to other holds and now not able to cover the amount of an *expected* transaction (even though there was verification).*
5. The member's current balance is negative and not able to cover the amount of an expected transaction (even though there was verification).**

*Shortages in *available* balance occur for various reasons even though the transaction was verified and the funds held. For example, other postings might occur between the verification and the hold, such as ANR limit postings, exceptions in hold processing, forced fees, unexpected transactions, overrides, etc.

**A negative *current* balance can occur for various reasons even though the transaction was verified and the funds held. For example, other postings might occur between the verification and the hold, such as ANR limit postings, exceptions in hold processing, forced fees, unexpected transactions, overrides, etc.

You have to remember that even if the member opted out of Debit/ATM overdraft services, they may very well be part of your Check and ACH Courtesy Pay program. Therefore, you are posting them into their negative limit for valid reasons, but when non-verified Debit or ATM activity shows up, the member who Opted Out will not be charged the fee, according to the rule.

THINGS FOR PROGRAM DESIGNERS TO CONSIDER

Some questions for your overdraft service designer program and our programming teams to consider:

- Can we analyze what percentage of Debit and ATM Card ANR fees and NSF are related to the 5 conditions above? This is a tough one, but we imagine in the future we'll be able to get a handle on it.
- Should credit unions allow members to be part of a Checking and ACH Courtesy Pay program and Opt Out of the Debit and ATM side? Debit and ATM transactions will eat up limits and post more negative balance transactions this way without fee income. This would result in more Checks and ACH items being declined because the limit is being used elsewhere. This results in less income and more NSF on Checks and ACH for some members. **Should Courtesy Pay be an all-in or all-out process? Does that make a more compelling argument to take the service?**
- Should CU*BASE estimate the non-verified transactions when the amount fits a test (for example, if a transaction is under \$25, assume it was *not* verified), and then, if that item takes the account negative, post a fee as if the transaction had not been approved.
- How long will it take for all of the networks to catch up with identifying recurring debit card transactions and non-verified transactions for smart postings?
- Should CU*BASE waive fees in a *matched* hold/post condition for debit card transactions? This would help to compensate for an imperfect hold system.
- Should CU*BASE put in a tracking system for approved and non-approved negative balance posting, and automate the suspension of service on ATM and Debit Cards (reports, hot card, etc.)?
- Should CU*BASE go even deeper, and give members the option on whether negative balance limits are included in authorizations as well as postings? *"I opt in for your overdraft services, but please do not include the extra limit when authorizing transactions for my debit card. I want the posting protection only."*

GETTING STARTED THIS SUMMER

And now here is the really tough part. In June and July, 2010, your teams will start to record your members' response to your service offering, in anticipation of the new selective fee posting processes — even before all of the kinks are worked out in the posting programs or the rule truly goes into effect.

That means your team is looking for your leadership and patience in these uncertain times. What do you do with new members between July 1 and August 15? What do you do with existing members between July 1 and August 15? What will you do since the posting programs cannot be released until July 18 or later?

This regulation has a lot of people feeling queasy from the shifting sand under their feet. **Your vision for selling a service is the key, but you will have to modify your approach over time.**

Some things to address during the six weeks of transition:

1. How do you explain to existing members that their decision to Opt In or Out will not be enforced until August 15? **You need to attack the project NOW!**
2. How will you explain to new members (July 1 – August 14) that their decision to Opt In or Out will be in effect immediately, but the software may charge them a fee in error prior to the posting programs going live, and that you will take care of reversing the fees immediately? **You have to ask the Opt In question, even though the posting program changes are late and still in flux.**
3. Should you consider waiving all ATM and Debit Card NSF fees during this 6-week period? **Expensive and clear to new members but confusing to your existing ones (on, off, on again)?**
4. Should Courtesy Pay be an all-in or all-out process? Does it make a more compelling argument to take the service?
5. If your CU has always used ANR in the posting of Debit and ATM card transactions, but not in the approval or authorization process, should that change? If yes, you will create more negative transaction postings – is this a good or a bad thing? **Will members opt in more because of it (member wants the extra money in the Yes), or will the member shy away (member likes the safety blanket when it posts, but does not wish to overspend his account)?**

AN OPPORTUNITY FOR CREDIT UNIONS TO SHINE

There is one wrinkle I like here, and one that may serve us all well. In making Courtesy Pay a service that must be sold and verified by the consumer, the regulator gives credit unions an opportunity to differentiate themselves from the bad actors, openly for everyone to see. Let's see what the industry does with that.

Courtesy Pay is a good service. It spares members extra fees and saves money when applied fairly. It spares members reputation risk and community standing by making the transaction conditions private between their financial institution and themselves. It lowers the cost of servicing negative accounts (return fees, collection fees, etc.). And finally, it creates another service for credit unions to use to bond with the member: value exchanged and appreciated. Until this time, the service has not been as transparent as it could be. This is an opportunity for credit unions to shine.

Let's hope we can all turn lemons into lemonade – and we get some relief from the rule designers as the flaws are brought into the light.

CREDIT UNION CONFIGURATION SCENARIOS

WHAT CONFIGURATION DECISIONS DOES THE CREDIT UNION NEED TO MAKE?

Each credit union needs to define the configuration of their overdraft protection services. Will the negative balance limit be used to for approval for authorization and posting or simply for posting?

The settings that control how this works are part of the NSF/Overdraft Transfer configuration on menu MNCNFA, as part of the Overdraft Protection Activation screen. The flags: "Use Negative Balance Limits for Authorizations" and "Use Negative Balance Limits for Posting" control whether the member's negative balance limit is added when determining the available balance amount.

Additionally, the credit union can select which Opt In/Opt Out selection will be pre-checked when a new membership is opened. While the default is to not check either option, credit unions can pre-check either the In or Out checkbox. A credit union might feel, for example, that most members will want to Opt In and select this option. (Employees can always change this selection when speaking directly with the member.)

Following are scenarios that three credit unions have selected with different configuration and policies for overdraft protection. Credit Union A, B and C all have well defined Opt In/Opt Out Reg E policies, but each credit union has defined their policy in a slightly different way. Based on their decisions, each credit union has configured CU*BASE differently. Let's look at their decisions and their configurations. More complete discussion of the configuration screens follows this narrative.

CREDIT UNION A: POST AND AUTHORIZE, OPT IN ALL

Credit Union A feels that their overdraft funds are a service that members should always have access to when using their ATM or Debit cards, for both the authorization of purchases as well as for the purchase of items. The credit union has fees for both NSF and Non-Return items to cover times when the member brings the account negative. The credit union also wants all members to Opt In and feels that all its members will want this service. Because of this, it always wants to begin with the Opt In box checked when an employee opens a new membership. Following are the configuration settings that this credit union would select (see full screens beginning on page 11):

Posting and Authorization Configuration

| Origin/Process | Overdraft Protection | | ANR/Courtesy Pay | | Reg DD Fees | Charge NSF Fees |
|---------------------|---|---|---|---|---|---|
| | Use ODP Balances for | Use Negative Balance Limit for | | | | |
| 01 Tr inhouse | | | | | <input checked="" type="checkbox"/> Yes | |
| 11 ACH | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 02 Checks | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 13 PIN ATM/debit | <input checked="" type="checkbox"/> Posting | <input checked="" type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Posting | <input checked="" type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 16 Debit Card (Sig) | <input checked="" type="checkbox"/> Posting | <input checked="" type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Posting | <input checked="" type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 20 Bill pay | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |

Fee Configuration

| NSF-Returned Items | |
|--------------------------|--|
| NSF fee amount | <input type="text" value="35.00"/> |
| NSF fee G/L | <input type="text" value="134.00"/> |
| NSF fee per | <input type="text" value="I = Item"/> |
| Non-Returned Items | |
| Non-return fee | <input type="text" value="35.00"/> |
| Non-return fee G/L | <input type="text" value="135.50"/> |
| Transaction description | <input type="text" value="BOUNCE PROTECT FEE"/> |
| Non-fee tolerance within | <input type="text" value="5.00"/> of available balance |

Opt In/Out Default for Membership Open

Reg E Opt In/Out functionality

CREDIT UNION B: POST ONLY AND REQUIRE A SELECTION

Credit Union B wants its members to be able to access their overdraft funds for Debit and ATM purchases, but does not want these funds to be accessible for Debit card authorizations and when a member is asking for money at an ATM. The credit union has fees for both NSF and Non-Return items to cover times when the member brings the account negative. Credit Union B also want the Opt In/Opt Out selection to be a result of a discussion between the member and its employee; it does not want to pre-check any Opt In/Opt Out checkboxes when opening a new membership. Following are the configuration settings that this credit union would select (see full screens beginning on page 11):

Posting and Authorization Configuration

| Origin/Process | Overdraft Protection | | ANR/Courtesy Pay | | Reg DD Fees | Charge NSF Fees |
|---------------------|--|--|--|--|---|---|
| | Use ODP Balances for | | Use Negative Balance Limit for | | | |
| 01 Tr inhouse | | | | | <input checked="" type="checkbox"/> Yes | |
| 11 ACH | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 02 Checks | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 13 PIN ATM/debit | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 16 Debit Card (Sig) | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 20 Bill pay | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |

Fee Configuration

| NSF-Returned Items | |
|--------------------------|--|
| NSF fee amount | <input type="text" value="35.00"/> |
| NSF fee G/L | <input type="text" value="134.00"/> |
| NSF fee per | <input type="text" value="I = Iitem"/> |
| Non-Returned Items | |
| Non-return fee | <input type="text" value="35.00"/> |
| Non-return fee G/L | <input type="text" value="135.50"/> |
| Transaction description | <input type="text" value="BOUNCE PROTECT FEE"/> |
| Non-fee tolerance within | <input type="text" value="5.00"/> of available balance |

Opt In/Out Default for Membership Open

Reg E Opt In/Out functionality

CREDIT UNION C: POST ONLY AND OPT ALL MEMBERS OUT

Similar to Credit Union B, Credit Union C also wants its members to be able to access their overdraft funds for Debit and ATM purchases, but does not want these funds to be accessible for Debit card authorizations and when a member is asking for money at an ATM. The credit union has fees for both NSF and Non-Return items to cover times when the member brings the account negative. Unlike Credit Union B, however, Credit Union C feels that most members will select to Opt Out and wants to pre-check this option when opening a new membership. Following are the configuration settings that this credit union would select (see full screens beginning on page 11):

Posting and Authorization Configuration

| Origin/Process | Overdraft Protection | | ANR/Courtesy Pay | | Reg DD Fees | Charge NSF Fees |
|---------------------|--|--|--|--|---|---|
| | Use ODP Balances for | | Use Negative Balance Limit for | | | |
| 01 Tr inhouse | | | | | <input checked="" type="checkbox"/> Yes | |
| 11 ACH | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 02 Checks | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 13 PIN ATM/debit | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 16 Debit Card (Sig) | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 20 Bill pay | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |

Fee Configuration

| NSF-Returned Items | |
|--------------------------|--|
| NSF fee amount | <input type="text" value="35.00"/> |
| NSF fee G/L | <input type="text" value="134.00"/> |
| NSF fee per | <input type="text" value="I = Item"/> |
| Non-Returned Items | |
| Non-return fee | <input type="text" value="35.00"/> |
| Non-return fee G/L | <input type="text" value="135.50"/> |
| Transaction description | <input type="text" value="BOUNCE PROTECT FEE"/> |
| Non-fee tolerance within | <input type="text" value="5.00"/> of available balance |

Opt In/Out Default for Membership Open

Reg E Opt In/Out functionality

CONFIGURATION SCREENS

NSF AND OVERDRAFT CONFIGURATION SCREENS

The NSF/OD Transfer Configuration allows the credit union to determine when overdraft funds are used and also allows them to configure the fee information.

The first option allows the credit union to define whether the negative balance limit is used for authorizations and posting debit and ATM transactions or just authorizations.

MNCNFA #9 NSF/OD Transfer Configuration, then Option 1, Both Authorization and Posting

Notice how the Posting flags for ATM and Debit Card transactions are checked, as well as the Authorization checkboxes.

This Origin 13 (ATM) Authorization flag controls whether a member can take out the money as a withdrawal.

| Origin/Process | Overdraft Protection | | ANR/Courtesy Pay | | Reg DD Fees | Charge NSF Fees |
|---------------------|---|---|---|---|---|---|
| | Use ODP Balances for | Use Negative Balance Limit for | Use Negative Balance Limit for | Use Negative Balance Limit for | | |
| 01 Tr inhouse | | | | | <input checked="" type="checkbox"/> Yes | |
| 11 ACH | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 02 Checks | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 13 PIN ATM/debit | <input checked="" type="checkbox"/> Posting <input checked="" type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Posting | <input checked="" type="checkbox"/> Posting | <input checked="" type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 16 Debit Card (Sig) | <input checked="" type="checkbox"/> Posting <input checked="" type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Posting | <input checked="" type="checkbox"/> Posting | <input checked="" type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 20 Bill pay | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |

Cancel F7

Last maintained by DONNAH11
On May 11, 2010

FR (2598) 6/07/10 07:54:53

The configuration in the screen above would be used by a credit union who has decided to authorize and pay the transaction as an approved negative balance transaction, and that they use the negative balance limit in the Debit or ATM card authorization of the transaction, and approve the transaction posting negative.

- NOTE: ACH items also automatically use Negative Balance Limits for posting and authorization when they are posted via the ACH Exceptions screen using the Account Adjustment option.

If posting causes the account to go below the available balance, if it is still within the negative balance limit, assess the Negative Balance fee with CU-defined description; otherwise use the NSF fee and standard description ("NSF FEE").

- IMPORTANT NOTE FOR BATCH (PBF) PROCESSING:** Remember that if your credit union uses batch ATM/Debit processing, that authorizations are controlled by the custom PBF settings you have set up with your batch provider. The Authorization Flag explained above does NOT apply for batch processing.

MNCNFA #9 NSD/OD Transfer Configuration, then Option 1, Authorization Only

Notice how the Posting flags for ATM and Debit Card transactions are checked, but the Authorization boxes are not.

| Origin/Process | Overdraft Protection | | ANR/Courtesy Pay | | Reg DD Fees | Charge NSF Fees |
|---------------------|--|--|--|--|---|---|
| | Use ODP Balances for | | Use Negative Balance Limit for | | | |
| 01 Tr inhouse | | | | | <input checked="" type="checkbox"/> Yes | |
| 11 ACH | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 02 Checks | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 13 PIN ATM/debit | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 16 Debit Card (Sig) | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 20 Bill pay | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |

The configuration above would be used by a credit union who has decided to use the courtesy pay limit to pay debit and ATM card transactions, but does not use the limit as part of the authorization balance in approving transaction prior to the posting.

If posting causes account to go below available balance, if it is still within the negative balance limit, assess the ANR Fee with CU-defined description; otherwise use the NSF fee and standard description ("NSF FEE").

- IMPORTANT NOTE FOR BATCH (PBF) PROCESSING:** Remember that if your credit union uses batch ATM/Debit processing, that authorizations are controlled by the custom PBF settings you have set up with your batch provider. The Authorization Flag explained above does NOT apply for batch processing.

MNCNFA #9 NSD/OD Transfer Configuration, then Option 2

These two sections of the screen configure the NSF and Non-Return Fee . The fee, associated G/L, and transaction description are configured here.

Session 0 CU*BASE GOLD - NSF/Overdraft Protection Master Configuration

NSF/Overdraft Protection Master Configuration CHANGE

Dividend application CK REGULAR CHECKING
Application type SD

| Overdraft Transfers | NSF-Returned Items |
|--|--|
| O/D transfer increment (shares) 5.00 | NSF fee amount 35.00 |
| <input checked="" type="checkbox"/> Allow transfer of exact amount | NSF fee G/L 134.00 |
| O/D transfer fee (from shares) 0.00 | NSF fee per I = Item |
| O/D transfer increment (LOC) 100.00 | Non-Returned Items |
| <input checked="" type="checkbox"/> Allow transfer of exact amount | Non-return fee 35.00 |
| Maximum % of disbursement limit 100 | Non-return fee G/L 135.50 |
| O/D transfer fee (from LOC) 0.00 | Transaction description BOUNCE PROTECT FEE |
| Transfer additional amount 0.00 | Non-fee tolerance within 5.00 of available balance |
| Overdraft transfer fee G/L | Last Maintenance |
| Combined O/D protection fee 0.00 | By user DONNAH11 on Feb 03, 2009 |
| <input checked="" type="checkbox"/> Allow negative after fee | |
| Charge O/D fee if total transfer amount is more than 0.00 | |

FR (2588) 6/07/10 08:18:21 [Learn About This Feature](#)

The second NSF/OD option configures the fee the member is charged and the statement description, regardless of the previously shown screen's configuration.

PRE-CHECKING A SELECTION AT MEMBERSHIP OPEN

Your credit union may select to set the default setting for the Opt In/Opt Out checkbox so that either the In or Out checkbox is pre-selected when an employee opens a new membership. If no change is made to this configuration, no box will be pre-checked. (See the image below for an example when no checkbox is pre-checked.)

Use the Workflow Controls to automatically check one of these two checkboxes when opening a new membership.

Session 0 CU*BASE GOLD - Open New Membership-Individual

Open New Membership-Individual

Individual

Name: MARY Q MEMBER
Opened: Jun 09, 2010
Branch #: 01 C U - MAIN OFFICE

SSN: [REDACTED]
 Photo ID on file

Other Information

Reason code: []
User defined fields: [0] [0] Tran source ID: []
Statement group: [0] Account exec: []
Employee type: [0] Allow shared branch transactions
Employee #: [] Department/sponsor #: []
Certification of SSN: [C] 3rd-party opt out
Reference: [] CU contact opt out
Preferred contact method: NP No Preference Selected

Mother's maiden name: [] Code word: []
Marital status: []
Email address: []
 Email address is wrong

Overdraft Service for ATM & Everyday Debit Card Transactions

Opt in/out: IN = Member wants the CU to authorize & pay overdrafts on ATM & everyday debit card transactions
 OUT = Member does NOT want the CU to authorize & pay overdrafts on ATM & everyday debit card transactions

(2431) 6/09/10 09:06:20 [Learn About This Feature](#)

This setting is set in the Workflow Controls (MNCNFC #26 Member Service Workflow Controls). Using this option, credit unions can leave the selection as is and simply require a selection (No default but selection is required). Other selections are to check either the “In” box (Default all members to Opt In) or the “Out” box (Default all members to Opt Out).

MNCNFC #26 Member Service Workflow Controls

Credit unions may choose one of these three Opt In/Opt Out selections for membership open. Credit union's who want the “No Default” selection do not need to visit this screen.

RECORDING MEMBERS' OPT IN/OPT OUT PREFERENCES

OPENING A NEW MEMBERSHIP

While opening a membership, your employees will see new Opt In/Opt Out checkboxes, very prominently displayed at the bottom of the screen.

At this time, the member can have a conversation with the member about his or her selection and check the appropriate checkbox. If a checkbox is pre-flooded, the employee can change the selection at the member's request. Once a selection is made, the date of the selection and the Employee ID making the selection are recorded.

- **NOTE:** An Opt In/Opt Out selection is required when opening a membership. Your employee must make a selection to advance to the next screen.

Opening a Membership

One of these Opt In/Opt Out checkboxes must be checked to advance to the next screen.

- **NOTE:** As mentioned earlier in this document, your credit union can select to have either the In or Out checkboxes pre-checked to assist your employee. (See Pre-Checking a Selection at Account Open on Page 14.)

If an employee forgets to make a selection, helpful messaging will also appear at the bottom of the screen.

No Selection Made on Membership Open

When no selection is made, helpful messaging will appear at the bottom of the screen.

If the member selects to Opt In, the member is selecting to Opt in for all sub accounts created for this membership. Refer to the section “Note On Sub Account Opt Out Selection” (page 20) and “Making a Selection During Account Creation” (following page) for more information on how a member can select to Opt Out for select sub accounts.

MAKING A SELECTION DURING SUB ACCOUNT CREATION

When opening a sub account, such as a savings or checking account, the employee will have the opportunity to collect the member's Opt In/Opt Out preference. This selection is at the membership level.'

Sub Account Open Selection Options

This selection is a membership level selection.

The screenshot shows a web browser window titled "Session 0 CU*BASE GOLD - New Account Creation". The main heading is "New Account Creation" with a sub-heading "Individual". The form contains the following information:

- Name: MARY Q MEMBER
- New account #: 001 BUSINESS/ORG SAVINGS
- Opened: Jun 09, 2010
- Corp ID: 01 Member branch: 01
- Dividend Payment: Dividend pay code 1 = Addback
- Opt in/out: IN - Member wants the CU to authorize & pay overdrafts on ATM & everyday debit card transactions; OUT - Member does NOT want the CU to authorize & pay overdrafts on ATM & everyday debit card transactions

A red error message at the bottom of the form reads: "Member has not specified. Please select and save." A "Backup" menu is located on the left side of the form, listing options: Backup (F3), Create (F5), Cancel (F7), Bypass (F8), Procedures (F21), Pay To (F22), and Unlock Fields (F23). An arrow points from the text "This selection is a membership level selection." to the "Backup" menu.

If an Opt In/Opt Out selection is not made after leaving this screen or the member selects to Opt In, the Opt In/Opt Out Maintenance screen (covered in the next section) will appear later in the account open process. This will remind the employee to collect a selection or allow for members to Opt Out of selected sub accounts.

OPT IN/OPT OUT MAINTENANCE SCREEN OVERVIEW

Even your front line staff can record preferences on the Opt In/Opt Out Maintenance screen, which can be accessed through Inquiry, Phone Operator and Member Personal Banker. It also may be accessed while opening a sub account.

The screens used to access to this the Maintenance screen are covered following the explanation of this screen.

Opt In/Opt Out Maintenance Screen – No Selection Made

When no selection is made, helpful messaging will appear in red.

F10-Save/Done must be used to record a change on this screen. Pressing Enter will show a change only if the In box is checked. (See following image.) This adds additional controls that the correct change is made.

| Individual Account Exclusions | | | | |
|-------------------------------|--------------|-------------|------------|----------|
| Description | Opened | Reg E Pref | Last Maint | Employee |
| 000 REGULAR SAVINGS | Nov 23, 1982 | 0 = Opt Out | | |
| 000 GROWTH SAVINGS I | Aug 23, 2006 | 0 = Opt Out | | |

Using this Maintenance screen, an employee can record the member's Opt In/Opt Out selections. Membership level selection is made by checking the In or Out checkboxes at the top of the screen (more on sub account selection in a moment). Messaging alerts the employee if a initial selection has not been made. Once the box is checked, the employee can press Enter to review the changes, but will need to use **F10-Save/Done** to finalize the change. This added control ensures that the correct selection is made.

Opt In/Opt Out Maintenance Screen – Opt In Selected

Once a member selects to Opt In, you can select to Opt Out for individual sub accounts here.

Session 0 CU*BASE GOLD - Reg. E Opt In/Out Preference

Overdraft Service for ATM & Everyday Debit Card Transactions

Account # MARY Q MEMBER

Opt in/out: IN = Member wants the CU to authorize & pay overdrafts on ATM & everyday debit card transactions
 OUT = Member does NOT want the CU to authorize & pay overdrafts on ATM & everyday debit card transactions
**** MEMBER HAS NOT SPECIFIED. PLEASE SELECT AND SAVE ****

| Individual Account Exclusions | | | | |
|-------------------------------|--------------|------------|------------|----------|
| Description | Opened | Reg E Pref | Last Maint | Employee |
| 000 REGULAR SAVINGS | Nov 23, 1982 | I = Opt In | | |
| 000 GROWTH SAVINGS I | Aug 23, 2006 | I = Opt In | | |

Backup F3
Save/Done F10

(3830) 6/07/10 10:26:51 [Learn About This Feature](#)

If the member wishes to Opt In, the employee checks the Opt In box and presses Enter to view the above screen. (NOTE: The warning message that no selection continues to appear because F10-Save/Done has not been selected to complete the update.) The employee must then use F10-Save/Done to complete the selection.

NOTE ON SUB ACCOUNT OPT OUT SELECTION

An Opt In selection on the Opt In/Opt Out Maintenance Screen allows the member to Opt Out of select sub accounts (see above screen). The employee simply selects a “Reg E Pref” of “Opt Out” for that select sub account. This is intended to be used in rare cases where a member specifically asks to Opt In to your overdraft services, but wants to exclude a certain individual account, such as a member who has an account that she uses for a small home business flower shop, and doesn’t want that account to be handled the same way as her personal accounts. (NOTE: The member *must* first “Opt In” at the membership level in order to set this exception.)

- NOTE: Members can also Opt Out of select sub accounts while opening a sub account (using the Maintenance screen) if they have chosen to Opt In at the membership level.

The idea is to make it easy to sell the member on “opting in for your overdraft services” then only handle sub-account exceptions on an as-needed basis for certain situations.

You cannot make changes to a member’s Opt In/Opt Out status through the Update Functions 1 Menu (MNUPDT) #2 – Update Member Account Infor.

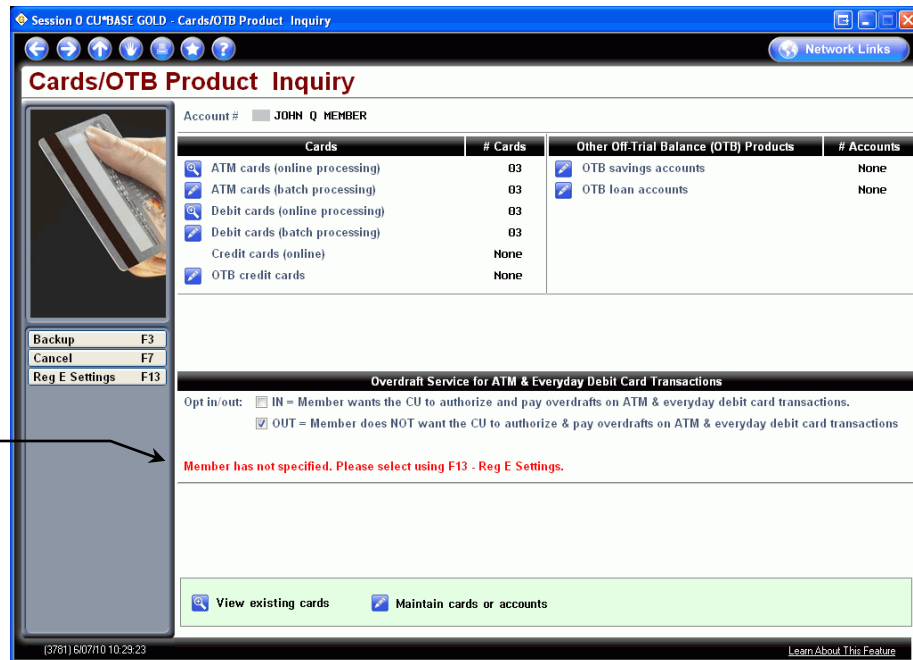
ACCESSING THE MAINTENANCE SCREEN THROUGH INQUIRY OR PHONE OPERATOR

Inquiry Screen (Same Access via Phone Operator)



From the Inquiry or Phone Operator screen select F17-OTB/Cards to access a screen listing the cards held by the member.

Member's ATM and Debit Cards (accessed via F17-OTB/Cards)



Helpful messaging alerts the employee to select F13-Reg E Settings to make a selection.

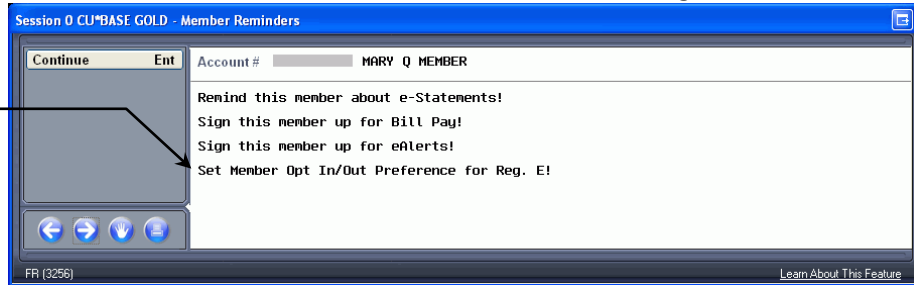
From Card Listing screen the employee then selects F13-Reg E Settings to access the Opt In/Opt Out Maintenance Screen (shown on page 19) where the employee can record the member's selection.

ACCESSING THE OPT IN/OPT OUT MAINTENANCE SCREEN THROUGH MEMBER PERSONAL BANKER

Access the Opt In/Opt Out Maintenance Screen through a new Reg E Opt In/Out Preference selection in Member Personal Banker. If the member has not made a selection, the employee will be reminded to do so with a helpful alert.

MNSERV #22 Member Personal Banker Alert Message

The employee receives an alert reminding him or her to record the member's Opt In/Opt Out preference.



Pressing Enter from the Alert Screen will move you to the Member Personal Banker Selection Screen.

Member Service (MNSERV) #22 Member Personal Banker Selection Screen



Use the new “Reg E opt in/out preference” to move to the Opt In/Opt Out Maintenance Screen (shown on page 19) where the employee can then record the member’s selection.

CHANGING OR SELECTING A PREFERENCE THROUGH MEMBERSHIP UPDATE

Membership Update is another route for “Opt In/Opt Out” selection. This screen contains the same prominent “Opt In/Opt Out” checkboxes you see

when you open a membership; however, when you access the membership screen through Update, a selection is not *required*. (You might just be changing a member's email address and not have the member right in front of you to ask for his or her preference.)

Update Functions 1 (MNUPDT) #1 – Update Membership Information

When no selection is made, helpful messaging will appear in red.

Employees can also note exceptions at the sub-account level by using F13-Reg E Exceptions from this screen. This takes them to the Opt In/Opt Out Maintenance Screen (shown on page 19).

MEMBER SELECTING PREFERENCE THROUGH "IT'S ME 247"

CONFIGURING THIS OPTION AND ADDING MARKETING TEXT

If a credit union has activated the **It's Me 247** Opt In/Opt Out feature, members can indicate their preference through Online Banking. A credit union can activate online selection by members by checking the "Allow member to change Reg E opt in/opt out choice" box in the Standard Online Banking section of the Online Banking VMS Configuration. Once this box is checked, members will see an Overdraft Services page in the Preferences section in **It's Me 247**. Here they can select their Opt In/Opt Out selection.

Internet Member Services Config Menu (MNCNFE) #1, then Standard Online Banking

Check this box to allow members to select their Opt In/Out choice online. Click the Member Instructions button to customize the text the member sees when making this selection.

Additionally, credit unions can customize the text members see when changing their status, giving them more flexibility in marketing their individual offering to members. Clicking the "Member Instructions" button accesses a screen where you can create your own personalized credit union text. (By default, credit unions will be set up with a generalized statement.)

MEMBER'S EXPERIENCE WHEN SELECTING ONLINE

To select their Opt In/Opt Out selection, members must select the new “My Overdraft Services” option under “Preferences. If a member has not made a selection, neither radial button will be chosen. This should help the member recognize that a selection needs to be made.

- This Overdraft Services option will not appear if a credit union has not activated this feature or if Online Banking is in Stand In.

Online Banking – No Opt In/Opt Out Selection

Initially, no selection is made, alerting members that they need to choose either “Yes” or “No.”

The screenshot shows the Cartoon City FCU online banking interface. The top navigation bar includes links for Preferences, Manage My Security, Help, and Logout. The main content area is titled "My Overdraft Protection Options" and features a sidebar with various menu items. The "My Overdraft Services" option is highlighted in the sidebar. The main content area contains text explaining overdraft protection and two radio button options for selecting overdraft protection. A "Save Preferences" button is located at the bottom of the main content area. A callout box points to the "My Overdraft Services" option in the sidebar.

The screen makes it clear that the member must select Yes select to Opt In to the credit union’s Reg E Opt In/Opt Out Offering. If the member wishes to Opt Out, the member will need to select the No option.

Selecting to Opt Out via Online Banking

If the member selects No or to Opt Out, the member will be presented with a confirmation message.

Online Banking – “No” or Opt Out Selected – Confirmation Message

If a member selects to “Opt Out,” her or she is presented with a confirmation message. To completely select to “Opt Out” the member must select “Yes” here and then finalize the selection by clicking the Save Preferences button.

The screenshot displays the Cartoon City FCU online banking portal. The top navigation bar includes 'Cartoon City FCU', 'Preferences', 'Manage My Security', 'Help', and 'Logout'. Below this is a banner for 'It's Me 247 Online Banking' featuring a smiling man. A secondary navigation bar contains icons for 'My Messages', 'My Accounts', 'New Accounts', 'Pay My Bills', 'E-Statements', 'Vote Now', 'Contact Us', and 'Go Mobile!'. The main content area is titled 'My Overdraft Protection Options' and includes a 'I Have 862 Points' badge. A confirmation box asks, 'Are you sure you wish to opt-out of this valuable service?' with 'No' and 'Yes' buttons. Below the box are two radio button options: 'Yes, I want the credit union to authorize and pay overdrafts on my ATM and everyday debit card transactions.' and 'No, I do not want the credit union to authorize and pay overdrafts on my ATM and everyday debit card transactions.' A 'Save Preferences' button is located at the bottom of the form. A sidebar on the left lists various account management options, with 'My Overdraft Services' highlighted. A footer contains a 'See What's Up' section, a timeout notice, and NCUA branding.

To complete the process of selecting to “Opt Out,” the member must select Yes from this confirmation, then click the Save My Preferences button. Selecting “No” from this message results in the member returning to his or her previous selection.

Online Banking – “Opt Out” Confirmed

Cartoon City FCU Preferences Manage My Security Help Logout

It's Me 247
Online Banking

My Messages My Accounts New Accounts Pay My Bills E-Statements Vote Now Contact Us Go Mobile!

My Overdraft Protection Options

Your overdraft protection preference has been successfully changed.

I Have 862 Points

Overdraft coverage gives you additional benefits in managing your money when funds are not available. When expected deposits are delayed or unforeseen expenses have reduced your available balance, overdraft coverage will allow your ATM or everyday debit card transactions to be approved, at our discretion. The credit union does charge a fee for posting these transactions, which can be found on your account disclosures.

In order to make sure your overdraft coverage remains the same as it is now, you must select the **Yes** option below. You may change your selection anytime in the future by returning to this page or by contacting a credit union representative.

Yes, I want the credit union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

No, I do not want the credit union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Please contact a credit union Member Service Representative directly if you have questions about these options.

Preferences

My Site Options

My Password

My Security Questions

My Personal Information

My Overdraft Services

My Contact Options

My E-Statements Options

See What's Up

Once the member selects the Save Preferences button, a final confirmation message appears at the top of the screen.

Selecting to Opt In Via Online Banking

If the member selects to Opt In, the member select Yes from the initial selection. Then the member can view a separate checkbox to select to Opt Out of Select Accounts. The text does not recommend this option, however.

Online Banking – “Yes” or “Opt In” Selected

The screenshot shows the online banking interface for Cartoon City FCU. At the top, there is a navigation bar with links for Preferences, Manage My Security, Help, and Logout. Below this is a banner for "It's Me 24/7 Online Banking" featuring a smiling man. A secondary navigation bar includes links for My Messages, My Accounts, New Accounts, Pay My Bills, E-Statements, Vote Now, Contact Us, and Go Mobile! The main content area is titled "My Overdraft Protection Options" and includes a "I Have 862 Points" badge. A left sidebar lists various preference categories, with "My Overdraft Services" highlighted. The main text explains overdraft coverage and provides two radio button options: "Yes, I want the credit union to authorize and pay overdrafts on my ATM and everyday debit card transactions." (selected) and "No, I do not want the credit union to authorize and pay overdrafts on my ATM and everyday debit card transactions." A "Save Preferences" button is located below the options. At the bottom, there is a "Page will timeout in 29:07" warning and a footer with NCUA logo and copyright information.

Cartoon City FCU Preferences Manage My Security Help Logout

It's Me 24/7
Online Banking

My Messages My Accounts New Accounts Pay My Bills E-Statements Vote Now Contact Us Go Mobile!

My Overdraft Protection Options

I Have 862 Points

Preferences

- My Site Options
- My Password
- My Security Questions
- My Personal Information
- My Overdraft Services**
- My Contact Options
- My E-Statements Options

Overdraft coverage gives you additional benefits in managing your money when funds are not available. When expected deposits are delayed or unforeseen expenses have reduced your available balance, overdraft coverage will allow your ATM or everyday debit card transactions to be approved, at our discretion. The credit union does charge a fee for posting these transactions, which can be found on your account disclosures.

In order to make sure your overdraft coverage remains the same as it is now, you must select the **Yes** option below. You may change your selection anytime in the future by returning to this page or by contacting a credit union representative.

Yes. I want the credit union to authorize and pay overdrafts on my ATM and everyday debit card transactions.
 I want to make an exception for a certain account (I understand this is not recommended).

No. I do not want the credit union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Please contact a credit union Member Service Representative directly if you have questions about these options.

Save Preferences

Page will timeout in 29:07

Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. Copyright © 2010, CUAnswers. All Rights Reserved. v.1.8.0.19639. **NCUA**



If the member selects to Opt Out of select account(s) and checks the box, the member will view a list of accounts to specify exclusions. This list includes all savings and checking accounts (from MEMBER1 and MEMBER2 with an Application Type of “SH” or “SD”).

To complete the “Opt In” process, the member must select the Save Preferences button. A confirmation message will appear at the top of the screen.

INFORM YOUR MEMBERS HOW THEY CAN SELECT ONLINE

Your members may not discover the **It’s Me 247** option to Opt In or Opt Out on their own and you may want to send them an email or online banking message alerting them of this change. You may also want to give them a little explanation of your credit union offering when activating this feature.

Here are some ways to get the word out to members.

- Use the Member Connect Software to send emails or online banking messages to your members who use online banking. This involves creating a Query of these members and the Member Connect software tools in CU*BASE on the Marketing Menu (MNMKT). Refer to the “Marketing Campaigns with Member Connect” booklet on the CU*BASE Reference Page for more details.

- Xtend is offering assistance with sending email and online banking messages, or with making outbound calls to members. For more information, email info@xtendcu.com or call 866-981-4xtend.

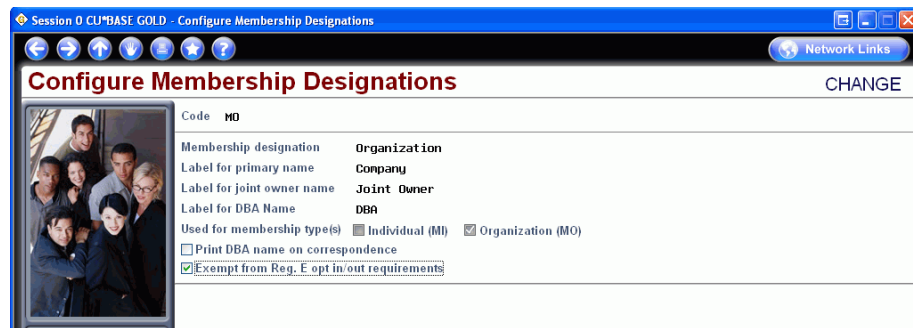
NOTE: Memberships of all membership designation may select to Opt Out via **It's Me 247** once the credit union selects to activate the feature, including organizational accounts. A credit union may select not to send emails and online banking messages to these accounts and it is unlikely an organization would stumble across this feature otherwise. If concerned, a credit union can monitor the AUDTMBRDT file. (See next section for a description of what is included in this file.)

NEW! “OPT IN” SELECTED

MEMBERSHIP DESIGNATIONS

Credit unions can choose to deactivate Reg E Opt In/Opt Out functionality for memberships with specific Membership Designation codes. If the *Exempt from Reg E. Opt In/Out Requirements* box is checked in the Membership Designation Configuration (General Configuration 1 menu (MNCNFC) #25-Membership Designation Config.), all new memberships with this Designation (and accounts for that membership) will automatically be set to “Opt In.” Employees will not even see the Opt In/Opt Out checkboxes at the bottom of the screen. (Existing memberships will need to be manually maintained first before changing an existing designation.)

Membership Designation Configuration (MNCNFC #25-Membership Designation Config.)



Employees will also not be able to change any affected membership or accounts to “Opt Out” since access points to change the status (via Phone Operator, Membership Update, Inquiry and Phone Operator) will be either removed or blocked. (The F13-Reg E Settings function key from Inquiry, Phone Operator and Membership Update will be removed and Member Personal Banker access will not allow access). On affected accounts, messaging reading, “This membership is exempt from Reg E Requirements.” will appear on the screen to alert your employees of this status.

The exemption also blocks members’ ability to change their “Opt In/Opt Out” status online. Members with an exempted membership will not see the “My Overdraft Services” tab in the “Preferences” section of **It’s Me 247**.

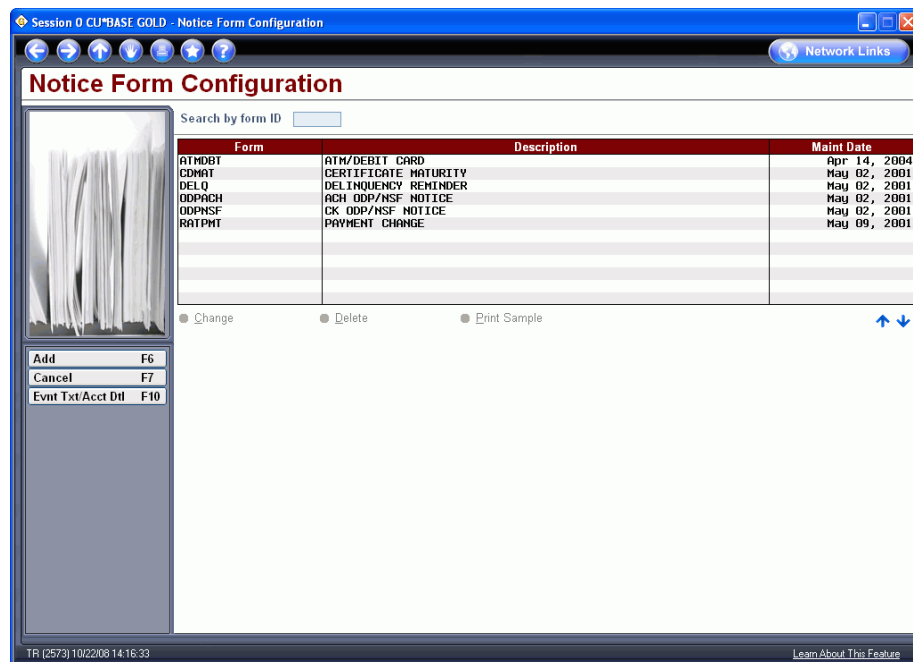
SENDING OPT IN OR OPT OUT NOTICES TO MEMBERS

Credit unions can automatically generate member notices when a member changes their Opt In/Opt Out status. When a change is made to a member's Opt In/Opt Out status (either to Opt In or Opt Out) a notice event will be triggered for that member. This event is generated either by a member changing his or her status in **It's Me 247** or by a credit union employee changing the status for the member in CU*BASE.

ADDING THE NOTICE EVENT TO A NOTICE

To send notices to members, add either one or both of the new Event Notice Codes (ANRIN and ANROUT) to a new or existing notice through standard Notice Configuration.

MNPRTC #10 "Configure Laser Notices"
Configure Notice Forms - Screen 1



This is the main notice configuration screen, the first of three used to design the layout and contents of printed Member Notice forms. From this initial screen you can create, edit or delete a form, as well as set up the text and account detail information that will appear for each notice event included on the form.

- To edit an existing form, select the form and use option **Change**. The screen shown on Page 33 will appear.
- To change the account details that are printed with each Event ID, or to modify the text associated with the events, use **F10-Evt Ttxt/Acct Dtl**. The screen on page 36 will appear.

- To create a new notice form, use **F6-Add**. The following window will appear.

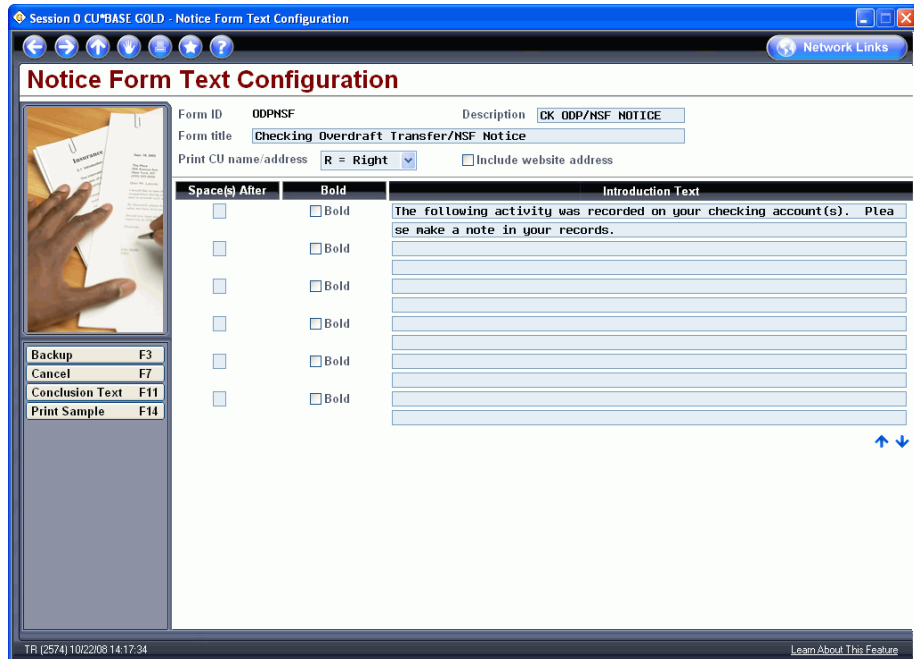


Enter a Form ID (numbers and letters, both uppercase and lowercase, can be used) and use Enter to proceed to the screen shown on Page 33.

CU*TIP: *Event IDs cannot be associated with more than one form. Therefore, if you would like to create a new form that uses events that are currently on another form (such as the default form), first edit that form to delete the event code(s)—or delete the entire form if appropriate—before creating a new form and attaching event codes to it.*

- To delete an existing form, select the form and use option **Delete**. One confirmation message will appear; use Enter again to delete the entire form. All events that have been associated with that form will now be available to be connected to another form. (Use F10 to view a list of event codes with associated forms.)

Configure Notice Forms - Screen 2



HINT: On some printers, you may need to use a vertical bar (|) wherever you wish to see an exclamation point (!) on the printed form. Use F14-Print Sample to verify the results on your printer.

Check the checkbox in front of "Include website address" to include the website address entered on the Chart of Accounts Maintenance screen on the notice.

F11-Conclusion Text (Toggle)

Session 0 CU*BASE GOLD - Notice Form Text Configuration

Notice Form Text Configuration

Form ID: ODPNSF Description: CK ODP/NSF NOTICE

Form title: Checking Overdraft Transfer/NSF Notice

Print CU name/address: R = Right Include website address

| Space(s) After | Bold | Conclusion Text |
|--------------------------|-------------------------------|-----------------|
| <input type="checkbox"/> | <input type="checkbox"/> Bold | |
| <input type="checkbox"/> | <input type="checkbox"/> Bold | |
| <input type="checkbox"/> | <input type="checkbox"/> Bold | |
| <input type="checkbox"/> | <input type="checkbox"/> Bold | |
| <input type="checkbox"/> | <input type="checkbox"/> Bold | |
| <input type="checkbox"/> | <input type="checkbox"/> Bold | |
| <input type="checkbox"/> | <input type="checkbox"/> Bold | |

Backup F3
Cancel F7
Introduction Text F11
Print Sample F14

TR (2574) 10/22/08 14:18:05 [Learn About This Feature](#)

The second screen is used to name the form and specify a title to print just below the member name and address. Use the bottom half of the screen to enter any explanatory text or instructions to print either before or after the events themselves. Start by entering any Introduction Text to appear before the first event.

IMPORTANT: *Two lines of text on this screen will combine to form one complete line of text on the printed form. The spacing and bold fields denote the beginning of a printed line of text (see below for instructions on using these fields for spacing and bold highlight).*

Then, use **F11-Conclusion Text** to toggle the screen and enter any Conclusion Text to print at the bottom of the notice. When done, use Enter to proceed to the third and final screen.

EDITING THE NOTICE EVENT TEXT

Xtend has assisted with the text of these Event Notice Codes, but your credit union can edit the text to fit your credit union requirements as needed.

To change the account details that are printed with each Event ID, or to modify the text associated with the events, use **Define Text and Account Details for Notice Events** (F10) from the first Notice Configuration screen (shown on page 32).

Configure Notice Events - Screen 1

| ID | Description | Maintenance Date | Form |
|--------|----------------------|------------------|--------|
| ACHANR | ACH - ANR | Jan 31, 2009 | ODPACH |
| ACHNSF | ACH - NSF | Jan 31, 2009 | ODPACH |
| ACHDDP | ACH - Overdraft Prot | Jan 31, 2009 | |
| ANRIN | ANR OPT IN | Aug 09, 2010 | 123568 |
| ANROUT | ANR OPT OUT | Aug 09, 2010 | |
| ANR1 | ANR NOTICE LEVEL 1 | Jan 31, 2009 | CPAY10 |
| ANR2 | ANR NOTICE LEVEL 2 | Jan 31, 2009 | cpay20 |
| ANR3 | ANR NOTICE LEVEL 3 | Jan 31, 2009 | cpay30 |
| ANR4 | ANR NOTICE LEVEL 4 | Jan 31, 2009 | |
| ATMANR | ATM/DEBIT CARD ANR | Jan 31, 2009 | ODPNSF |
| ATMNSF | ATM - NSF Notice | Jan 31, 2009 | ODPNSF |
| ATHDDP | ATM - Overdraft Prot | Jan 31, 2009 | |

This is the first of several screens used to change the account details that are printed with each Event ID, and to control the text associated with the events. When a form is configured, you can choose to include as many of these events as you wish.

To work with the text and account details associated with an event (**such as ANRIN or ANROUT**), select the event and use the **Change** option to proceed to the second screen.

Configure Notice Events – ANRIN - Screen 2

Session 0 CU*BASE GOLD - Notice Event Detail Configuration

Notice Event Detail Configuration

Event ID: ANRIN Description: ANR OPT IN

Event title: Confirmation of Member Election of ANR Coverage

| Select / Description | Column (L or R) | Line (1-40) |
|---|-----------------|--------------------------|
| <input type="checkbox"/> Date Issued | None | <input type="checkbox"/> |
| <input type="checkbox"/> Matured CD Dividend Rate | None | <input type="checkbox"/> |
| <input type="checkbox"/> ACH Company Name/Entry Desc. | None | <input type="checkbox"/> |

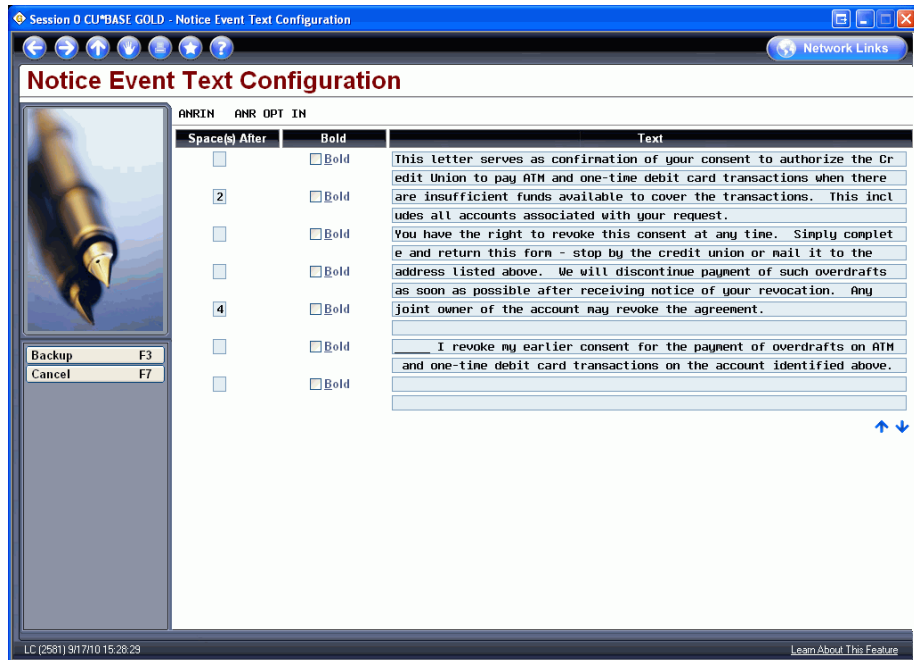
Backup F3
Cancel F7

FR (2580) 9/16/10 14:46:32 Learn About This Feature

The second screen is used to define an event title and choose which account data should be included as part of the event to see how the configuration shown above will appear on the printed form.

Place a checkmark in front of any item you wish to include for this event, choose the column (Left or Right) where text should appear, then enter a sequential line number to indicate the order in which the items should be listed. If you do not wish to include a particular field on the form, simply clear all of the fields for that item.

Press Enter to view the text that will appear on the notice, which can be edited to meet the needs of the credit union. It is as follows:



ANRIN Notice Event Text

This letter serves as confirmation of your consent to authorize the Credit Union to pay ATM and one-time debit card transactions when there are insufficient funds available to cover the transactions. This includes all accounts associated with your request.

You have the right to revoke this consent at any time. Simply complete and return this form – stop by the credit union or mail it to the address listed above. We will discontinue payment of such overdrafts as soon as possible after receiving notice of your revocation. Any joint owner of the account may revoke the agreement.

____ I revoke my earlier consent for the payment of overdrafts on ATM and one-time debit card transactions on the account identified above.

Configure Notice Events – ANOUT - Screen 2

Session 0 CU*BASE GOLD - Notice Event Detail Configuration

Event ID: ANROUT Description: ANR OPT OUT

Event title: Confirmation of Member Election of ANR Coverage

| Select / Description | Column (L or R) | Line (1-40) |
|--|-----------------|-------------|
| <input checked="" type="checkbox"/> Account Number | L = Left | 1 |

Backup F3
Cancel F7

FR (2580) 9/16/10 14:47:21 [Learn About This Feature](#)

Text for this notice event can also be changed but as a default is as follows:

Session 0 CU*BASE GOLD - Notice Event Text Configuration

| ANROUT | ANR OPT OUT | Space(s) After | Bold | Text |
|--------|-------------|---------------------------------------|-------------------------------|--|
| | | <input type="checkbox"/> | <input type="checkbox"/> Bold | This letter serves as a confirmation that you have elected not to authorize the Credit Union to pay ATM and one-time debit card transactions when there are insufficient funds available to cover the transactions, which means your transactions could be declined in these situations. Please contact us if at any time you wish to reactivate this service. |
| | | <input checked="" type="checkbox"/> 2 | <input type="checkbox"/> Bold | |
| | | <input type="checkbox"/> | <input type="checkbox"/> Bold | |
| | | <input type="checkbox"/> | <input type="checkbox"/> Bold | |
| | | <input type="checkbox"/> | <input type="checkbox"/> Bold | |
| | | <input type="checkbox"/> | <input type="checkbox"/> Bold | |
| | | <input type="checkbox"/> | <input type="checkbox"/> Bold | |
| | | <input type="checkbox"/> | <input type="checkbox"/> Bold | |

Backup F3
Cancel F7

LC (2581) 9/17/10 15:34:54 [Learn About This Feature](#)

ANROUT Notice Event Text

This letter serves as a confirmation that you have elected not to authorize the Credit Union to pay ATM and one-time debit card transactions when there are insufficient funds available to cover the transactions, which means your transactions could be declined in these situations.

Please contact us at any time you wish to reactivate this service.

PRINTING THE NOTICE

MNPRTC #1 "Print Laser Member Notices"

This number represents the number of *events* that have been recorded in the notice file. When the notices are printed, the system may be able to combine events for a specific member onto a single notice, resulting in a smaller number of actual printed notices.

| Form | Description | Print | # in File | Date Generated |
|-------|----------------------|--------------------------|-----------|----------------|
| CDMAT | CERTIFICATE MATURITY | <input type="checkbox"/> | 2 | Oct 13, 2008 |
| CDMAT | CERTIFICATE MATURITY | <input type="checkbox"/> | 2 | Oct 14, 2008 |
| DELQ | DELINQUENCY REMINDER | <input type="checkbox"/> | 2 | Oct 14, 2008 |
| CDMAT | CERTIFICATE MATURITY | <input type="checkbox"/> | 2 | Oct 15, 2008 |
| DELQ | DELINQUENCY REMINDER | <input type="checkbox"/> | 1 | Oct 15, 2008 |
| CDMAT | CERTIFICATE MATURITY | <input type="checkbox"/> | 3 | Oct 16, 2008 |
| DELQ | DELINQUENCY REMINDER | <input type="checkbox"/> | 8 | Oct 16, 2008 |
| CDMAT | CERTIFICATE MATURITY | <input type="checkbox"/> | 1 | Oct 17, 2008 |
| DELQ | DELINQUENCY REMINDER | <input type="checkbox"/> | 1 | Oct 17, 2008 |
| CDMAT | CERTIFICATE MATURITY | <input type="checkbox"/> | 2 | Oct 20, 2008 |
| DELQ | DELINQUENCY REMINDER | <input type="checkbox"/> | 9 | Oct 20, 2008 |
| CDMAT | CERTIFICATE MATURITY | <input type="checkbox"/> | 2 | Oct 21, 2008 |
| DELQ | DELINQUENCY REMINDER | <input type="checkbox"/> | 7 | Oct 21, 2008 |

This screen is used to print notice forms for events that have occurred since the last time notices were printed. Notices are listed according to Form ID and date generated. The *Date Generated* represents the day when the events were compiled into the notice file.

NOTE: If it has been configured in the Membership Designation Configuration (MNCNFC #25), the DBA label will appear above the address instead of the member's or organization's name.

NOTE: Because of the unique nature of contract variable rate products, notices for contract variable rate changes will remain separate from the configurable member notices and should be printed using the separate menu command (MNPRTC #2 "Print Contract Var Rate Notices").

To print, specify a printer and paper drawer, then place a checkmark next to each batch you wish to print and use Enter to begin printing.

IMPORTANT: Be sure to print ALL batches of the same form name at the same time. This way, if the same event occurred for a member multiple times during that period (such as several NSF checks over a weekend), all will be printed on the same form.

For example, say you print notices on Thursday morning, then don't print them again until the following Monday afternoon. Member John Doe changes his Opt In/Opt Out status on Friday, and changes again on Monday morning. On Monday afternoon, this screen will show separate batches of notices for events that occurred on Thursday, Friday, Saturday, Sunday (if applicable), and Monday morning. If all batches of the form were printed at

the same time, John's notice form would include both of the events on the same printed form.

PURGE RULES

To keep the notice file clean, notices will automatically be purged according to the following rules:

- Notices that have not yet been printed will be deleted automatically after 10 calendar days from the *Date Generated*.
- Notices that have already been printed will be deleted automatically after 10 calendar days from the *Date Last Printed* recorded on the notice batch (use F11-Prev. Printed to see these notices).

REPRINTING A PREVIOUS BATCH OF NOTICES

To reprint notices after they have already been printed, use **F11-Prev. Printed** to view a list of batches printed previously. Printed notices are listed according to Form ID and date printed. The *Last Date Printed* represents the date on which the notices were last printed, and may represent a batch of notices generated on several different days (such as when you print notices on Monday and they include events generated Saturday and Monday).

If the configuration of the notices is altered in between printings, the reprint of the notices will marry with the new configuration and print notices with the updated configuration.

Notices can be reprinted as many times as needed until they are purged. Use F11 again to return to the list of notices waiting to be printed.

WHAT DID MY MEMBERS SELECT?

You may wish to review the number of members who have selected to Opt In or Opt Out, or even to review the selection of an individual member at the membership level or at the sub account level. You also may wish to review which employee recorded this change or if the member made the change within **It's Me 247**.

To research this information, use Report Builder to query the file AUDTMBRDT. This will allow you to review your members' selections. This file includes the membership of the member, sub account if selected, the Employee ID who recorded the change, the date the change was made, and which option (I for In and O for Out) the member selected.

- **IMPORTANT NOTE:** All members begin as "Opt Out." No record is created (or written to the file) if the member selects an "Opt In/Opt Out" status online because that is same as the original selection. If the member selects to "Opt In" or changes back and forth, a record is then written to the ADUTBMBDRT file.

If you have any concerns regarding the selection of your members, first review this file before sending any paperwork on to Client Services for review.

OPT IN/OPT OUT POSTING

The Opt In/Opt posting programming currently applies to all ATM and debit card transactions and follows a very clear set of rules set by CU*BASE. Following is an explanation of the decision-making process:

- Note on recurring debit card transactions: As previously communicated, we are currently in communication with our ATM/Debit card vendors, and they are identifying their recurring Debit card transactions for our programming staff. Throughout the months of July and August we will continue certifying this exception with each vendor and will communicate our progress to all credit unions.

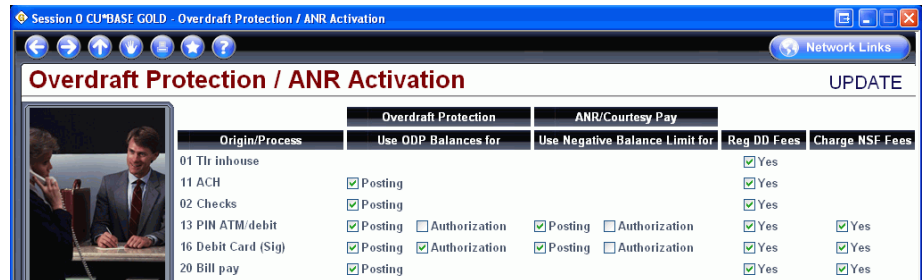
CONSIDERATIONS WHEN POSTING

1. CU*BASE first determines whether to include the negative balance limit in the authorizations and posting of the ATM/Debit Card transaction.

CU*BASE follows the *Use Negative Balance Limit* configuration settings on the Overdraft Protection/ANR Activation screen.

One check box on this configuration determines whether the credit union includes the member's maximum negative balance limit in the available balance when determining ATM/Debit card authorizations. The second checkbox determines whether it includes this negative balance limit when posting the transaction. This configuration was previously used and has not been changed and is found via the Savings Products Menu (MNCNFA #9-NSF/OD Transfer Configuration).

Overdraft Protection/ANR Activation Configuration



| Origin/Process | Overdraft Protection | | ANR/Courtesy Pay | | Reg DD Fees | Charge NSF Fees |
|---------------------|---|--|--|---|---|---|
| | Use ODP Balances for | Use Negative Balance Limit for | Use Negative Balance Limit for | Use Negative Balance Limit for | | |
| 01 Tr inhouse | | | | | <input checked="" type="checkbox"/> Yes | |
| 11 ACH | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 02 Checks | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | |
| 13 PIN ATM/debit | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | <input type="checkbox"/> Posting <input type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 16 Debit Card (Sig) | <input checked="" type="checkbox"/> Posting <input checked="" type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Posting <input type="checkbox"/> Authorization | <input type="checkbox"/> Posting <input type="checkbox"/> Authorization | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| 20 Bill pay | <input checked="" type="checkbox"/> Posting | | | | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |

If a member selects to “Opt Out,” a negative balance limit will not be included for authorizations, regardless if it is allowed by this configuration.

2. Next, CU*BASE determines if a fee should be assessed.
 - If the account has a status of “Opt Out,” and a transaction takes an account negative, a fee will not be charged.
 - If the account has a status of “Opt In,” and a transaction takes the account negative, the member will be charged a Non-Return fee or an NSF fee depending on whether the transaction fell within the negative balance limit or not.

Has your credit union decided that Reg E does not apply to how your credit union overdraft service works? A selection on the OPER menu (for Self Processors: OPER 10, 1) allows you to turn off the Reg E selection features in CU*BASE. This includes the Workflow Controls option and any Opt In/Opt Out checkboxes mentioned later in this booklet. These selectors will simply be removed from the screens. If you are interested in turning this option off for your credit union, contact a Client Service Representative.