

Important Reminders for HELOC Contract Variable Rate Changes in July

Lender*VP

The timing of rate changes to indexes and contract variable rate does is very important. Remember that pending change records on individual loan accounts only look at this code at the time the pending change is created, not when the rate actually changes.

If your rates are scheduled to change on July 1st, 2026, here are the steps you will want to take to ensure accuracy. Keep in mind, even if prime does not change, you will still need to complete these steps to ensure the next date change will go into effect:

- Verify your rates have been updated prior to the rate change notice number of days (5, 30, etc.) by printing the report located via **Tool #660**.
- Your credit union will then review the "Pending Rate Change Register" report (PPENDC) in CU*Spy to see all the pending change records that were created the previous night.

Additional things to keep in mind:

If necessary, manual changes can be made to the pending change record. Note that an asterisk will appear to the right of all rate changes that are either below the floor or above the ceiling.

If pending change records have already been created but the rate on the variable rate code itself hasn't changed yet (such as if the rate change was not scheduled ahead of time), delete the pending change records, then change the rate on the variable rate code with an effective date of today (using 'Enter' so that the change happens immediately). That evening, during EOD processing, the system would regenerate all pending change records using the correct rate.

- After all necessary changes are made to the pending change records, the rate change notices should be laser-printed (notices will incorporate any changes made). These notices would be printed with **Tool #638 Print Contract Variable Rate Notices**.
- Later, during end-of-day processing on the effective interest rate date, the system would implement the change on the loan record.
- After the number of days specified as the calculate new payment x days after rate change on the contract, during beginning-of-day, the system would recalculate the loan payment and print a notice of the new payment amount.

Remember: after pending change records have been created, changing the variable rate code will not affect the rate used for the change. Either delete the pending change record so it will be recreated with the correct rate, or modify the pending record manually to record the rate that should be used. (Be very careful in your computations - an incorrect change will be difficult to explain later!)

*Have questions? Please contact the Lender*VP team at: lendervp@cuanswers.com.*