| ANNOUNCEMENT TO | Online Credit Unions |
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| ATTENTION | Data Processing Coordinator |
| DATE | January 13, 2006      **Revised February 8, 2006** |

**CU\*ANSWERS**
A CREDIT UNION SERVICE ORGANIZATION

**Announcement**

# METRO 2 FORMAT FOR CREDIT REPORTING STARTS APRIL 1

Metro 2 is finally here!  This long-awaited upgrade is on the last stages of QC testing, and the format will be used starting with files sent to credit bureaus at the beginning of April, 2006.

## WHAT IS METRO 2?

Simply put, Metro 2 is a new standard electronic data reporting format that is used to report credit data to all of the credit reporting agencies (TransUnion, Equifax, Experian, and CBC/Innovis). Designed to foster the reporting of complete and accurate data to the credit bureaus, the Metro 2 Format also addresses FCRA (Fair Credit Reporting Act) compliance issues.  Using a consistent reporting format for all bureaus will make it much more efficient to report data, especially for credit unions newly converting to CU\*BASE.

In addition, data sent in this format will be transmitted via secured, encrypted file transmission.  No more data tapes, which means better security for this critical member data.

## WHAT DO I NEED TO DO TO PREPARE?

In our testing with the credit bureaus we are encountering a number of data conditions that cause errors when reporting in the new format.  As you'll see, with Metro 2 the bureaus are being *much* more particular about the formats of names and addresses.

**These error conditions <u>must</u> be cleaned up before we can implement the new Metro 2 software.**  Please refer to the following pages outlining the steps that must be taken.

## WHEN MUST THE PREPARATION BE DONE?

For online credit unions, all cleanup must be done **no later than February 28, 2006**.

## WHY DOES IT MATTER IF I PREPARE?

With this new, standardized format, the bureaus have notified us they are enforcing a strict 20% tolerance for errors for any file submitted.  This means they will reject the entire file if the credit bureau account type codes are invalid on 20% or more of the records reported.  Since the data for all online credit unions is sent in a batch, **errors in one credit union's data will affect the ability to load data for ALL online credit unions**. So help your fellow CUSO participants by making sure your data is set up correctly.

## WHAT ELSE WILL METRO 2 DO FOR ME?

This release represents just phase one of the changes related to the Metro 2 format.  Phase two will bring you online history of your credit bureau reporting for all of your loans with just a few clicks of your mouse.  For example, you will be able to see how many times a loan has been reported as 30 days delinquent over the life of that loan.  Sure will make managing E-Oscar a lot easier!  Watch for these changes coming with the Spring 2006 release.

## WHO CAN I CONTACT FOR ASSISTANCE?

As always, any Client Service Representative will be able to work with you and answer your questions as you clean up your member data.

## CLEANUP YOUR CREDIT UNION MUST DO NOW

Known error conditions must be cleaned up before we can implement the new Metro 2 software. The following chart outlines a series of custom reports that have been placed into your credit union's HOLDxx output queue. These are known conditions where the credit bureau will not post a record. If enough of these types of errors exist, the entire file (from ALL online credit unions) may be rejected.

Make sure someone in your staff is assigned the responsibility of cleaning up all accounts on these reports before the deadline (February 17 for online CUs)!

In your HOLDxx Output Queue, all reports (there are 7 of them) will show a file name of **QPQUPRFIL**, so you will need to view the report to see the title. All will be set to "HOLD" status, and you can view them without printing if you wish. **IMPORTANT: You will need to set these items to *SAVE status if you wish to keep them once they are printed.**

| | *Error Condition* | *Query Reports in HOLDxx Output Queue* | | *Cleanup Required* |
|---|---|---|---|---|
| | | *Query Name* | *Report Title* | |
| 1 | The primary member and additional signer have the same SSN. | PRIMARYJT | METRO2 BYPASS ERROR MESSAGE 7207 Base to A (names & ssn equal) Primary and Additional Signer same SSN | Verify all additional signer records and modify or remove any as needed. |
| 2 | The primary member record has invalid characters* in the name. | METRONAM1 | METRO 2 Errors involving invalid characters in First or Last Name (MASTER) PRIMARY | Verify all names on the list and remove all non-alphabetic characters (A-Z). Punctuation should either be removed altogether or replaced with a space. *Change this...*      *To this...* SMITH, JR.      SMITH JR JONES-DEWITT      JONES DEWITT O'DONNELL      O DONNELL |
| 3 | The additional signer non-member record has invalid characters* in the name. | METRONNAM | METRO 2 Errors involving invalid characters in First or Last Name (Additional Signers) Non-mbr | Same as above |
| 4 | The additional signer member record has invalid characters* in the name. | METRONAMSI | METRO 2 Errors involving invalid characters in First or Last Name (MASTER) Additional Signers | Same as above |

*(continued)*

| | Error Condition | Query Reports in HOLDxx Output Queue | | Cleanup Required |
|---|---|---|---|---|
| | | Query Name | Report Title | |
| 5 | The primary member record has invalid characters** in the address. | METROADDI | Invalid characters or Blank Address METRO 2 Cleanup Listing (PRIMARY) MASTER | Verify all addresses on the list and remove all non-alphanumeric characters (A-Z, 0-9) **except for forward slashes (/) or hyphens (-)**. Other punctuation should either be removed altogether or replaced with a space.<br><br>Change this...        To this...<br><br>1234 1/2 FRONT ST.    1234 1/2 FRONT ST<br>0-1929 CAPITAL AVE. N  0-1929 CAPITAL AVE N<br>3222 ELM ST. #123     3222 ELM ST APT 123 |
| 6 | The additional signer member record has invalid characters** in the address. | METROADMS | Invalid characters or Blank Address METRO 2 Cleanup Listing Additional Signers (Master) | Same as above |
| 7 | The additional signer non-member record has invalid characters** in the address. | METRONADDI | Invalid characters or Blank Address METRO 2 Cleanup Listing Additional Signers (Nonmbr) | Same as above |
| 8 | Will not post any record for an individual with a foreign address. | n/a | n/a | Uncheck the *Report to credit bureau* flag (MNUPDT #2). If the foreign address is only a temporary one, you could enter the local residence address on the MASTER record, then set up an Alternate Address record for the foreign address to be used for correspondence. |
| 9 | Will not post any records with an APO address. | n/a | n/a | If you have many of these types of accounts, we recommend you enter the member's residence address on the MASTER record, then set up an Alternate Address record with the APO, so that correspondence will still be directed to the APO. |
| 10 | Will not post any record for an individual under the age of 18. | n/a | n/a | No maintenance needed unless member birth date is incorrect. |

| | Error Condition | Query Reports in HOLDxx Output Queue | | Cleanup Required |
|---|---|---|---|---|
| | | *Query Name* | *Report Title* | |
| 11 | Individual type accounts (Membership Type "MI") that have a name that looks like a business name will be rejected. These are typically holdovers from data conversion and may even appear on the reports described above due to punctuation in the name.<br><br>(*Membership Type "MO" Organizational accounts are NOT included in credit reporting files.*) | n/a | n/a | Individual accounts must have a person's SSN, with a person's name in the name fields. If needed, records can be changed from Individual (MO) to Organization (MO) Membership Type via **Update Membership Info** (MNUPDT #1). Use **F11-Unlock Fields** on the first update screen, then **F24-Change to Orgn**.<br><br>(Remember the membership type is separate from the new *Membership Designation* code. You will also need to select an appropriate membership designation.) |

*Invalid characters in the name include <u>any</u> punctuation in the first or last name, **including hyphens (dashes), periods, commas, or any non-alphabetic character.**

**Invalid characters in the address include all punctuation **<u>except</u> for forward slashes and hyphens** in the Address1, Address2, or City fields, **including periods, commas, ampersands (&), number signs (#), or other non-numeric or non-alphabetic characters.**

~ END ~