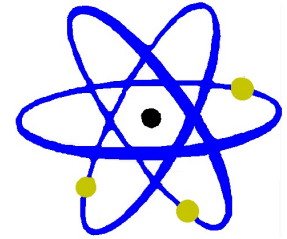


Electronic Recordkeeping Services, Inc.



NEWSLETTER

April 2007

ERS FEATURE DOCUMENTATION

When a new feature is added or an existing feature is upgraded, we make every effort to provide an explanation of that feature before it is released. Those procedural documents are placed on our website. To locate this documentation do the following:

click on **EZ-Find** (on the top toolbar in **EZTERM**)
type *website* in the Search field.



Click for Documentation will take you to our website.

click on **DOCUMENTS & TRAINING**

click on **LINUX FEATURES**

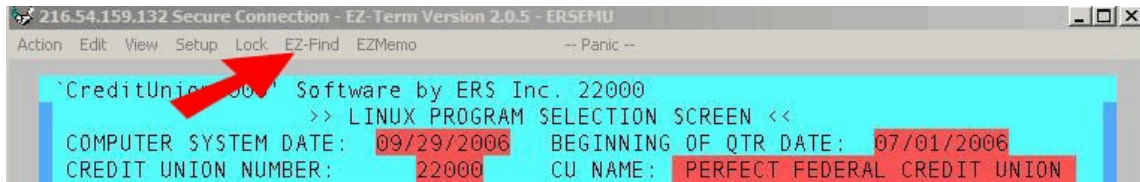
You will notice we have begun adding a date to the right of the documents. This allows you to determine what is new, and what you may have already seen. We expect several new features to be released in April. By checking this site on a regular basis you will see what has been added, or replaced with an updated version and be able to plan ahead for changes.

ERS-CONNECT

ERS Connect is a program that enables you to securely send and receive "instant" text messages to and from other users on the network. This network includes ERS and all credit unions using **ERS Connect**. Unlike most instant messaging programs, such as Yahoo, ICQ, AIM, MSN and email, ERS Connect uses strong AES-256 bit encryption, so it is a safe way to communicate over the network without fear of outsiders seeing the text of your message. **ERS Connect** also provides searchable and printable message history of all your prior messages. The message history is likewise encrypted using AES-256 encryption. You can save history for up to 365 days, and can purge history at any time. Detailed instructions for installation and using the program are on our website. Click on **EZ-Find** and search for **ERS Connect**.

[EZ-FIND](#)

EZ-Find has been a real hit with many ERS users. New references are being added every day. Before calling ERS to find out where to find what you are looking for, click on **EZ-Find** on the top toolbar in Ezterm and do a search.



[ELECTRONIC \(ONLINE\) MEMBER STATEMENTS](#)

It is available for members who use Home Banking to view their current and past monthly statements online. By clicking on the **Get Statements** link in **Perfect Teller** they are taken to the Statements-Online site for their personal account number, and are able to choose the month for which they wish to view and print a statement. It is also possible for the member to choose to NOT receive printed statements any longer, and simply view them online via **Perfect Teller**. The member has the advantage of not having to store printed statements, and the credit union saves the expense of printing and first class mailing (typical statement stuffers can be sent at bulk mail rates).

The Credit Union has 2 options for setting members to **Electronic Statements Only**

1. In **Program #3** change **Special Indicator Flag #32 HB ELECTRONIC STATEMENT ONLY** flag to **Y**
2. Contact John to activate a feature in **Perfect Teller** which allows members to make that choice. When they click on the link to view statements, they are given the option to not receive printed statements. If they choose that option the flag in **Program #3** is automatically set to **Y**. If they do NOT choose that option, they are unable to view their statements online.

Mike Thayer of Warren MSD FCU requires his members to subscribe to **Electronic Statements** as a condition of using Home Banking. Currently over 30% of his membership receive electronic statements, saving the credit union several hundred dollars a month.

Mike said, "Our members had expressed an interest for some time that they wanted to have access to a "Home Banking" program. We implemented this program in 2004. One of the benefits of "Home Banking" was the delivery of "Electronic Statements". The benefits have been two folded. Members like the convenience of getting their statements electronically. Secondly, by saving the cost of statement preparation and postage expense our credit union recovered the cost of the Home Banking program in a short time period. This saving is now going straight to our bottom line."

There is an optional Automatic Month-End Fee (Program #47, Opt B, Page Down, Opt R) that can be charged only to those members on Home Banking who choose to continue to receive printed and mailed statements. A typical use for this would be a monthly fee of \$2.00 for a member who does more than 3 Home Banking account accesses this month, and doesn't have the Electronic Statements flag in Program #3 set to Y.

AUTOMATIC CHECK HOLDS

Automatic check holds have been added to Shared Branch software and to the Funds Received Window in Program #2. These features are currently being used by some credit unions, and will soon be sent to all others. It is important that you go to the ERS website and print and read the documentation so you understand how this feature works and have the time to train your personnel **BEFORE** the feature appears on your system. This feature is OPTIONAL in **Program #2**, and is only active if a dollar amount is placed in the proper field in **Program #47 Option C**. A second flag in Program #47 Option C allows the CU to choose whether a hold is placed on all checks about the designated amount, or if the teller has the ability to make that decision.

LASER/INKJET PRINTER DRIVER

You have received two new printer drivers. **WWINDOWS** is a universal driver that will work for most modern laser and ink-jet printers. (Laser and Inkjet printers CANNOT currently be used as dedicated check or voucher printers.) **OKI420** works with the OKIDATA 420 printer to print vouchers and checks. To change your printer driver go to Program #1 and type **XCHECK** instead of the credit union password. Remember to turn a printer off and back on after changing drivers. **We apologize for the printer problem created recently. If you are still experiencing problems as a result of the program update, please send an email to sammy@ers2000.com State the brand and model of printer, the printer driver chosen in XCHECK, and details of the problem you are experiencing.**

NOTE: After changing the PRINTER TYPE in XCHECK, always turn the printer off and log out of EZTerm. Turn printer back on, and log back into EZTERM.

METRO2 REPORTING FIELDS

In **Program #4, Page 4 of 9** you will find a number of fields that allow the credit union to send extra information to the credit bureau. Metro2 format for reporting has very strict rules concerning the use of these fields and how they work with one another and the delinquency history of the loan. It has been brought to our attention that credit unions are receiving reports from various credit bureaus concerning errors in these fields. Since ERS does NOT have the ability to know if this information is correct the responsibility falls on the credit union to monitor this information for accuracy.

On our website we have provided the full **Metro2 Instruction Manual** and documents explaining your choices for each of these fields. Please make yourself familiar with this information and print it for your future reference if you choose.

A **Metro2 Derrogatory Report** has been added at month-end in **Program 33 REPORTS**. This shows you any information you have placed in those fields. We strongly urge you to monitor that report every month for changes that might need to be made.

TRUST/ESTATE ACCOUNTS

In **Program #3 Special Indicator Flags** you will now find flag **#25 TRUST/ESTATE INDICATOR**. Setting this flag to **Y** indicates that this account number is a trust or estate account. This will allow us to stipulate the account type correctly when creating the Child Support File you send to Tier Technologies.

[NEW TRANSACTION CODES](#)

You will soon be receiving several new transaction codes. These have been taken from a list of requests sent to us by various credit unions. Please click on **EZ-Find** and search for **Transaction Code** to view the EXCEL spreadsheet showing the **Option V** defaults for these transaction codes.

495 = Express Delivery Fee	496 = Debit Card (NSF) Fee
497 = Debit Card Transfer Fee	498 = Ticket Purchase Type #5
499 = Ticket Purchase Type #6	500 = Ticket Purchase Type #7
501 = Ticket Purchase Type #8	502 = Ticket Purchase Type #9
503 = Item Purchase #4	504 = Item Purchase #5
505 = Item Purchase #6	506 = Item Purchase #7
507 = Item Purchase #8	508 = Legal Fee
509 = Charge Off Loan Reversal	510 = VISA Chargeback
511 = VISA Credit Adjustment	512 = VISA Debit Adjustment

[NCUA \\$100,000 ACCOUNTS](#)

When you run month-end you will now be receiving a report containing members with uninsured shares. The report combines all shares by primary member social security number and lists the primary account number. Listed are all accounts with combined shares (less IRA) that exceed \$100,000 and all IRA accounts (including IRA certificates) that exceed \$250,000. This is a first attempt to create a report based upon the ESI requested format.

[PROGRAMMING HELP](#)

ERS has contracted with Mike Roach, a free lance programmer, to help us develop some time consuming new projects. His help will allow us to release some exciting new features more quickly, without taking valuable time from our programmers to do so. Let's congratulate Mike ahead of time for what should be some great additions to our software.

[NEW TRANSMISSION FEES](#)

Monthly transmission fees which appear on your invoice from ERS have been changed effective January 1, 2007. Some rates were increased and others added to adjust for expense to ERS while keeping the overall affect to your billing from ERS minimal. Changes to rates are as follows:

Share Draft Transmissions:

- First 5000 = .01 each
- 5001 - 100,000 = .002 each (previously .005 each)

Refund for Electronic Statements

- .05 per home bank electronic member statement (previously .04)

ACH Data Transmissions (Added to offset new charge by Federal Reserve Bank)

- First 5000 = .01 each
- 5001 - 100,000 = Temporarily .05 each (until retroactive Federal Reserve fee is recovered)
- 5001 - 100,000 = .025 each after retro charge has been recovered

ATM Data Transmissions (this remains unchanged)

- Real Time ATM Transactions = .01 each

Printing 1099 forms = .10 per form (previously .08 per form)

CHARGING OFF NEGATIVE SHARE BALANCES

As in the past, you can use **Share Deposit** transaction code **260 Write Off Share Overdraw** to bring a negative share balance back to zero, and charge the negative balance to **Expense**. This, however, does not report to the credit bureau.

You can also set up a **New Loan** for the amount of the negative balance and transfer the loan proceeds to the share type to bring the balance to Zero. Charge off the loan. In **Program #4, Page 4 of 9** find the **Collateral Account Type** field. Enter **8B** in this field to indicate a charged off share account. This will be included in your credit bureau report at month-end. **NOTE: We suggest you use the same note number for all loans of this type to make them easier to track.**

FUTURE FEATURES - The following features are currently in production and are expected to be available at no charge from ERS to the credit union.

MEMBERSHIP ID CARDS = Membership cards can be scanned to access the member's account. Cards will be issued with a pre-assigned number that you enter in Program #3, tying the card number to the account number. Communitywide FCU will be determining the scanner and card stock to be used.

EMAIL NOTICES = Will allow you to send NSF, Loan Late Payment and Certificate notices to your member via email. The entire notice program will soon be redone.

PICTURE DATABASE = Pictures of membership cards, members' faces, loan collateral, etc. can be stored and viewed in **EZTERM**. Pictures are stored on your server using AES-256 encryption.

RETESTING SECURITY FEATURES FROM THE SAS70 AUDIT

Following are three things we are going to try to do this year to verify that existing contingency plans are still operable:

Verify that we can bypass the **credit union's internet connection** and still get their daily data files to them via email and diskette transfer to the Linux system. (This has already done several times for credit unions with loss of internet connection.)

Bypass **ERS's normal internet servers and T1 lines**, have data files (ACH, ATM and Share Draft) sent to our alternate site, and then sent to the credit unions.

Set up a Linux system and load in a credit union's backup to verify that the backup recovery routine works. (It could be done on another credit union's system, but that credit union's system would have to be down while the data was being set up for the test.)

REAL-TIME ATM

You will soon be receiving an update to the ATM program. The major change you will experience after receiving this update is that ATM transactions **CANNOT** post if the ATM/POS Card Issued flag in Program #3 is not set to Y.

New and existing card holder accounts:

Be sure that the ATM/POS Card Issued flag in Program #3 is set to **Y**

Use Program #5 Option G to designate ATM Savings and Checking share types. (R and D are the defaults)

CLOSED SHARE TYPE OR ACCOUNT

Contact your ATM processor immediately to block the card.

Change both the ATM/POS Card Issued and Debit Card Issued flags in Program #3 to **N.**

WARNING!!! Always clear computer screens of member account number information as soon as transactions or inquiries are completed to insure that RT ATM transactions can post !!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!