



Announcing . . .

CU*BASE Software Upgrade

Effective May 8, 2000*

April 24, 2000

Introduction

Although you've probably just been able to catch your breath after Y2K, it is time for another CU*BASE software upgrade—and this release is a full one! Because of the work surrounding Y2K and our reluctance to introduce brand-new changes at that already busy time, this release contains many enhancements and new projects that have been in the works for many months.

As always, this release presents a mixed bag of fixes, enhancements, and brand-new products or overhauls of existing systems. Your staff will want to get quickly up to speed using the new **Sales Tool** window, **Loan Accrual Calculator**, and **Budget** inquiry tools. Credit union leaders will need to investigate and plan how and when to begin taking advantage of the new **Telemarketing Leads and Follow-ups** system, new **360/365 Daily Interest** loan calculation type, the new “**Off Trial Balance**” system for tracking credit cards and third-party loan and savings products, and additional **Share Rate Benefits** options for your Marketing Clubs.

With the revamped **Dormancy and Escheat** status monitoring system, changes to **Loan Insurance** features, and a reorganized and beefed up **Cross Sales Tracking** system, we introduce radically new ways of using existing CU*BASE products. We've even added a “failsafe” system to make sure **Rate Changes** fall within credit union-defined tolerances. These in particular will require you to make some decisions about configuration, and make sure everyone is up to speed on your new procedures.

Contents

CU*BASE Software Upgrade, May 2000

Following is a brief synopsis of the new features and enhancements that have been recently released or will be included in this upgrade (listed alphabetically):

◆ **NEW Budget Inquiry Tool**

So you've spent hours working through next year's budget; the figures are perfect. Then you go in to take a look at a figure or “try” something just to see what the results will be, and you accidentally save the changes. Oops! Or maybe one of your department managers just wants to experiment with some figures while developing her annual plan. A new inquiry-only version of the CU Budget tool is just the ticket.

This version of the Budget system, accessed via the Management Functions menu (MNMGMT #7), is exactly like the real thing except that no changes can be saved. Try new figures, test a different calculation, play to your heart's content—your actual budget figures will be safe. As before, use the option on the General Ledger menu (MNGELE #3) to make the changes you want to keep.

◆ **Certificate Rate Analysis Monthly Report**

This new report breaks down all of your existing certificate accounts by interest rate, showing the number of accounts at each rate, the total and average balances for accounts at the same rate, and the average months to maturity for each rate group. Similar to the Loan Interest Analysis report, this

**Self Processing credit unions will receive this release during the week of May 22, 2000.*


report lets you see how your current certificate accounts are currently priced, and is helpful for planning upcoming rate changes.

 See the separate booklet, “Certificate Rate Analysis” for details.

◆ **Credit Bureau Changes**

Two changes were made to the On-Line Credit Bureau Access system:

- **Paper Grade Tracking** - Another option was added to the optional “Decision” processing available from Equifax for our on-line credit bureau users. In addition to the normal decision process of approving specific credit union products, the bureau can be instructed to send a “paper grade” back with the decision report, to be recorded as “CU Risk Level” on your member records.
- **New Warning Messages for Report Requests** - In an attempt to prevent errors when transmitting report requests to our processor, Zoot, we have added several screen edits and error messages to the “Request Credit Report” screen. Users will now be alerted to correct names or addresses with invalid spaces, inappropriate punctuation, and other common syntax errors that can prevent a request from being processed correctly.

 If your credit union is already pulling on-line credit reports through CU*BASE, you will receive an updated copy of the “CU*BASE On-Line Credit Bureau Access User Guide.”

◆ **Cross Sales Tracking Upgrade**

Isn't it annoying when a sales person asks you if you need a credit card, or a car loan, or a student loan, or a mortgage loan, or any other kind of loan from a long list, when you don't have any need to borrow at all? Or how about when the same salesperson asks if you are interested in one of 75 different certificate offerings, when you are not in a position to invest any additional money? Often, salespeople get “stuck” on the tasks because that's what they have to sell. But good salespeople realize that the member talks first, and what they *need* is what the credit union needs to talk about.

With this release, your credit union will now be able to identify member “need groups” for your sales staff, and then match credit union products to those needs. In essence, the loan manager can now talk about loan products and configure those products to match a borrowing need group. With 99 need groups available, each key manager can now have a system to match CU products to the member needs they manage.

This product identifies the audience and then delivers the solution.

 See the separate booklet, “Using the CU*BASE Cross Selling Tool” for complete details.

If you currently use the Cross Sales Tracking system, all of your existing tasks will be placed in Need Group 99 marked “CONVERSION.” As you decide on appropriate Need Groups, WESCO can assist you in reorganizing your existing tasks into new need groups while still retaining existing task completion data. First, configure the new Need Group codes. Then contact a CU*BASE client service representative with the desired reorganization plan and we will assist by sweeping through your existing records and moving tasks into the appropriate new Need Groups.


*This enhancement also includes links to the new **Telemarketing Leads** system for following up on leads generated from cross sales activities and closing that sale. See below for more.*

◆ **Dormancy Changes**

In addition to cleaning up various configuration and maintenance screens to make them easier to use and more consistent, the following key enhancements were made to the dormancy monitoring system:


- **Removal of separate “inactive” monitoring at the individual account suffix level** - Although in the past CU*BASE used a separate tracking system for inactive accounts versus entire memberships, now the terms “dormant” and “inactive” are used interchangeably to indicate a member that has not had activity on any of his or her accounts for a defined period of time. A member will not be added to the master dormancy list until all accounts under the membership meet the criteria for dormancy.
 - For the few credit unions that previously used the separate inactive account monitoring system, all records flagged as “INACTIVE” or “INACTIVE SUSPENDED” will be removed from your dormancy master when the software is released.
- **New escheat monitoring feature** - CU*BASE now assists credit unions in tracking member accounts that have been dormant long enough where funds must be escheated to the state as unclaimed property. Instead of simply flagging a membership as “eligible” for escheating while still requiring you to monitor the timeframe manually, now your credit union can define the period of time required to escheat according to your state’s guidelines, and CU*BASE will automatically flag a dormant record with an escheat status of “Y” only after this period of time has passed.
- **Excluding members from dormancy monitoring.** In addition to the ability to record a contact date to suspend dormancy fees, you may also flag a membership to *never* be monitored for dormancy. This was designed for situations where a person opens a membership because he/she is listed as a co-signer on a loan, but has no intention of actively using the membership.

IMPORTANT: It will be important that you verify your dormancy configuration (MNCNFA #11) during May once the new software is in place. If you would like to make changes other than entering a new escheat timeframe, please contact a CU*BASE client service representative to determine if your existing dormancy master file should be cleared.

 See the separate booklet, “CU*BASE Dormancy and Escheat Monitoring” for complete details.


◆ **Financial Institution Data Match (FIDM) Act**

In response to new regulations for child support enforcement, we have developed an upload/download process to match data provided by the State against your credit union’s member records and report “matched” records back to the State.

 See the separate booklet, “The Financial Institution Data Match (FIDM) Act: Compliance for CU*BASE Credit Unions” for important information you will need in order to sign any agreement with your State for performing the data match.

◆ **NEW Household Statistical Reports**

As the CU*BASE Household Database becomes a more and more important tool in managing your credit union’s member relationships, being able to analyze your membership based on household characteristics becomes crucial. The existing CU*BASE Household Statistics inquiry system lets you view information about individual households, one at a time. As a companion to that system, we are pleased to introduce new Household Statistical Reports that combine this individual household data into a composite showing household patterns and trends for your entire membership.

 **Data for these reports is compiled once a month during end-of-month processing, so reports will not be available until June 1 for May month-end statistics.** See the separate booklet, “Household Statistics” for complete details.

◆ **Loan Insurance Enhancements**

An enhancement has been added to the CU*BASE loan insurance feature which allows you to configure and apply **single-premium disability insurance to balloon loans**. The insurance premium will be added to the loan amount and CU*BASE will use this higher amount when performing the initial amortization calculation. For example, on a \$15,000 loan with a single premium of \$375 for disability insurance, the amortization will begin at \$15,375, working down toward the balloon payment amount.

- ☛ If your credit union uses this type of loan insurance, be sure to answer “Y” to the *Add insurance to balance* option when selecting the insurance on the loan request.

In addition, a new error message has been added when attaching insurance to a loan request. If the applicant will reach the **maximum age allowed for insurance coverage** prior to the maturity date of the loan, an error will prevent the loan request from being created.

◆ **Loan Interest Accruals Calculator**

A much-requested companion to the CU*BASE Share Accrual Calculator released last fall, the new **Loan Accrual Calculator** inquiry tool lets you perform regular verifications of daily loan interest accruals on your member loans. Designed specifically for simple daily interest (365-day) loan types, this new tool will make the validation of loan interest much easier and more accurate.

- 📖 See the separate booklet, “*Credit Union Accrual Verification Handbook (Shares and Loans)*” for complete details. This replaces the previous *Accrual Verification* booklet dated 10/27/99.

◆ **NEW Loan Interest Calculation Type: “360/365 Daily Interest”**

In 1999 and 2000, there has been new focus for credit unions on business lending. It is popular in the marketplace for business loans to be calculated using a 360/365 daily interest instead of the standard 365-day method. With this release, CU*BASE adds this special calculation so that WESCO credit unions are able to compete with today’s business lenders.

- 📖 See the separate booklet, “*Loan Interest Calculation: “360/365 Daily Interest”*” for complete details.

◆ **Changes to Marketing Club Share Rate Benefits**

This enhancement allows you to set up share rate benefits for Marketing Club members using two different methods:

- By overriding the minimum balance from the Dividend Application, so that a Club member could have a lower balance and still earn *regular* dividends. This is great for Youth Clubs where Club membership allows young members to be waived from the normal minimum balance requirements.
- By setting a rate deviation and an optional minimum balance to earn a *benefit* dividend so that a Club member must have a certain balance to earn the extra dividend from the Club. This is valuable in ensuring that the benefit dividend is significant enough for the member to recognize the value of the Club.

- 📖 See the separate booklet, “*CU*BASE Marketing Clubs: Configuration, Benefits and Enrollment*” for details. (This replaces the previous booklet dated 6/25/98.)

◆ Off Trial Balance “OTB” Lending: Phase 1

Key to relationship management is a complete picture of the credit union member relationship. Some products, such as credit cards, special mortgages, and investment services, are often outside the normal trial balance products tracked by CU*BASE, handled through manual balance sheet entries and tracked through a third-party source.

This multi-phase project will focus on creating a flexible database that will take key information about these credit union relationships and bring it to the core of the CU*BASE database. With this information quickly available to everyone on the credit union staff, your members will recognize these extended services as *credit union* services, not just a vendor or brokered service. Examples of OTB products:

- ✓ Mortgages
- ✓ Leases
- ✓ Credit cards
- ✓ Student Loans (those not handled by CU*BASE)
- ✓ Investments/Savings (such as PlanAmerica)

Phase 1 of this multi-phase project includes the following components:

- **Configuration** of up to 99 different OTB codes for your credit union’s own third-party products and services.
- **Inquiry** features for a member’s OTB products, available from any CU*BASE terminal, any time.
- Manual **maintenance** of OTB product information on individual member accounts.
- Available **custom upload** processes to receive OTB product data from a third party and update member records.

Future phases will include enhancements such as:

- A “Balance Transfer” feature that will allow members to use a share account as an automated transfer to the credit union’s books, for settlement with credit card vendors, investment brokers, or other miscellaneous service providers. This feature will allow members to control the parameters of their balance transfers.
- Connections to the CU*BASE Collections monitoring system for delinquent credit cards and OTB loans.
- Links to the CU*BASE Tiered Service and Marketing Clubs systems to allow for member rewards and recognition based on participation with OTB products.
- A direct link to CU*@HOME so members can receive information about all of their credit union accounts, such as inquiring on the status of a credit card through CU*@HOME.

CONVERSION INFORMATION: For credit unions that currently track credit card information via the Plastics file, your existing data will be converted over to the new OTB file with all of the additional available data fields (see the booklet for details). An OTB product code (01 - “CREDIT CARD”) will be configured and used for all your existing records. Those credit unions that also receive a custom data transmission from their credit card vendor, the upload process will begin working with the new database upon the next transmission.

 See the separate booklet, “Tracking “Off Trial Balance” (OTB) Products with CU*BASE (Phase 1)” for complete details.

◆ Rate Maintenance Changes

Changes have been made to the way share, certificate and loan rates are maintained on CU*BASE to make it safer and more foolproof to update rates for your products.

- **Share and Certificate Configuration Changes** - All changes to share and certificate rates must now be made using the “Member Rate Maintenance” command on menu MNMGMT. It is no longer possible to enter any rates on the actual Share Dividend Application or CD Type configuration screens. This ensures that all rate changes will be recorded as part of Rate History.
- **Rate Maintenance System Changes** - Because split rate ranges and rates can no longer be set up on the Dividend Application configuration screen, the Rate Maintenance feature for share rates has been changed slightly to allow for split rate balance ranges to be entered along with updating the rates themselves. You will see a new command key on the Split Rates screen when maintaining share rates (use Cmd/10-Split Rates, then Cmd/14-Change Balance Ranges).

In addition, new confirmation messages have been added to require the user to double-check the changes entered to be extra sure of the results:

Rate Change Confirmation

You have entered a new rate of 09.50% for Dividend Application
SS SPECIAL SAVINGS to take effect as of 04/14/2000.

WARNING: Changes dated with todays date
will take effect IMMEDIATELY!

Press ENTER to confirm; Cmd/8-Bypass to cancel.

In this context, “immediately” means the new rate will be used the very next time accruals are performed.

- **Rate History Changes** - Rate history will now retain separate information for each of the split levels, for a more complete history of rate changes to split rate share products.
- **NEW Rate Tolerance Range Controls** - This new feature adds credit-union configurable “tolerance ranges” for share, CD and loan variable rate changes. These ranges are used by Member Rate Maintenance and Loan Variable Rate Code Configuration to perform a reasonability test whenever a new rate is entered. This is designed only to prevent obviously wrong rates from being entered accidentally, such as 73% instead of 7.3%.

Credit Union Rate Change Tolerances

When a rate is changed, the new rate must be within the following tolerance range (to prevent accidental unreasonable changes to rates):

	Lowest Reasonable Rate	Highest Reasonable Rate
Share Products	00000	12000
Certificate Products	01000	10000
Loan Products	01000	30000
	/\	/\

Enter-Save Cmd/3-Backup

HINT: If you do not pay dividends on all your share accounts (such as checking accounts), the lowest range for Share Products should be set to 00000 to allow for a zero rate to be configured for some account types.

This window is accessed via a new Cmd/10-Define Rate Change Tolerances key on the initial Rate Maintenance screen (MNMGMT #2). Simply enter a low and a high rate to indicate the reasonable tolerance range for new rates. Default settings are a low of 00000 and a high of 99999 for all three product types.

◆ Sales Tools Window

Over the past few years as credit unions began concentrating more on member relationships and offering special programs such as Tiered Services, multiple Club offerings, and “We Are Listening” surveys, it became apparent that employees would have to navigate through many different areas of CU*BASE in order to follow-up with details on these marketing programs.

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          Sales Tools


Enter X to view one of the following:

- Cross Sales Tracking List
- Loan Quoter
- Marketing Club Config. Inquiry
- Rate Inquiry
- View/Answer Member Survey
- Telemarketing Leads and Follow-ups
- Tiered Services Config./Scores Inquiry

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Cmd/3-Backup
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The new CU*BASE **Sales Tools** feature provides a “one-stop” focus for all of the CU*BASE marketing and sales promotion tools in one pop-up window. Work cross-selling tasks, quote a loan, enroll a member into a Marketing Club, fill out member service survey questions, or check on a member’s Tiered Service scoring parameters, all from a command key available from the Member Inquiry, Phone Inquiry and Teller systems.


 See the “CU*BASE Sales Tools” flyer for more information and a list of related reference booklets.


◆ NEW “Telemarketing” System


A dynamic new companion to the CU*BASE Cross Sales Tracking system, the new **Telemarketing Leads & Follow-ups** system creates a powerful tool for following up on member contacts and *closing* that sale. Similar to the Collections review system, the Telemarketing tool lists all outstanding leads to be handled so that they can be steadily worked by a telemarketer or member service representative. Actually designed as specially-tagged ticklers, the system is easy to use and keeps a running “progress report” of member contacts. In addition, telemarketing ticklers are linked to specific Cross Sales tasks, so that final results on the follow-up can be tracked along with other cross-selling activity.

 See the separate booklet, “Telemarketing Leads and Follow-ups” for complete details.

◆ Additional Reference Materials

 “**Tracking Savings Bond Redemption Activity with CU*BASE**” - Although no software changes were made to the Savings Bond Redemption system, this booklet explains how CU*BASE can be used to track and report tax information for members (and non-members) redeeming government savings bond at your credit union.

 “**Rate Benefits via Automated Marketing Club Enrollment**” - This software was released as part of the November 1999 CU*BASE Upgrade, and has been undergoing beta testing since that time. This booklet describes how to configure special rates based on member participation in your Tiered Service Level program, using a “link” to the existing Marketing Club rate benefits system.

 “**Member Self-Service Fees**” - This software was released as part of the November 1999 CU*BASE Upgrade, and has been undergoing beta testing since that time. This booklet describes both how to charge fees as well as how to *waive* fees in order to set value for your

credit union's self service programs, including CU*TALK Audio Response and CU*@HOME PC Home Banking.

◆ **Other Miscellaneous Enhancements**

- **Additional Warning Messages** - New messages have been added to several systems throughout CU*BASE to prevent common errors. In the **Phone Inquiry** transfer feature, users will be warned when making payments to loans with existing AFTs or other special servicing parameters. In addition, when printing **CU Checks**, CU*BASE will prevent you from choosing a Bank ID or G/L Account that has been suspended or deleted.
- **CD Creation Defaults** - Now when creating a new CD or performing a manual roll into a new CD, the system will automatically default the dividend payment/transfer frequency setting from your CD application configuration. Not only will this make it easier to create a certificate account, it will also help prevent incorrect frequencies from being entered on new and renewing CDs.
- Other minor enhancements and changes have also been implemented based on reported issues. These will be reported in the next issue of the *CU&A* newsletter, as usual.