Technology Systems Solutions
Collection Package

Collection is an involved and complicated process. The process of collecting from a member can involve many processes that each have laws to adhere to, data to track and deadlines to meet. The credit union will need to keep track of data for bankruptcies, repossessions, lawsuits, outsourcing to collection agencies, and troubled debt restructuring.

The first and most basic step is to contact the member. The Episys Collection Package uses a PowerOn specfile to allocate accounts into the various Collection Queues for a collector to work. This is part of the Daily Post posting job normally run every night. Since this is a PowerOn specfile the placement into the queues can be customized for the credit union. By grouping together all bankruptcies in a queue the collector knows that each member in the queue needs to be treated in accordance with the bankruptcy laws. The same is true for real estate, repossessions or normal delinquencies and negative shares.

Our PowerOn package helps automate the following for the credit union:

1. Place the members in queues according to predefined criteria.
2. Store data needed for the process required.
3. Track progress for the collectors & management
4. Automate the charge off process.

Collection Queue Process

The first PowerOn specfile in the package is COLLECTION.QUEUE. This will place member accounts in the queues according to how the member will be approached. The recommended queues are:

1. Employees & Officers
2. Bankruptcies
3. Repossessions
4. Open loans on an account with a charged off loan
5. Real Estate
6. Greater than 90 days delinquent
7. 60 to 90 days delinquent
8. 30 to 60 days delinquent
9. 15 to 30 days delinquent
10. Negative Shares without a delinquent loan

The accounts will be placed in the queue in priority based on the following criteria:

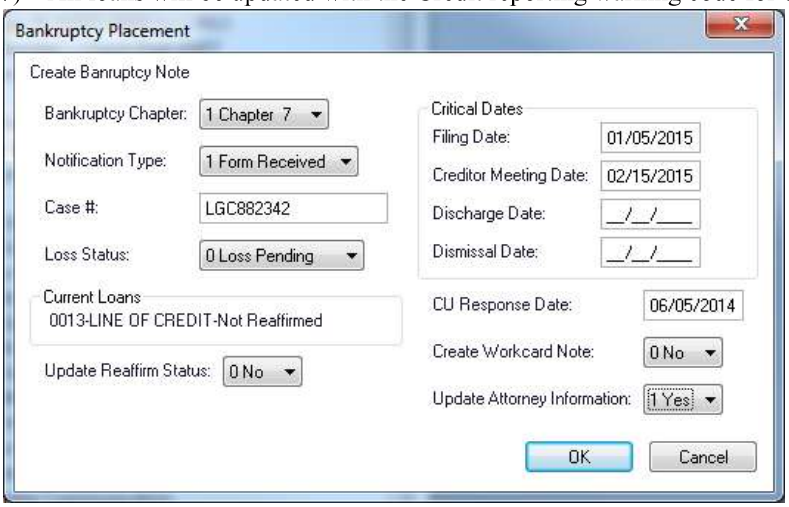
1. Days past a broken promise
2. Days past the next scheduled work date
3. The amount tier (ex. Greater than $10,000, $5,000 to $10,000, less than $5,000)
4. Number of days past due.

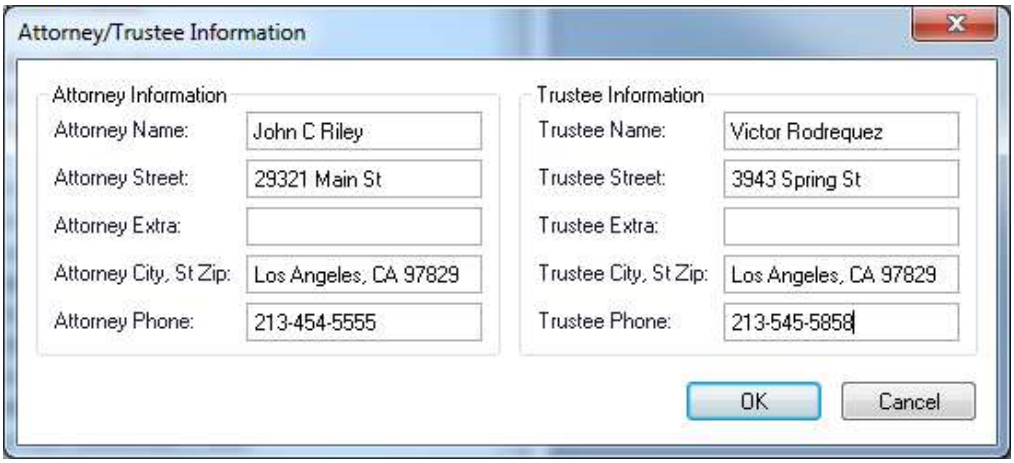
In addition it will produce a status report to show the productivity of the collectors in each queue. An example is attached titled Queue Production Reports

Bankruptcy Process

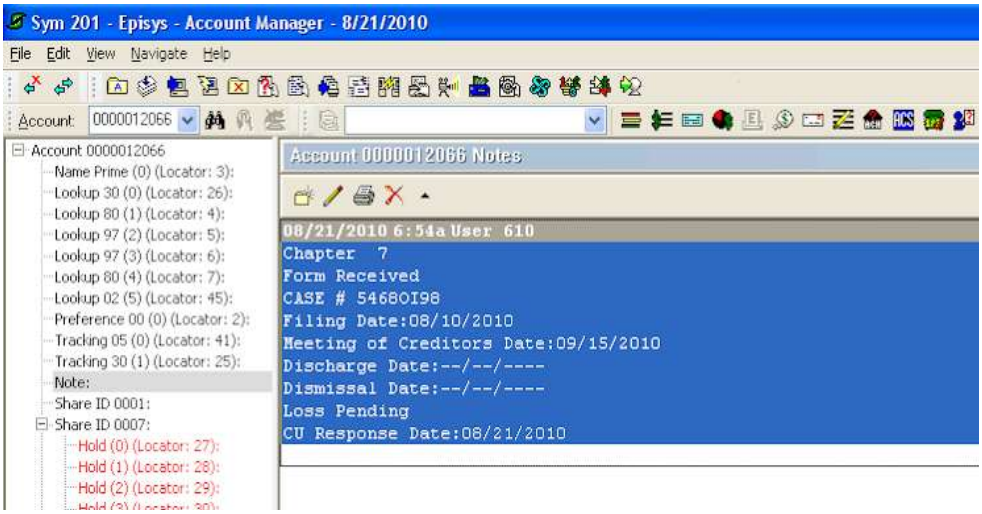
To keep track of bankruptcies there is a scripted FM PowerOn specfile titled FD.BK. This will keep track of bankruptcy data as follows:

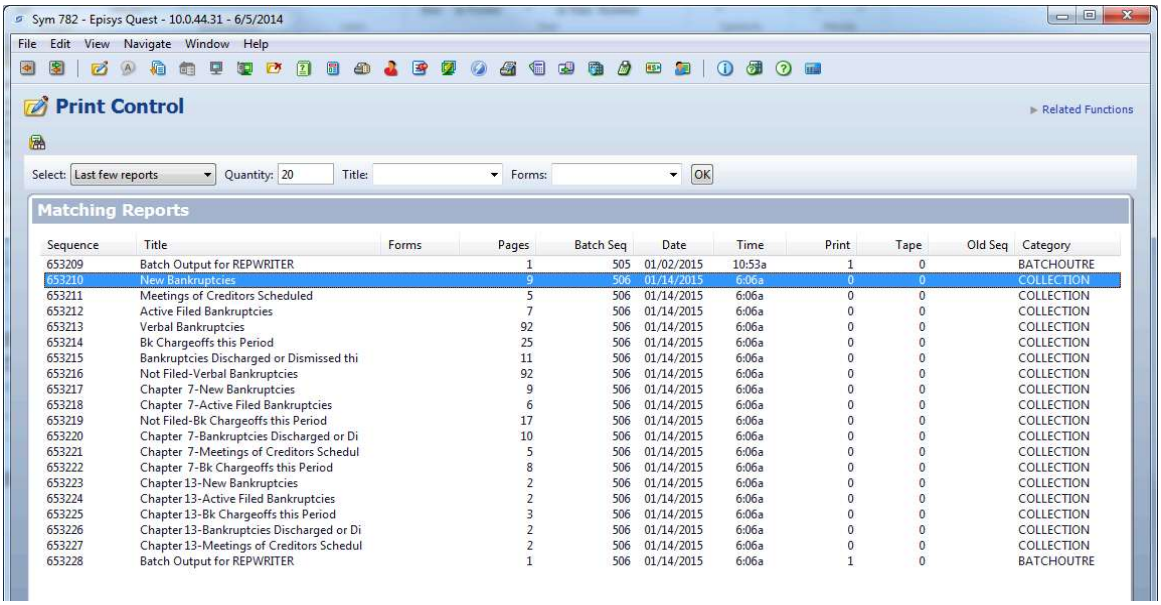
1) A note at the account level
   a) Type of Bankruptcy (Verbal, Chapters 7,11,or 13)
   b) Verbal or Filed
   c) Case number
   d) Filing Date
   e) Meeting of Creditors Date
   f) Discharge Date
   g) Dismissal Date
   h) Loss Status
   i) Credit Union Response Date
2) A note on the share or loan to indicate if the loan has been reaffirmed in the bankruptcy.
3) A note in the collection package will automatically record any changes each time the Account noted is updated.
4) An additional note in the Collection package will maintain:
   a) the Attorney Information (Name Address Phone)
   b) the Trustee Information (Name, Address, Phone)
5) Place a warning code on the account to correspond to the Bankruptcy type
6) Place a comment on the account as desired.
7) All loans will be updated with the Credit reporting warning code for bankruptcy





Bankruptcy Process Screen Samples Continued





Sequence	Title	Forms	Pages	Batch Seq	Date	Time	Print	Tape	Old Seq	Category
653209	Batch Output for REPWRITER		1	505	01/02/2015	10:53a	1	0		BATCHOUTRE
653210	New Bankruptcies		9	506	01/14/2015	6:06a	0	0		COLLECTION
653211	Meetings of Creditors Scheduled		5	506	01/14/2015	6:06a	0	0		COLLECTION
653212	Active Filed Bankruptcies		7	506	01/14/2015	6:06a	0	0		COLLECTION
653213	Verbal Bankruptcies		92	506	01/14/2015	6:06a	0	0		COLLECTION
653214	Bk Chargeoffs this Period		25	506	01/14/2015	6:06a	0	0		COLLECTION
653215	Bankruptcies Discharged or Dismissed thi		11	506	01/14/2015	6:06a	0	0		COLLECTION
653216	Not Filed-Verbal Bankruptcies		92	506	01/14/2015	6:06a	0	0		COLLECTION
653217	Chapter 7-New Bankruptcies		9	506	01/14/2015	6:06a	0	0		COLLECTION
653218	Chapter 7-Active Filed Bankruptcies		6	506	01/14/2015	6:06a	0	0		COLLECTION
653219	Not Filed-Bk Chargeoffs this Period		17	506	01/14/2015	6:06a	0	0		COLLECTION
653220	Chapter 7-Bankruptcies Discharged or Di		10	506	01/14/2015	6:06a	0	0		COLLECTION
653221	Chapter 7-Meetings of Creditors Schedul		5	506	01/14/2015	6:06a	0	0		COLLECTION
653222	Chapter 7-Bk Chargeoffs this Period		8	506	01/14/2015	6:06a	0	0		COLLECTION
653223	Chapter 13-New Bankruptcies		2	506	01/14/2015	6:06a	0	0		COLLECTION
653224	Chapter 13-Active Filed Bankruptcies		2	506	01/14/2015	6:06a	0	0		COLLECTION
653225	Chapter 13-Bk Chargeoffs this Period		3	506	01/14/2015	6:06a	0	0		COLLECTION
653226	Chapter 13-Bankruptcies Discharged or Di		2	506	01/14/2015	6:06a	0	0		COLLECTION
653227	Chapter 13-Meetings of Creditors Schedul		2	506	01/14/2015	6:06a	0	0		COLLECTION
653228	Batch Output for REPWRITER		1	506	01/14/2015	6:06a	1	0		BATCHOUTRE

Bankruptcy Process Screen Samples Continued

Report 653212 - Active Filed Bankruptcies - 506 01/14/2015

```
-----------------------------------------------------------------------------------------------------------------------------------

05/30/14   9999999999   MEMBER,JOHN        Chapter 13     05/30/14  07/09/14  --/--/--  --/--/--            106,992.58
                  Form Received       Type ID   Description                  Past Due Amt        Balance    Assign Dt
                                      ---------------------------------------------------------------------------------------------
                                      0006 0002 2007 DODGE DAKOTA                     0.00       9,029.52    --/--/--
                                      0006 0004 2007 CHEVY COBALT                   382.31       6,831.09    --/--/--
                                      0060 0007 B 1ST MORTGAGE                    1,066.92      91,131.97    --/--/--
-----------------------------------------------------------------------------------------------------------------------------------

06/04/14   9999999999   MEMBER,JOHN        Chapter  7     06/02/14  06/30/14  --/--/--  --/--/--                770.80
                  Form Received       Type ID   Description                  Past Due Amt        Balance    Assign Dt
                                      ---------------------------------------------------------------------------------------------
                                      0210 0002 2005 CHRYSLER TOWN AND COUNTRY        0.00         770.80    --/--/--
-----------------------------------------------------------------------------------------------------------------------------------

03/06/14   9999999999   MEMBER,JOHN        Chapter  7     03/04/14  --/--/--  --/--/--  --/--/--             14,160.42
                  Form Received       Type ID   Description                  Past Due Amt        Balance    Assign Dt
                                      ---------------------------------------------------------------------------------------------
                                      0999 0001 INDIRECT NEW AUT                 28.779.44      14.160.42    --/--/--  12/24/08
```

Report 653212 - Active Filed Bankruptcies - 506 01/14/2015

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RIO GRANDE CREDIT UNION                  Active Filed Bankruptcies                06/05/14 at 01/14/15 06:06 Seq 653212   Page     7


                                   Loan Count         Loan Amount
0005 NEW AUTO                               4            69,040.53
0006 USED AUTO                             12           106,479.49
0008 USED RV AND BOATS                      1             4,182.93
0009 INDIRECT NEW AUTO                      2            31,048.64
0010 INDIRECT USED AUTO                     1             2,855.42
0024 SIGNATURE                              6            14,896.58
0060 REAL ESTATE 1ST                        1            91,131.97
0101 SIGNATURE                              9            19,097.84
0102 SIGNATURE-NMCCU                        1             2,516.07
0105 LINE OF CREDIT                         1             8,908.07
0210 USED AUTO                             10           111,813.26
0251 INDIRECT NEW AUTO                      1            26,867.34
0252 NMCCU NEW INDIRECT                     1            16,992.90
0260 INDIRECT USED AUTO                     1            27,743.44
0261 NMCCU USED INDIRECT                    1             9,761.16
0301 TDR UNSECURED                          1               158.76
0310 TDR SECURED                            4             9,146.37
0999 CHARGE OFF                             7            55,293.21
                                   ----------       ---------------
     Total for all types:                  64           607,933.98


Not Filed                                   0                 0.00
Chapter  7                                 50           346,817.96
Chapter 11                                  0                 0.00
Chapter 13                                 14           261,116.02
                                   ----------       ---------------
Total                                      64           607,933.98
```

Repossession Process

The process to be automated is the repossession process. The repossession process has the following steps which will be tracking using scripted FM PowerOn specfiles and Symforms.

1) Symform REPOORDER
   a) Create the tracking record on the loan. This information will prefill in future Symforms
      i) Repossession agency information (Name, Address, Phone, Fax).
      ii) Date assigned
      iii) Vehicle information (Year, Make, Model, VIN, License Plate)
   b) If the vehicle was assigned to a different agency previously then the previous information is stored as "previous agency" and the new information is place in the current fields
   c) Restrict the account
   d) Place the Repo Pending warning code on the account and loan.
2) When the car is repossessed and evaluated by the credit union the FD.WRITEDOWN is used. This will:
   a) Store the following values entered by the user in the tracking record.
      i) NADA Retail Value
      ii) NADA Loan Value
      iii) Black Book Wholesale
   b) Estimate the write down amount based on the current balance - NADA Loan Value * 80%
      i) Store this value in the tracking record
      ii) Add the amount to the LOAN:CHARGEOFF field
      iii) Update the collection notes with the information
3) Symform NOIS Notice of Intent to Sell (separate but similar PowerOn specfile for a NOIS BK)
   a) This will prefill information in the tracking record
   b) Change the account and loan warning code to Repo Sale Pending
   c) Store the repossession date
   d) Store the auction house information
   e) Store the current location of the vehicle
   f) Store the auction date
   g) Update the collection notes with NOIS sent and the sale date
4) Symform Deficiency Letter (separate but similar PowerOn specfile for Deficiency Letter for BK)
   a) Prefill from tracking record
   b) Store the sale amount
   c) Store the date sold
   d) Expire the repo warning code
   e) Create a collection note with:
      i) Deficiency Letter sent
      ii) Date sold
      iii) $ Debt secured by collateral
      iv) $ less Unterned interest
      v) $less Proceeds from sale
      vi) $ Plus repo fees
      vii) $ Less credit not above
      viii) $ Deficiency Amount
      ix) Amount Due

Outsourced Collection Agency

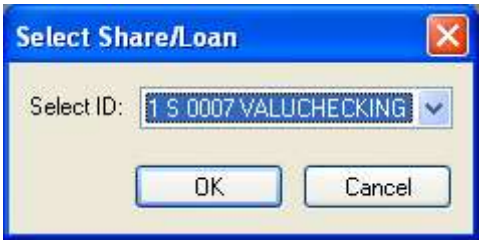
The data for a debt that has been outsourced will be tracked with FD.CP.AGENCY.

1) A tracking record will be created that will contain:
    a) The current Agency Information (Name, Address, Phone)
    b) Dollar amount when assigned
    c) Date assigned
    d) Same information for each previous agency
2) Set account & loan warning code to indicate the debt has been outsourced
3) Store and update agencies that are used by the credit union

Law Suits To Collect Debts

The data for lawsuits filed by the credit union to collect debts will be tracked using FD.SUIT. This will store information in a note on the share or loan

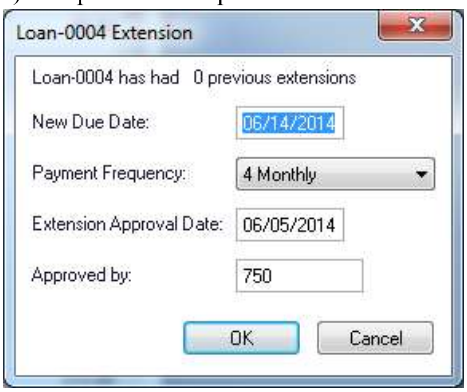
1) Suit information stored in a loan note will be
    a) Stage of the process
        i) Requested
        ii) Filed
        iii) Judgement
        iv) Garnishment
        v) Closed
    b) Case Number
    c) Request Date
    d) File Date
    e) Court Date
    f) Judgement Date
    g) Attorney Information (name, address, phone)
    h) Information will be duplicated in a collection note as well
2) A warning code will be placed on the account

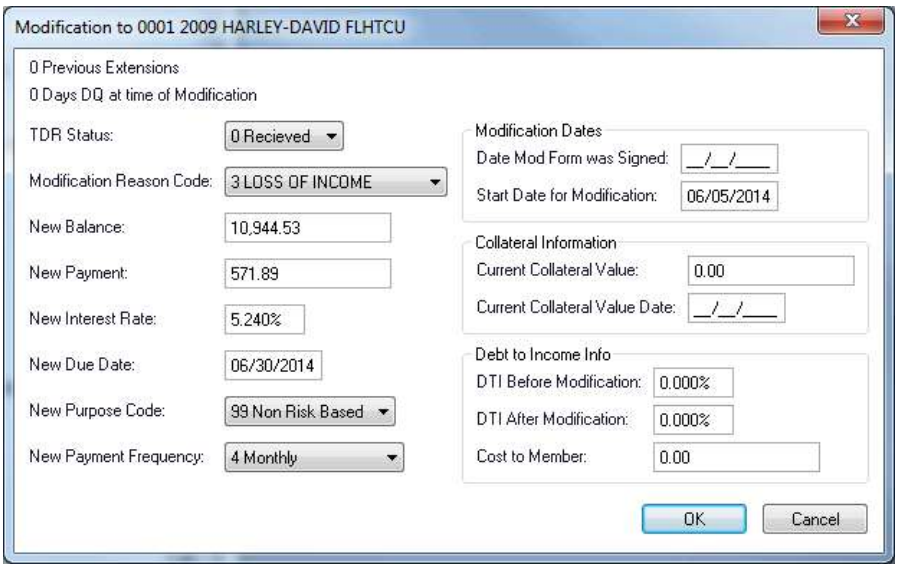


Troubled Debt Restructuring

This data will be tracked using FD.TDR & FD.TDR.RECIND.

1) This Information will be tracked in a tracking record by FD.TDR
   a) Modification Code
   b) Forbearance Term Modification
   c) Original Purpose code
   d) Original Payment frequency
   e) Reason for Modification
   f) Interest rate Modification Code
   g) Interest Modification
   h) Balance Before Modification
   i) Payment before modification
   j) Unpaid interest before modification
   k) Amount added to unpaid interest
   l) Modification start date
   m) Original Maturity date
   n) Collateral date before modification
   o) Interest date before modification
2) If the member does not adhere to the terms for the modification, FD.TDR.RECIND will place the original value back on the loan.
3) Reports will be possible for NCUA 5300 reporting





Chargeoff Process

The chargeoff process will be handled by FD.CHARGEOFF

1) FD.CHARGEOFF is a scripted FM that will modify the loan or share and the account by answering the chargeoff type and Interest and fee questions. The following will be modified:
   a) Loan Fields
      i) Warning codes added or expired
      ii) Service code set to 0
      iii) Credit reporting code
      iv) Credit reporting comment
      v) Interest rate
      vi) Interest rate index
      vii) Interest unpaid
      viii) DQ notice number
      ix) Late charge type
      x) Credit Limit
      xi) Credit Limit expiration date
      xii) Chargeoff Type
      xiii) Chargeoff amount
      xiv) Insurance type
      xv) Statement mail code
      xvi) Statement Group
      xvii) Description
      xviii) Payment Method
      xix) Creation of the 1099-C Tracking Record with a Cancellation date based on the Chargeoff Type
   b) Share Fields if a share is charged off
      i) Warning codes added or expired
      ii) Service codes set to 0
      iii) Chargeoff type
      iv) Chargeoff amount
      v) Statement mail code
      vi) Statement group
      vii) Description
      viii) Chargeoff date
      ix) Dividend type
      x) Overdraft tolerance
      xi) If fees are reversed for NSF or Courtesy Pay it will be placed in a note
   c) All Open shares on the account will be set to a dividend type that does not pay dividends
   d) A comment on the account indicating that there has been a charge off
   e) Account fields updated
      i) Warning code
      ii) Restrict level
      iii) Statement mail code

Tracking, Management & Audit Reporting

Now that information is being tracked on Episys we can pull reports for management. A few samples are included (see attached for samples):

1) Collection Reports
2) Queue Production Reports
3) EOM Status report

Tracking these processes in the system allows a collector to accomplish all her work within Episys. There will no longer be a need to find outside documents or files while speaking to a member. The collector can save time by entering the information in an organized fashion and have their collection notes updated at the same time. In addition, analysis reports can be created so management can get a clearer picture of the status of credit union collection efforts.

Collection Tracking Records

OK Cancel

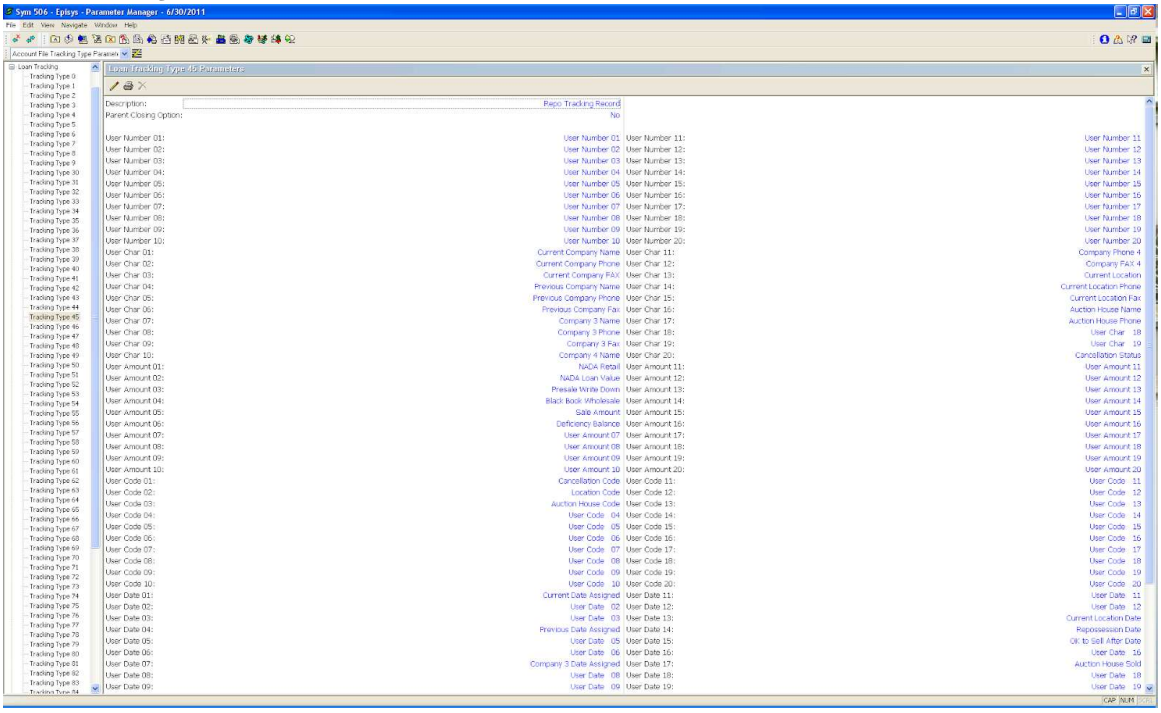
Expiration Date: __/__/____

Custom Fields:

Repo Agency Name:	HOOKEM AND SNOOKEM
Repo Agency Phone:	505-555-1234
Repo Agency FAX:	505-555-4321
Previous Agency Name:	
Previous Agency Phone:	
Previous Agency FAX:	
MMR Condition Rating:	
MMR Valuation Category:	
Curreny Location Name:	
Current Location Phone:	
Current Location FAX:	
Auction House Name:	
Auction House Phone:	
Auction House FAX:	
NADA Trade:	0.00
MMR Average:	0.00
MMR Below:	0.00
Net Realized Value:	0.00
Presale Write Down Amount:	0.00
Sale Amount:	0.00
Credits Since Repo:	0.00
Debits Since Repo:	0.00
Deficiency Balance:	0.00
Location Code:	0
Location Code:	0
Repo Agency Assignment Date:	06/05/2014
Repo on Hold Date:	__/__/____
Previous Assignment Date:	__/__/____
GAP Refund Request Date:	__/__/____
MBI Refund Request Date:	__/__/____
Cr Life Refund Request Date:	__/__/____
CPI Refund Request Date:	__/__/____
Current Location Date:	__/__/____
Repossession Date:	__/__/____
Ok to Sell Date:	__/__/____
Valuation/Writedown Date:	__/__/____
Sold Date:	__/__/____
Redemption Date:	__/__/____

CAPS NUM

Loan Tracking Records



Reports

Report 652669 - TDR Monthly Report - 395 11/03/2014

```
                                                                  Hard-                                    Original Original
Account    ID   Name              Collateral                   # Ext ship    Concessions                     Balance Mat Date
-----------------------------------------------------------------------------------------------------------------------------------
0000006344 0009 NIETO,KATIE J     TDR REAL ESTATE 1ST              0 Yes Mods:                            249,000.00 06/01/16
Mod Date    Balance After New Mat Date    Current Value Value Date    Current Balance   Amt Received # Mon/Mod    Consecutive pmts
05/31/11       249,000.00 06/01/16          294,073.00 03/10/14          235,401.37      32,864.82        37                  65
Curr LTV    Curr Due Date   Curr DQDTI Before DTI After Cost to Member
 80.048%        05/31/14         5   0.000%     0.000%           0.00
    Summary
    We held second mortgage on property with balance of 90258.00 with maturity date of 09/28. Member came to us stating she
    could not afford both the First and Second mortgage. We refinanced the loan purchasing the first mortgage,
    giving the loan a 4.24 at a five year call. 9-24-13 valuation was taken from Zillow.com.
-----------------------------------------------------------------------------------------------------------------------------------
0000008599 0008 ORTIZ,ROSEMARY    TDR HELOC 2ND SECURED            0 Yes Mods:Payment,                     38,250.00 07/30/15
Mod Date    Balance After New Mat Date    Current Value Value Date    Current Balance   Amt Received # Mon/Mod    Consecutive pmts
06/09/09        31,968.60 06/09/17          129,392.00 03/10/14           13,025.44      12,254.75        60                   0
Curr LTV    Curr Due Date   Curr DQDTI Before DTI After Cost to Member
 10.066%        06/09/14         0  0.000%     0.000%           0.00
    Summary
    Member was on disability and due to the loan being a HELOC, the pymt continued to adjust with the rate. Locked rate in
    and removed line to have standard payment so disability will pay loan appropriately.
```

Report 652676 - EOM Collections Status - 398 11/04/2014

Page: 25 of 169

```
0000028775 BALDONADO,JAARON  A:02,56,22,08,29,40,

           ID   Type COLL Due Dt      DQ    DQ Amt        Balance    Loan Warnings
           --   ---- ---- ------      --    ------        -------    -------------
           0002 0210 011  04/04/14    62    991.95       29,706.77    L:02,08,22,29,40,
                                             Repo Agency                              Assign Date
                   Vehicle Repossession:     Voluntary Repossession                   05/28/14
                                             Repo Date:05/28/14                       Repo Sale Date:--/--/--  Sale Amount:12,692.00

           0003 0024 041  04/04/14    62    739.80        2,164.57    L:02,
                                                                                                                  No Status Note
-----------------------------------------------------------------------------------------------------------------------------------
0000028794 SENA,NAOMI        A:56,12,02,**,60,

           ID   Type COLL Due Dt      DQ    DQ Amt        Balance    Loan Warnings
           --   ---- ---- ------      --    ------        -------    -------------
           0001 0210 011  05/23/14    13    147.00       15,448.42    L:02,
                                                                                                                  No Status Note
-----------------------------------------------------------------------------------------------------------------------------------
0000028845 SAN NICOLAS,STEP  A:02,56,60,

           ID   Type COLL Due Dt      DQ    DQ Amt        Balance    Loan Warnings
           --   ---- ---- ------      --    ------        -------    -------------
           0001 0006 011  06/30/14    25-     0.00        8,298.02    L:

           0002 0210 011  05/31/14     5    218.76        7,664.93    L:02,
                                                                                                                  No Status Note
-----------------------------------------------------------------------------------------------------------------------------------
0000029161 CRESPIN,LESLIE    A:19,06,56,02,60,

         Bk Status:     Chapter  7          Form Received       CASE # 13-14132-j7       Dismissal Date:--/--/----
                        Filing Date:12/30/2013     Meeting of Creditors Date:01/31/2014     Discharge Date:--/--/----

           ID   Type COLL Due Dt      DQ    DQ Amt        Balance    Loan Warnings
           --   ---- ---- ------      --    ------        -------    -------------
           0001 0101 041  06/10/14     5-     0.00         874.75    L:                                    BK 7  Chargeoff

           0002 0251 010  06/03/14     2    502.21       26,867.34    L:02,                                 BK 7  Chargeoff
                                                                                                                  No Status Note
0000029398 ARCHUNDE,CECILIA  A:56,02,**,60,

           ID   Type COLL Due Dt      DQ    DQ Amt        Balance    Loan Warnings
           --   ---- ---- ------      --    ------        -------    -------------
```

Collection Notes Report

Synn 506 - Episys - Print Control - 6/30/2011

File Edit View Navigate Window Help

Select: Last few reports Quantity: 10 Title: Forms:

Matching Reports

Sequence	Title	Forms	Pages	Batch Seq	Date	Time	Print	Tape	Old Seq	Category
364632	Batch Output for REPWRITER		1	302	07/05/2011	4:22p	1	0		BATCHOUTRE
364633	Delinquent Loans		130	303	07/05/2011	4:23p	2	0		LOANREPORT
364634	Batch Output for TRIALBAL		1	303	07/05/2011	4:23p	2	0		BATCHOUTRE
364635	Insurance Participation		0	304	07/11/2011	1:26p	0	0		MISCELLANE
364636	Insurance Participation Data	DATA ASCII REC 0181 BLK 1810	1	304	07/11/2011	1:26p	0	0		UNKNOWN
364637	Batch Output for REPWRITER		1	304	07/11/2011	1:26p	1	0		BATCHOUTRE
364643	K - T CP Notes for 06/29/2011		4	307	07/18/2011	7:14p	0	0		COLLECTION
364644	U - Z CP Notes for 06/29/2011		2	307	07/18/2011	7:14p	0	0		COLLECTION
364645	A - J CP Notes for 06/29/2011		4	307	07/18/2011	7:14p	0	0		COLLECTION
364646	Batch Output for REPWRITER		1	307	07/18/2011	7:14p	1	0		BATCHOUTRE

Report 364643 - K - T CP Notes for 06/29/2011 - 307 07/18/2011

```
Fort Campbell Federal Credit Union      K - T CP Notes for 06/29/2011          06/30/11 at 07/18/11 19:12 Seq 364643   Page    1

Account       ID   User Date      Code Note
-----------------------------------------------------------------------------------------
0000002220 L  0001 0206 06/29/11  0000 lft msg on voice mail for member to
                                       cntact office, mailed past due loan
                                       letter to member to cntact office
-----------------------------------------------------------------------------------------
0000097356 L  0003 0206 06/29/11  0000 called home # spoke to member, sd tht he
                                       gets paid on friday and will call me
                                       with pmt. he stated that he was getting
                                       old- he forgot.
-----------------------------------------------------------------------------------------
0000054610 L  0031 0206 06/29/11  0000 called home # lft msg for member to
                                       cntact office, mailed past due loan
                                       letter
-----------------------------------------------------------------------------------------
0000089707 L  0001 0206 06/29/11  0000 member calld in did one time phonepay
                                       for $25.00. alotment to post for 200.00
                                       on friday to resolve past due balance
                                       and member sd tht he wld be calling in
                                       on 7/15 to bring acct fully current
-----------------------------------------------------------------------------------------
0000089835 L       0206 06/29/11  0000 lft voice mail and sent email to contact
                                       office
           L  0004 0206 06/29/11  0000 pst due loan ltr s/d 7/7/11
           L  0001 0206 06/29/11  0000 pst due loan ltr s/d 7/7/11
-----------------------------------------------------------------------------------------
0000108020 L       0210 06/29/11  0000 MEM CLD FROM 221-7152
           L       0210 06/29/11  0000 MEM CLD MONICA FISHER TOLD HER TO CALL,
                                       ACCT SUSP NES OVER 30 DAYS. DIDN'T WANT
                                       PYMT PLAN, JUST WANTED TO KNOW HOW MUCH
                                       MORE NEEDED TO GET ACCT CURRENT AND
                                       C-PAY BACK.
-----------------------------------------------------------------------------------------
0000118352 L  0002 0206 06/29/11  0000 member emailed requesting payoff-
                                       $1300.21 through 7/9/11
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0000118814 L  0001 0206 06/29/11  0000 see prev notes
-----------------------------------------------------------------------------------------
0000119837 L  0040 0208 06/29/11  0040 EXM: SOLD, WAITING ON FUNDS.
```

CAP NUM