

Compliance Town Hall

Housekeeping

Your lines will be muted throughout the presentation, but your participation is welcome.

Please enter questions on the **Q&A** tab at any time.

You'll receive a copy of the presentation slides and a recording within two business days following the webinar.

All questions (1)

My questions

Lee 01:54 PM

Will there be a follow-up session?



Comment

Type your question here...

Juliana Maneno

Compliance Analyst, Advisory

Joined Jack Henry in 2019

Supports company compliance initiatives, federal laws and regulations, best practices, and industry standards

Implements compliance regulations into business processes

Communicates understanding of current legislation

Tracks new and pending legislation to ensure continued compliance

Email: jmaneno@jackhenry.com



Jeff Paris

Senior Product Manager

Joined Jack Henry in 1998

Manages a large portion of Symitar® core functionality:
Member Services functionality: ACH, dividends, drafts, fees, holds, members, teller transactions, and wires

Reporting functionality: CTR and IRS

General Ledger functionality: Accounts payable and Teller Balancing

Manages product backlogs, moderates IdeaLab submissions and works with product development teams to deliver and communicate core enhancements

Email: jeparis@jackhenry.com



Mel Berczik

Application Support Analyst II

Joined Jack Henry in 2021

Provides software support and guidance for Symitar Lending

Credit Card subject matter expert

Has 15 years of industry experience

Email: mberczik@jackhenry.com



Barbara Fraire

Senior Product Manager

Joined Jack Henry in 1994

Instrumental member of the project that delivered Symitar's first online documentation

Moved into Education and instructional design

Spent more than 20 years developing training on subjects ranging from PowerOn®, Symitar PowerFrame Docs™, and SymXchange™ to Member Business Services and Lending

Currently serving in Product Development as the product manager for Symitar Lending and Commercial Services



Paul Kumbier

Technical Product Manager

Joined Jack Henry in November 2023

Product Management for Symitar® Card Services

Manages product backlog, moderates IdeaLab submissions and works with Card Services programming team to deliver and communicate enhancements

Nearly 25 years of card payments transaction processing and core integration experience

Email: PKumbier@jackhenry.com



Stacy Hinderlitter

Senior Application Support Analyst

Joined Jack Henry in 2012

Manages customer's existing products/processes and consults with customers

Identifies and resolves application and service issues and any other questions

Provides guidance to team members on project tasks and requirements, offers technical expertise on unique or advance problems, and trains less experienced peers

Prepares training materials and documentation for customers and internal uses

Contributes to process and product improvements project as subject matter expert

Provides software support/guidance by answering questions on functions, features and usage of software products.

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Agenda

- Solutions to Frequently Asked Questions
Lending
 - Credit reporting parameters, Metro 2® vs. Metro 1, loan cycle timing, credit card minimum payment
- Applications
 - *Dividends posting exception report, anniversary dividend exceptions, account batch warning exceptions*
- 2024 Symitar® compliance enhancements
- Features on the Horizon
- 2024 Compliance calendar review
- Compliance resources
- Q & A

The background is a solid dark blue. It features a graphic design consisting of three large, overlapping circles of a lighter blue color. Two thin, vertical lines of the same lighter blue color run through the circles, intersecting them. The word "Lending" is centered in the middle of the composition.

Lending

In this section

- What are credit retrieval parameters?
- Metro 2® (versions 1 & 2)
- Why didn't the due date advance?
- What is the minimum credit card payment?



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What are Credit Retrieval Parameters?

What are Credit Retrieval Parameters?

There are two ways the system can hold defaults for your credit retrieval requests.

- CRS.CFG: A configuration programmed “behind the scenes”
- CRS Parameters: In Parameter Manager

If there is only one set of credentials for each bureau, we encourage you to switch to CRS Parameters.

Using CRS Parameters allows independent maintenance of defaults. Some bottom-line benefits are:

- You no longer need a billable CWR for JH to program the defaults
- You no longer need JH to encrypt Experian® passwords
- Risk Models or Optional Features are initiated without help from JH



● What are Credit Retrieval Parameters?

The screenshot shows the 'Parameter Manager' interface. At the top, there is a gear icon and the title 'Parameter Manager'. Below this, a dropdown menu is set to 'Credit Retrieval Parameters'. The interface is divided into three main sections:

- Experian:** Contains fields for Subscriber Code, Password, Password Expiration, Bureau Info, Optional Feature Code, Risk Model 1 through 5, Operator Code, and Test Environment.
- Credit Retrieval Parameters:** A sidebar menu with options: General Parameters, Experian, Equifax, TransUnion, and ChexSystems.
- General Parameters:** The active section, highlighted with a red arrow. It contains the following fields:
 - Use CRS Parameters: **Yes**
 - Default Bureau: **1 Experian**
 - de: **11111111**
 - ration: **__/__/__**
 - ire Code: **B**
 - ID:
 - ord:
 - ord Expiration: **__/__/__**
 - Code:
 - Expiration: **__/__/__**
 - o:
 - ent: **No**

CRS Parameter Fields

Update CRS Parameters with your credit union preferences.

Change the **Use CRS Parameters** parameter to **YES**.

Take CRS off host and bring it back on host in Device Control.

The background is a solid dark blue. It features a graphic consisting of three overlapping circles of the same color, arranged horizontally. Two thin, light blue vertical lines pass through the centers of the outer circles, extending from the top to the bottom of the frame.

Metro 2[®] (versions 1 & 2)

- **Metro 2® (versions 1 & 2)**

Report Tape Format

Metro 2 Episys v. 1 is obsolete. If using this setting:

- Credit report file is inaccurate
- Reporting values are not recognized
- Requires an internal “project” to update
- Do not switch the **Report Tape Format** field until testing has been completed and all bureaus that receive your file have certified the test files

The image displays two screenshots of the 'Parameter Manager' software interface, specifically the 'Credit Reporting Parameters' section. Both screenshots show the 'General Parameters' tab. A red arrow in each screenshot points to the 'Report Tape Format' field.

Top Screenshot (Correct Setting):

- Report Tape Format:** 2 Metro 2 Format (Episys v.2)
- Last Report Date:** 09/30/2032
- Payment History Logic:** 0 Do not include delinquencies between reporting dates
- Name Logic:** 2 Report pledge and loan names only
- Share Account Type:** 8E
- Credit Card Bal Option:** 0 Balance + Unpaid Interest + Late Charges

A green checkmark is visible to the right of the 'Report Tape Format' field in the top screenshot.

Bottom Screenshot (Obsolete Setting):

- Report Tape Format:** 1 Metro 2 Format (Episys v.1)
- Last Report Date:** 09/30/2032
- Payment History Logic:** 0 Do not include delinquencies between reporting dates
- Name Logic:** 2 Report pledge and loan names only
- Share Account Type:** 8B
- Credit Card Bal Option:** 0 Balance + Unpaid Interest + Late Charges

A red X is visible to the right of the 'Report Tape Format' field in the bottom screenshot.

The background features three overlapping circles of a lighter blue color, arranged horizontally. The central circle is the largest and most prominent, with the other two partially visible on either side. The text is centered within the central circle.

**Why didn't the due date
advance?**

Why didn't the due date advance?

This could be for a few reasons:

- The member paid too early
- Recent file maintenance changes in the loan were incomplete
- The member has met their maximum due date





The member paid too early

Although the generally mindset is “I am due on the 1st, I can make my payment on or after the 1st for the month”, that is not how the system works.

A payment cycle is not only “when the payment is due”; it is also “when the payment to the loan can be made and have it applied to that payment due.”

For most consumer loans, the member can make a payment almost a month before they are due, and the system will advance the due date. In this example, the member is due for 10/1.

But the **Beginning Cycle Date** field is set to 9/2—almost a month before. This means, that if the member makes their full payment amount on or after 9/2, the system will advance the due date. If the member had a due date of 10/1, and they made a payment before 9/2, the system would not advance the due date. That payment would be thought of as an extra payment for the cycle before.

Open Date:	06/01/2032
Close Date:	__/__/__
Due Day 1:	1
Due Day 2:	0
Due Date:	 10/01/2032
Max Loan Due Date:	11/01/2032
New Loan Due Date Code:	00 No change
Due Date Advance Code:	0 Use Max Due Date Advance Period
Max Due Date Advance Period:	1
Initial BCD Setting Option:	0 Use Current Cycle Due Date - 1 Period + 1 Day
BCD Day 1:	2
BCD Day 2:	0
Beginning Cycle Date:	 09/02/2032
Balloon Date:	__/__/__
Balloon Amount:	0.00
Maturity Date:	06/10/2062

Defining a cycle

Recent file maintenance changes in the loan were incomplete.

When a member wants to make a change to the due date, update the **Due Day 1**, **Due Date**, and **BCD Day 1** fields.

Exception: If the Loan meets the following Loan products, the **BCD Day 1** field may need to stay the same.

- Interest-only loan
- Credit card
- Loan for which the system calculates a different payment every month

Open Date:	06/01/2032
Close Date:	__/__/__
Due Day 1:	5
Due Day 2:	0
Due Date:	09/05/2032
Max Loan Due Date:	10/05/2032
New Loan Due Date Code:	00 No change
Due Date Advance Code:	0 Use Max Due Date Advance Period
Max Due Date Advance Period:	1
Initial BCD Setting Option:	0 Use Current Cycle Due Date - 1 Period + 1 Day
BCD Day 1:	2
BCD Day 2:	0
Beginning Cycle Date:	09/02/2032
Balloon Date:	__/__/__
Balloon Amount:	0.00
Maturity Date:	06/10/2062

The background is a solid dark blue. It features a geometric pattern of thin, light blue lines. Two large, overlapping circles are centered horizontally, with their outlines visible. Two vertical lines run from the top to the bottom of the frame, intersecting the circles.

**What is the minimum
credit card payment?**

Credit Card Minimum Payment

We have seen an increase in cases where credit unions are concerned that the minimum payment set by the Interest Type Parameter isn't enough to satisfy the interest accrued for the credit card during that statement cycle. Since we are in a rising rate environment, it might be beneficial for credit unions to evaluate their Interest Type Parameters **Payment Percentage** field.

If the credit union has further questions, they can open up a case with Lending Support and we will be more than happy to assist with their questions.

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Application

In this section

- Dividend Posting Exceptions

Source: Dividend Posting batch program

- Anniversary Dividend Exceptions

Source: Daily Posting batch program

- Account Batch Warning

Source: ACH Posting, Daily Posting, Dividend Posting, Draft Posting, EFT Batch File Maintenance, Fee Posting, Insurance Posting, Miscellaneous Posting, Payroll Posting, Rate Change Processing, and Wire Posting batch programs



• Dividends Posting Exception Report

Sample footer text

Report Sample
Dividend Posting exceptions

Account	ID	Name	Secondary	ID	Pmt Made	Required	Funds Avail	Description
0000000000	0030	BROWN, JANE	0000000000	0074		22.44	22.44 *	Share Closed
0010000000	0030	PUBLIC, JOHN				0.00	151.25*	Account Batch Warning
0000000000	0030	JOHNSON, JAME				2.85	2.85 *	Share Not Found
0000000000	0032	BROWN, JOHN					100.56*	Insufficient Transfer List
0000000000	0000	XXXXXXXXXXXX	0000000000	0000		000.00	000.00*	Withholding amts exceed distribution
amt								
Exception Count: 0,000								
					Unposted Amount: 00,000.00			

- Anniversary Dividend Exceptions

Sample footer text

Report Sample
Anniversary Dividend Exceptions

Account	ID	Name	Secondary	ID	Pmt Made	Required	Funds Avail	Description
0000000000	0030	BROWN, JANE	0000000000	0074	22.44		22.44 *	Share Closed
0010000000	0030	PUBLIC, JOHN			0.00		151.25*	Account Batch Warning
0000000000	0030	JOHNSON, JAME			2.85		2.85 *	Share Not Found
0000000000	0032	BROWN, JOHN					100.56*	Insufficient Transfer List
0000000000	0000	XXXXXXXXXXXX	0000000000	0000	000.00		000.00*	Withholding amts exceed distribution amt

Exception Count:		0,000		Unposted Amount:		00,000.00		

Account Batch Warning Exceptions

Account	S/L/X	ID	Description	Override Warning Code
0000007406			(Account Batch Warning)	NO BATCH POSTING ALLOWED
0000010371	S	15	(Share Batch Warning)	NO BATCH POSTING ALLOWED
0000024531			(Account Batch Warning)	NO BATCH POSTING ALLOWED
0000000000	S	0000	Share Batch Warning	
0000000000	S	0010	Share Charged Off	
0000000000	S	0001	Share Closed	
0000000000	S	0002	Share Closed	
0000000000	L	0006	Loan Closed	
0000000000	S	0011	Share Charged Off	
0000000000	L	0001	Loan Charged Off	
0000000000	L	0002	Loan Closed	
0000000000	L	0062	(Loan Batch Warning)	DELINQUENT LOAN
0000000000	S	0018	Share Closed	
0000000000	L	0051	Loan Closed	
0000000000	L	0096	(Loan Batch Warning)	WARNING NUMBER 96
0000000000	S	0018	Share Closed	
0000000000	S	0055	Share Batch Warning	
0000000000	S	0055	Share Batch Warning	
0000000000			Account Closed	
0000000000			(Account Batch Warning)	DELINQUENT LOAN
0000000000	L	0010	(Loan Batch Warning)	DELINQUENT LOAN
0000000000	L	0020	Loan Closed	
0000000000	S	0000	(Share Batch Warning)	WARNINGNUMBER 10
0000000000	S	0011	(Share Batch Warning)	
0000000000	X	0000	(XXXXXXXXXXXXXXXXXXXXX)	XXXXXXXXXXXXXXXXXXXXX
0000000000	X	0000	XXXXXXXXXXXXXXXXXXXXX	

Exception Count: 00,000

CTR Batch Creation Exceptions

This report lists exceptions that occurred during Currency Transaction Report (CTR) batch record creation, and the reason for the errors.

Source: CTR Processing batch program

Report Category: CASHNEGINS

Report Sample

Your Credit Union Name Here CTR Batch Creation Exceptions 00/00/00 at 11/11/11 00:00 Seq 000000 Page 1

Error: CTR Branch record not created

CTR Nbr	Account	S/L ID
0000000108	S 0000	

Error processing a GL Transaction:

Account	S/L ID	Amount	Foreign Amount	Date	Time	Origin	Sequence
0000211870	S 0000	25,000.00	0.00	06/01/03	09:21	TT	414

Error: CTR Account record not created -

CTR Nbr	Account	S/L ID
0000000108	S 0000	

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2024 Symitar® Compliance Enhancements

- **Standardize Re-Amortization of Non-Credit Card Loans with Active Promos**
- **Modified the logic for determining whether a promotional rate applies to a new balance after an add-on**
 - Ensures that the re-amortized payment calculated for a loan with a value in the **Payment Calc Type** field the payment that is calculated by the Loan File Maintenance Processing batch program

- **Provide New Field Options for HMDA Reporting**

For 2024 reporting, new options are available for:

- **Automated Underwriting 1–5** fields in Application record
 - **(7) Internal Proprietary System**
- **Applicant Scoring Model** field in Application Person record
 - **(11) FICO Score 9**
 - **(12) FICO Score 8**
 - **(13) FICO Score 10**
 - **(14) FICO Score 10T**
 - **(15) Vantage Score 4.0**

Continue to use the corresponding **Other** fields until R2024.00 is loaded.

- A specfile to assist you in updating these records to use the new options will be available on JH Marketplace

- **Minimum Payment Disclosure for Credit Card Loans Included in the Data-Only Statement for Loans that Will Never Pay Off**

Although provided on the standard and laser statement formats, the minimum payment disclosure was missing from the data-only statement file

- To correct this problem, we changed data values for two fields in the file:
 - In record 503, field 01, value of **Not Possible (for payoff)** changed from **0** to **2**
 - In record 503, field 07, value of **Months (until payoff)** changed from **0** to **2**
- Make sure to communicate this information to your statement vendor

- **ISO 20022 Wire Format Part 2**

- Added new fields to Wire record to support the ISO 20022 format
- Added new parameter to control wire message format and processing

Wire Miscellaneous Parameters

OK Cancel

Fed Format: ISO 20022 ▼

Default Business Function Code: FAIM

Outgoing Member Wire GL Offset: ISO 20022

Outgoing Corp Wire GL Offset:

- Create updated version of *Wire* wizard, Wire Posting Batch program, reports, and standard receipts

Update Reg E Data and Logic

What is Regulation E?

- Regulation E was established by the Federal Reserve Board
- Outlines rules for electronic funds transfer including debit cards and ACH transfers
- Intended to protect consumer



Update Reg E Data and Logic



Merchant name not being displayed

- For the interfaces to CPS, Visa DPS, and Star NE, the merchant was coming through as numeric in some instances on debit card transactions.
- Removed Data Element 98 as the source of merchant name and added Data Element 48 or 43 for source of merchant name after consulting with CPS, Visa DPS, and Star NE.

The background of the slide features three large, overlapping circles in a lighter shade of blue. These circles are arranged horizontally, with the central circle overlapping the two flanking circles. The text is centered within the central circle.

Features on the horizon

- **Upcoming Compliance Features**
 - **Secure Act 2.0**
 - Catch-up contributions
 - Age limits
 - **2024 IRS Yearly Updates and Changes**
 - **IRA Contributions Due to Federal Disaster**
 - **NAUPA**
 - Format III
 - **Section 1071 Dodd-Frank Act**
 - On hold pending ruling from SCOTUS in June 2024

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Industry Updates

- **CUNA Mutual Name Change**


- CUNA Mutual Group is now TruStage™
- To support the new branding, we created copies of the following PowerOn Library specfiles:
 - **RB.CUNA.MONTHLY.EXTRACT › RB.TRUSTAGE.MONTHLY.EXTRACT**
 - **RB.CUNA.MONTHLY.EXTRACT.2006 › RB.TRUSTAGE.MONTHLY.EXTRACT.06**
 - **RB.INS.PARTICIPATION.CUNAMUTUAL › RB.INS.PARTICIPATION.TRUSTAGE**
- The CUNA-branded versions of these specfiles will be removed in Symitar Release 2025.00

Note: Additional brand name changes are being made on a client-by-client basis to edit runs. Credit unions that have CUNA-branded specfiles will be contacted by Jack Henry to facilitate this effort.



2024 Final Rules compliance calendar

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- **2024 Final Rule**

HMDA Threshold

01/01/2024

Regulation Z Threshold Adjustments

01/01/2024

Beneficial Ownership

01/01/2024

Regulation M Threshold Adjustments

01/01/2024

Regulation Z (credit cards, HOEPA, qualified mortgages)

01/01/2024

Fair Credit Reporting Act (FCRA)

01/01/2024

- **2024 Final Rule**

**Appraisals for Higher-Priced Mortgage Loans
Exemption**

01/01/2024

Fair Credit Reporting Act; File Disclosure

01/23/2024

Supervisory Appeals Process

02/22/2024

Credit Card Penalty Fees

05/14/2024

Small Business Lending (Regulation B)

Pending



Credit Card Penalty Fees

- Scope: Issuers and affiliates with 1 million credit card accounts
- Lowers typical fee from \$32 to \$8
- Compliance date: May 14, 2024
- Symitar Core enhancement not required





Small Business Lending under Regulation B

- Collect and report to the CFPB data on applications for credit for small businesses, including those that are owned by women or minorities.
- Effective: Pending
- Symitar will use a service being developed by LoanVantage™





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Upcoming Compliance Town Halls

June 26, 2024

September 18, 2024

December 4, 2024

Questions?





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