

TOP 10

Lender*VP Priorities for 2011

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Here are the BIG projects that our Lender*VP team will be championing throughout the 2011 development year. Check back in the Kitchen often for the latest project specs, project status reports, and targeted release dates!

- 1 Credit Report Analytics** and tools for easier viewing of credit report data

We are working with ZOOT Enterprises, our partner for online credit reports, to add more information to the detailed “human-readable” credit report using plain, friendly language that is easier to read (fewer cryptic codes). Using some powerful tools in the CU*BASE GOLD graphical interface, we will make it easier to scroll around the report and jump to specific trades.

We will also be significantly expanding the file used to populate debts on the application (the “app fill file”) to:

 - Include type of trade (auto, real estate, credit card, etc.) and other data elements currently found only in the human-readable file.
 - Automatically check the secured box when appropriate.
 - Provide a link next to the trade line to let you jump from the application to that portion of the report.
 - Add a link from the loan application to jump to collateral information.
- 2 New workflow for Participation Loan processing**

For the past year the Lender*VP, Xtend SRS, and programming teams have been working on a complete revamp of the tools for processing Participation Loans with CU*BASE, adding new features specifically designed for 360 mortgages through the secondary market (Fannie Mae, Freddie Mac, FHLB).

Monthly settlement will be more precise, more specific to the investor, and more thoroughly documented to make the workflow more consistent, efficient, and easier to learn. We are also adding controls to better facilitate network solutions for servicing mortgage loans (for CUSOs like Neighborhood Mortgage Solutions (NMS) and others).
- 3 Expanding the number of Loan Categories you can define**

Today CU*BASE lets you configure up to 99 different Loan Categories to control servicing parameters for loan accounts. We have a couple of clients nearing that threshold, so we will be expanding the Loan Category code to allow two alphanumeric characters, so you can create codes like A3 or BB. This effectively expands the number of loan categories you can create to over 1,200! By keeping the code the same length, we avoid

		having to adjust the layout of reports and screens where the code is displayed. There is still a considerable amount of work to make this change, as every program that uses that code must be updated to accommodate the alphabetic characters. <i>(On a side note, when we finish this project we will move directly on to expanding the Certificate Type code the same way!)</i>
4	Grouping loans by Business Type for analysis and daily efficiencies	<p>There are actually two main parts to this project. First, we will be adding a configurable Business Type code you can assign at the loan category level, to help group loans by a business focus for easier analysis and day-to-day work assignments.</p> <p>In conjunction with that change, we will also be making a number of enhancements to the Lending Queue (MNLOAN #8 Work/View Application Status):</p> <ul style="list-style-type: none"> ▪ Will now be recording the Loan Product Code in the application file so that you can analyze and group apps by product, all the way up to the point when the loan is actually booked. ▪ Will add new filters and expand existing filters so you can select unlimited number of loan categories, delivery channels, UW status codes, interviewers, dealers, business types (new), underwriters (new), and loan product codes (new) to control what apps are listed. The same filters will be added to the Activity Tracking Dashboard as well. ▪ Will be modifying the existing Branch selection feature so it looks at the branch of the <i>interviewer</i> instead of the member branch—in other words, the branch doing the work. Along with the expanded interview and underwriter ID filters, this should greatly enhance your ability to analyze the activity at any individual branch.
5	Expanding data retained on DealerTrack applications	We will be working with DealerTrack to identify more data elements we could potentially receive, such as rent, additional employment details, off terms, notification for counter offers, etc., and storing whatever we can as part of the application data in CU*BASE instead of as free-form text in the collateral record. We will also be exploring additional services and configurations credit unions might be able to take advantage of from DealerTrack.
6	Locking down Underwriting Comments for better control of underwriter decisions	Will be exploring changes in the way Underwriting Comments are stored so that as notes are added, the system automatically records a date/time and employee ID, and locks the comment so it cannot be altered later on. Although not nearly as sophisticated as the Tracker system, the new file structure should at least allow us to list notes in the order they were entered (most recent at the top), while ensuring that key underwriter instructions will not be changed inadvertently.
7	New Net Yield analysis tools	We will be looking at what new data elements will be needed to change the weighted average yield reports to include a Net Yield option that would take into consideration losses within a certain loan category. The math would be based on our current weighted average yield calculation but then take into consideration the total of losses, including both

written-off loans (currently tracked by CU*BASE) and charged-off loans (not currently tracked).

Coincidentally, we have also been considering how to add a mechanism to assist CUs filling in the Charged-off Loans section of the 5300 Call Report. So we will be exploring how these two needs could potentially be met via a new charged-off loans tracking file. We will even take a look at the existing Loan Classification tracking tool to see how it might fit or be enhanced for additional functionality. Creative input is certainly welcome!

8 Explore **Custom Model** options for 247 Lender We are considering offering optional add-ons to the current 247 Lender decision model, such as an automatic fail if the member's unsecured ratio was greater than xx%, etc. What additional filters would you add? Would you pay more \$ per pull for these features?

9 Automated **Skip-a-Pay** tools for consumer loans Our first step is to thoroughly document the process of how skip-pay programs can be done manually today. Then we'll examine how the process could be automated, including:

- Configurable eligibility rules, including program date range, loan category restrictions, number of payments a member can skip on an annual basis, etc.
- Member opt in functionality in CU*BASE and **It's Me 247**
- Automated fees
- Mechanisms for handling payments already set up via ACH distributions, Payroll, and AFT

10 Defining multiple sets of **Collections Notices** by loan type Expanding the standard collections notices to allow for additional sets that can be customized by loan type (credit card vs. consumer vs. real estate, for example). Both the timing (when notices are generated) as well as the notice event content (the text of the collection letter) could be defined separately according to CU parameters. (Would not affect delinquency monitoring itself, just the notice processes.)

How to Contribute to These Recipes

To contribute your ideas, suggestions or comments on the design of any of these projects, or to see sample prototypes of application screens, review working project specifications, and check on the status on how work is progressing, please visit us in the Kitchen:

www.cuanswers.com/kitchen

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