

# Inside EasCorp



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## Instant Payments Pioneer Vertifi Software among First Certified by Federal Reserve

On May 19, EasCorp's CUSO, Vertifi Software, announced that it is among the first in the industry to complete testing and certification for the FedNow<sup>SM</sup> Service, the Federal Reserve's new instant payment offering launching in July.

As a FedNow Pilot Program participant and early adopter, Vertifi has been developing for over two years an advanced payments processing gateway that connects the FedNow Service to financial institutions' core banking platforms and financial services applications. It handles the formatting and exchange of payment transaction messages between these systems eliminating the need for expensive network, server, or application infrastructure. Additionally, the Vertifi instant payments solution also features an administrative platform for the management of instant payments risk and service performance. As a correspondent bank to member credit unions, EasCorp will offer instant payments settlement services powered by this same gateway.

To achieve certification, Vertifi completed a comprehensive testing curriculum and attested that they are prepared to meet the requirements to successfully operate in a 24x7x365 instant payments environment.

“Vertifi Software has set industry benchmarks in check payment solutions, including remote deposit capture, statement services, and other applications for over 30 years,” says CEO Asim Mian. “Our instant payments solution for FedNow offers financial institutions an affordable, secure, and robust payment service with the speed and availability that the market demands. Completion of the certification process is a significant step in our making instant payments available to businesses and consumers nationwide.”

If you are interested in learning more about EasCorp's instant payments settlement services or Vertifi's instant payments processing gateway, please contact Michael O'Brien ([mobrien@eascorp.org](mailto:mobrien@eascorp.org)) at 800.428.1144, Ext. 3324 to schedule an initial consultation.

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## PCE Index Inflation Report Complicates the June Fed Decision

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With the news last week that the Federal Reserve's (Fed) preferred inflation gauge, the Personal Consumption Expenditures index (PCE index), climbed 4.4 percent in April, it's becoming less certain that the Fed will pause on rate hikes at their next meeting on June 13 and 14, as previously expected. The PCE index unexpectedly rose slightly from 4.2 percent in March; however, the increase was lower than the 5.1 percent increase in February.

The Fed prefers the PCE index as a gauge of inflation from both CPI and PPI because it attempts to strip out volatile food and energy prices. The April data complicates the rate path ahead for the Fed who began raising interest rates last year to cool the economy and slow price growth. In recent speeches, Fed members have hinted that they could hold off on another increase in June. Minutes from the Fed's last meeting on May 2 and 3 showed that officials were split on future increases. "Several participants noted that if the economy evolved along the lines of their current outlooks, then further policy firming after this meeting may not be necessary," the minutes said.

Federal Reserve Governor Christopher Waller said in a speech last week, "Whether we should hike or skip at the June meeting will depend on how the data comes in over the next three weeks." Although most Fed officials have noted that inflation has slowed dramatically in recent months from record highs, it remains far too high from the Fed's long-term target of 2.0 percent. If you have any questions, please contact Kevin Peters ([kpeters@eascorp.org](mailto:kpeters@eascorp.org)) at 800.428.1144, Ext. 3354.

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### A Milestone Anniversary

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One of the highlights of EasCorp's Annual Meeting and Partnership Conference is the celebration of our members' milestone anniversaries. This year, we are pleased to honor Boston Firefighters Credit Union's 75<sup>th</sup> anniversary. Boston Firefighters Credit Union was started by a group of 20 men, whom they now call their "founding fathers," who recognized the benefits of pooling their funds to help other firefighters and their families. In their 75-year history, this credit union has had four CEOs and many more directors and employees, all of whom have demonstrated this credit union's commitment to the financial well-being of its members.

Now, with upwards of 11,000 members, the credit union has expanded its field of membership to include all first responders in the state of Massachusetts and their families. It is a natural fit, as police officers and municipal EMTs share many of the same financial goals as the firefighter community. The credit union is proud to help these new members with their financial needs as they have helped local firefighters for 75 years. We congratulate them on this very special anniversary.

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### ACUSO Spotlight

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The realities of a 21<sup>st</sup> century credit union means that candidates for leadership positions must possess a broader array of talents than ever before. New entrants to the corner office are not solely from the financial side of the business, but also from operations, technology, service, and other areas. In some cases, a shrinking bank landscape means that new leaders are entering the industry who have never worked for a credit union before.

To help you create a winning workforce, the Association of Credit Union Senior Officers (ACUSO) members are invited to its June 21 member meeting on "Leadership Qualities for the Future of Work." Popular speaker, educator, and trainer Lizzie Linn Casanave, an instructor at Northern Essex Community College, will use her "Science of Happiness" philosophy to foster sustainable motivation. This session will help guide career development and promote dialogue and conflict resolution strategies.

Register today on the News and Events page of EasCorp's website at [www.eascorp.org](http://www.eascorp.org). For more information about programs or membership, please inquire at [ACUSO@eascorp.org](mailto:ACUSO@eascorp.org).

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## Wire Fraud Risks Increase with Spring Purchases

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Spring is a busy season for home, boat, RV, or other large purchases and for booking vacation rentals. Many of these large-dollar payments are made via domestic wire, but, because these payments are immediate and typically irreversible, they also pose a great risk. There are ways, however, that credit unions can support their members in identifying potential scams before funds are lost and protecting themselves against losses.

Mortgage wire fraud occurs when a scammer tricks a home buyer into sending the down payment or closing costs to them instead of to their trusted real estate professional. The Internet Crime Complaint Center (IC3), which tracks business email compromise (BEC), including real estate wire fraud and similar online schemes, reports an increase in the total losses and the number of victims of these scams. Their *2022 Internet Crime Report* shows BEC increased from \$676 million in reported losses in 2017 to \$2.7 billion in reported losses in 2022. The FBI similarly reported more than \$350 million in real estate fraud alone in 2021.

In real estate fraud, the fraudster has often accessed the buyer's email address in a prior phishing scheme and has been monitoring the account for the details of their home purchase. They use these details to make their emails look identical to one from their realtor. Tell-tale signs of a scam, however, include urgent emails or last minute changes to wiring instructions, insistence on conducting the transaction entirely over email with no confirmations by phone, and misspelling or minor errors in the body of the message itself.

With the increase in online vacation rental marketplaces like Airbnb and similar sites, vacation rental scams are also on the rise. Whether orchestrated as fake ads, hijacked listings, or unauthorized listings, the outcome is the same-consumer losses. The Federal Trade Commission (FTC) and Better Business Bureau warn consumers that being asked to wire money rather than pay by credit card directly on the listing platform is one of the biggest warning signs of a vacation rental scam. They advise that consumers research the listing, take their time booking, and carefully read the listing's reviews, looking for discrepancies or evidence the listing may be too good to be true.

To protect themselves and their members against these scams, credit unions can require large wires be initiated in-branch or over the phone only with additional authentication processes, including a confirmation phone call, in place. Credit union staff should provide the member with the complete information from all parties (i.e., title company, closing attorney or agent) for their review, and the member can confirm the anticipated transaction date with these parties. Prior to sending the wire, the member should confirm the wire instructions directly with the beneficiary via the contact information of the original source rather than the wire instructions which may be fraudulent.

It is also important to report fraudulent transactions to proper authorities including the local police, the IC3 at [www.ic3.org](http://www.ic3.org) or the FTC at [www.ReportFraud.ftc.gov](http://www.ReportFraud.ftc.gov). Credit unions may keep a copy of these reports on file. Through training, reporting, and industry collaboration, we can help reduce wire fraud. To learn more, or if you need assistance, please contact Paula Seremetis ([pseremetis@vertifi.com](mailto:pseremetis@vertifi.com)) at 800.428.1144, Ext. 3319.

### SAVE THE DATE

Since 1998, EasCorp's ALM Academy, presented in partnership with ALM First Financial Advisors, provided educational and professional development opportunities for staff at all levels of your organization as well as your board members. EasCorp's 2023 ALM Academy will be held October 24 to 25 at the MHA Conference Center in Burlington, MA. *Registration opens soon.* To learn more, contact Kevin Peters at 800.428.1144, Ext. 3354 or [kpeters@eascorp.org](mailto:kpeters@eascorp.org).



## Remote Deposit Capture Helpful Tips and Tricks

Did you know that the User column of the DeposZip Deposit Review screen now lists the registered user's name instead of their account number? This recent change can help DeposZip administrators more easily find transactions in the review queue. The account number is still visible in the Deposit Review details screen just above the check image.

A new column on the same screen now displays the user's risk Profile. If your DeposZip administrators are working on specific reviews, they may sort this column by risk profile. For example, if your administrator focuses on high risk accounts, they may sort and select those deposits for review. Please also note that this column displays the user's *current* Risk Profile, which may differ from their assignment when the deposit was made.

To learn more, or if you need assistance, please contact the Implementations and Support Department ([support@vertifi.com](mailto:support@vertifi.com)) at 800.428.1144, Ext. 2.

## UPCOMING EVENTS

Association of Credit Union Senior Officers  
Wednesday, June 21, 2023  
*Leadership Qualities for the Future of Work*  
MHA Conference Center, Burlington, MA

Wednesday, September 20, 2023  
*The Newest Payments Rail*  
MHA Conference Center, Burlington, MA

Wednesday, December 6, 2023  
*Meet the Regulators*  
MHA Conference Center, Burlington, MA

EasCorp's Invitational Golf Tournament  
Benefitting Credit Unions Kids at Heart®  
Monday, September 11, 2023  
Tedesco Country Club, Marblehead, MA

ALM Academy  
Tuesday, October 24 - Wednesday, October 25, 2023  
MHA Conference Center, Burlington, MA

*For more information about the events listed above,  
please call 800.428.1144, Ext. 3300  
or email to [admin@eascorp.org](mailto:admin@eascorp.org).*

## Holiday Coin & Currency Reminder

In observance of Juneteenth, all Federal Reserve offices will be closed on Monday, June 19, 2023. 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 Friday for Wednesday delivery). If you have any questions regarding your cash orders, please contact Taylor King at 800.428.1144, Ext. 3516 or the Payment Systems Department, Ext. 4 in advance of the holiday.



35 Corporate Drive  
Suite 300  
Burlington, MA 01803  
781.933.9950  
800.428.1144

[www.eascorp.org](http://www.eascorp.org)  
[www.vertifi.com](http://www.vertifi.com)

