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EasCorp and Vertifi's offices will be closed on Monday, December 25 in observance of Christmas and again on Monday, January 1 in observance of New Year's Day.

The Ascendancy of Mobile Banking and Deposits

COVID-19 accelerated the adoption of digital banking, ushering in a radical transformation across payments channels and banking platforms. According to an FDIC press release published in 2022, the use of mobile banking increased sharply among banked households between 2017 (15.1%) and 2021 (43.5%), becoming the most prevalent primary method of account access. Use of a bank teller declined, except with certain segments of the population.

A new commissioned research report* published by Cornerstone Advisors last month highlights how important mobile banking capabilities have become to consumers. It states that "nearly nine in 10 smartphone owners accessed their checking account(s) using a smartphone or tablet in the past 12 months. Among the broad array of mobile banking capabilities available to consumers, turning off and on debit (and/or credit) cards was ranked as critical or important by 83% of mobile banking users, followed by mobile deposit, which was used by 44% of customers."

Member expectations of the customer experience, speed and efficiency of mobile banking platforms continue to accelerate, particularly as their use of the platform matures. Credit unions must anticipate our members' changing needs for digital transformation, recognizing as the report states,"It takes a lot more to 'wow' digital saavy customers who are accustomed to a wide array of capabilities offered via mobile banking applications."

Those credit unions that find it difficult to evolve at the pace of technology are encouraged to leverage the experience, resources, and available innovations of trusted partners, including EasCorp's technology CUSO Vertifi Software and their own digital banking provider.

For more information about Vertifi's DeposZip® Remote Deposit Capture or instant payments solutions, both of which can be seamlessly integrated into mobile banking platforms, contact Andrew Peach at 800.428.1144, Ext. 3306 or *apeach@vertifi.com*.

*Source: *2023 Mobile Deposit Benchmark Report*, a commissioned report published by Cornerstone Advistors, November 2023.

EasCorp
What together we can do.®

Savvy Leaders Choose EasCorp for their ALM Validation Needs

Federal Reserve Governor Lisa D. Cook delivered a speech* in mid-November on how U.S. economic policies designed to control inflation spillover to impact global markets. She spoke of two potential risks that could emerge from a restrictive U.S. monetary policy: one, that there could be "continued momentum in economic growth and consumer spending" that would slow disinflation or, two, that there could be a "sharp decline in economic activity and employment." She added, “As we try to identify the full, lagged effects of monetary policy tightening, I am considering whether [the current conditions of] small businesses, the housing sector, and low- and moderate-income households could be warning of broader stress ahead.”

Credit union leaders responsible for measuring interest rate risk on today's balance sheets should take heed of her warning. With economic conditions uncertain, and in some cases still volatile, these leaders must depend more than ever on accurate income forecasting and capital valuation. Regulatory agencies expect to see adequate, unbiased assessments of assumptions and scenarios as well as projected risk position analysis.

As you prepare your 2024 budgets, you may be looking for a second set of eyes to examine the critical inputs that generate results. EasCorp’s ALM Professional Services enables credit unions to monitor and manage balance sheet risk. As a credit union ourselves, we have an intimate knowledge of credit union regulations and exam standards and are uniquely positioned to provide support.

Two ALM Validation service packages are available:

- ***EasCorp’s Model Validation Service*** - Provides an expert, independent view of your modeling program that shows how reasonable your results are given your modeling assumptions.
- ***EasCorp’s Model Validation Plus Service*** - Provides a more thorough, independent test of the integrity of your credit union’s ALM data handling and modeling based upon our performing your calculations.

Both services above meet all state and federal regulatory expectations, and for both, EasCorp's expert analysts will review your ALM modeling report, including all major assumption inputs, i.e. discount rates, prepayment speeds, product repricing betas, and non-maturing deposit valuations to test their reliability and conformance with industry best practices. The Plus Service offers additional analysis as EasCorp uses its own sophisticated analytical tools to calculate Net Economic Value (NEV) and Net Interest Income (NII) and compare the results side-by-side with the credit union's model. This comparison allows EasCorp to identify differences and drivers between the model, as is explained in the resulting in-depth written report of findings and accompanying consultation. The Model Plus service is ideally suited for credit unions that license modeling software from outside parties as well as those experiencing a management transition in areas impacting asset liability management.

At EasCorp, supporting the needs of our member credit unions is a top priority. EasCorp’s in-house Investment and ALM Professionals stand ready to answer any questions that arise. To learn more about EasCorp's ALM Validation Services, please contact Kevin Peters (*kpeters@eascorp.org*) at 800.428.1144, Ext. 3354.

*Source: *Global Linkages, Supply, Spillovers, and Common Challenges*, Governor Lisa D. Cook, at "Global Linkages in a Post-Pandemic World," 2023 Asia Economic Policy Conference, November 16, 2023. Full speech available at *https://www.federalreserve.gov/newsevents/speech/cook20231116a.htm*

ACH Volumes Skyrocket

Nacha, operators of the Automated Clearing House network, an electronic payments system that drives direct deposits and other kinds of direct payments in the United States, announced last month that it processed 597.6 million transactions in Q3, 16% growth in transaction volume compared to the same quarter last year. Additionally, Same Day ACH volume reached 81 million payments in October 2023, a 40% increase compared to October 2022 and an all time high for Same Day ACH payments! The operating agency for the network asserts that the growth of this payments rail comes primarily from B2B use cases, followed by healthcare claim payments and direct deposits.

In a press release about these remarkable milestones, Nacha President and CEO Jane Larimer said, "The ease and convenience of Same Day ACH has been embraced by the businesses and other organizations that use ACH. The one million dollar limit and the three settlement times each business day make Same Day ACH a great choice for faster payments."

EasCorp's Eas*e*-Pay (*e*Payments) ACH Origination service enables member credit unions to create and transmit ACH debit and credit transactions, including Same Day ACH, as applicable, to other financial institutions. In fact, the vast majority of our service users rely on *e*Payments to fund member loans. And, this service may be offered to sponsor companies and member business accounts to manage their own direct deposit, direct debit services, Federal and state tax payments, and more.

To learn about EasCorp's ACH Origination Service, please contact our Sales team (sales@vertifi.com) or 800.428.1144.

Coin and Currency Reminders for Upcoming Holidays

All Federal Reserve Banks and offices will be closed on Monday, December 25, 2023, in observance of Christmas Day, and on and Monday, January 1, 2024, in observance of New Years' Day. As a reminder, cash orders prepared by the Federal Reserve Bank must be placed two business days in advance of delivery (e.g., orders must be placed by 11:30 a.m., ET on Monday for Wednesday delivery).

If you have any questions regarding your cash orders, please contact Taylor King (*tking@vertifi.com*) at 800.428.1144, Ext. 3516, or the Payment Systems Department, Ext. 4, in advance of the holiday.

Queueing Up in Your Vendors' FedNow® Service Pipeline

Vertifi Software, EasCorp's technology CUSO, is helping credit unions send and receive transactions on the Federal Reserve's new payments rail, the FedNow Service. The Vertifi team works closely with credit unions' own software developers and with their core banking providers and digital banking platforms to build end-to-end instant payment capabilities. Many credit unions have reported that these third party vendors have a wait list or service development queue of one or more months, or that they will not release FedNow Service solutions until 2024 or 2025. Whether or not you are planning to offer instant payments soon, you should reach out to your critical vendors, and Vertifi, now to understand how their timelines will impact your own plans. If you have any questions, or need assistance, you may contact Michael O'Brien (*mobrien@eascorp.org*) at 800.428.1144, Ext. 3324.

Meet the Credit Unions Kids at Heart Boston Marathon Team!

We are pleased to present the team representing Credit Unions Kids at Heart® (CU Kids at Heart) in their signature fundraising event of the year, the 2024 Boston Marathon. Both new and returning Runners and Patient Partners, many representing Participating Credit Unions, will face a challenging 26.2 mile route that has solicited the respect, and captured the imagination, of athletes worldwide. This dedicated crew will train with the Boston Children's Hospital (BCH) *Miles for Miracles* program and will wear the BCH singlets on Marathon Day. All funds raised by the CU Kids at Heart team are directed to the BCH research initiatives the charity supports, and the team has historically been among BCH's most elite marathon fundraisers year after year. To learn more about CU Kids at Heart, please email *cukidsatheart@eascorp.org*, call 800.428.1144, or visit their website at *www.cukidsatheart.org*.

Mike Gillespie
of Beth Israel Deaconess Medical Center
2nd Boston Marathon with CU Kids at Heart
Partnered with Maddy Loftus

Justin Herold
of Service Credit Union
1st Boston Marathon with CU Kids at Heart
Partnered with Isla Saunders

Todd Millay
4th Boston Marathon with CU Kids at Heart
Partnered with Vraj Purohit

Marguerite Rose
of Dutch Point Credit Union
1st Boston Marathon with CU Kids at Heart
Partnered with Anthony Micalizzi, Jr.

Dr. Alfred See
of Boston Children's Hospital
1st Boston Marathon with CU Kids at Heart
Partnered with Jackson Ciaccio

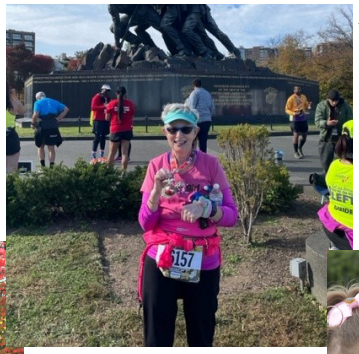
Dr. Ed Smith
of Boston Children's Hospital
4th Boston Marathon with CU Kids at Heart
Partnered with Everett Chase

David Spolidoro
of DCU
1st Boston Marathon with CU Kids at Heart
Partnered with Matt Bridges

Dan Ziniti
of Hanscom Federal Credit Union
6th Boston Marathon with CU Kids at Heart
Partnered with Ryan Clough and Tim Stevens

Above: Amanda, Alice, Cara, and David Spolidoro

Right: Dr. Alfred See



Left: Marguerite Rose

Right: Isla Saunders and Justin Herold

Remote Deposit Capture Helpful Tips and Tricks

DeposZip® Remote Deposit Capture Administrators are encouraged to review their institution's Holiday Calendar to ensure that it is properly configured for next year. The calendar can be found under the "Holidays" option on the Settings tab of the DeposZip module on the Vertifi Customer Portal.

This calendar impacts the DeposZip system's hold settings, if applicable. Updates to this calendar ensure that deposits submitted over a holiday are held for the proper number of days. Please be mindful that your DeposZip Holiday Calendar should include holidays observed by the Federal Reserve, as well as any additional holidays or closings observed by your institution.

If you have any questions or need assistance with these settings, please contact Implementations and Support (*support@vertifi.com*) at 800.428.1144, Ext. 2.

UPCOMING EVENTS

Association of Credit Union Senior Officers
Wednesday, December 6, 2023
Meet the Regulators
MHA Conference Center, Burlington, MA

Thursday, December 14, 2023
Happy, Helpful, and Heard: Strategies for Boosting Employee Engagement
Webinar/Online Only

For more information about the events listed above, please call 800.428.1144, Ext. 3320 or email us at acuso@eascorp.org.

10 Million DeposZip® Users!

Vertifi Software is pleased to announce a new service milestone. Its flagship product, DeposZip® Remote Deposit Capture, is now used by more than 10 million registered users at over 700 financial institutions in the United States.

EasCorp *What together we can do.®* Vertifi®

35 Corporate Drive
Suite 300
Burlington, MA 01803
781.933.9950
800.428.1144

www.eascorp.org
www.vertifi.com

Your savings federally insured to at least $250,000 and backed by the full faith and credit of the United States Government
NCUA
National Credit Union Administration, a U.S. Government Agency