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CREDIT UNION MAGAZINE

Power Passion Positivity

CUNA's America's Credit Union Conference
exclusive speaker interviews

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Power, Passion, and Positivity

Play where others aren't. Find your passion. Embrace the power of positive emotion. Take a stand with your brand. These ideas and more will move your credit union forward during CUNA's 2018 America's Credit Union Conference.



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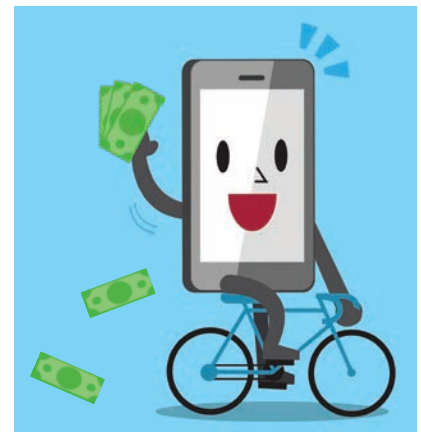
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NOMINATE A CREDIT UNION ROCK★STAR

Do you know someone who embodies the credit union spirit of people helping people? Someone who is so creative, innovative and passionate that they push their entire organization forward?

If so, nominate your peer as a Credit Union Rock Star! Submit your 2018 nominations before June 15, 2018, at news.cuna.org/nominaterockstar. Those selected as Credit Union Rock Stars will be featured in the October issue of *Credit Union Magazine*.

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news.cuna.org/nominaterockstar

VISIT OUR WEBSITE DURING JUNE FOR THESE ONLINE EXCLUSIVES.

Special Report: America's CU Conference

CUNA's 2018 America's Credit Union Conference, June 28 to July 1 in Boston, will feature "experiential" sessions, an executive series, and four keynote speakers: "Chef Jeff" Henderson, author and Food Network star; Daniel Lerner, happiness researcher; Jonathan Mildenhall, former Airbnb chief marketing officer; and Whitney Johnson, disruptive innovator.



Practice the art of 'tinkering'

If you've ever felt like you need to escape the daily grind and make some changes in your life, try "tinkering." This involves "repairing, adjusting, or working with something in an unskilled or experimental manner," says Jason Kotecki, author, artist, and "professional reminder-er."



It's also a way to break free from those rules we believe we have to follow but don't really exist—such as not eating dessert first. "Tinkering," Kotecki says, "is like an escape hatch for someone who feels like they're stuck. Tinker, ask questions, and try things."

Young professionals 'bring the energy'

In the early days of the credit union movement, there used to be parades celebrating the not-for-profits, says Chad Helminak, director of credit union development and cooperative values engagement at the National Credit Union Foundation.



"I think we can get back to that, or at least that ideal," he says. "Young professionals are key to bringing that energy back to credit unions."

Unleashing a grassroots powerhouse

The overall goal of the CUNA Member Activation Program (MAP) is to inform and educate members on the credit union difference, says Adam Engelman, CUNA grassroots manager. MAP mobilizes credit union members as a grassroots lobbying force to call their lawmakers.



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Credit Union Magazine (ISSN 0011-1066) is published monthly for \$80 per year by Credit Union National Association, 5710 Mineral Point Road, Madison, WI 53705. (Multiple-copy and multiyear discounts available.) Periodical postage paid at Madison, Wis., and additional mailing office. Copyright 2018 by Credit Union National Association. Photocopying is illegal and unethical. POSTMASTER: Send address changes to Credit Union Magazine subscription department, P.O. Box 461, Annapolis Junction, MD 20701-0461. Single issues are available; call 800-348-3646.

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93% say **NO-FEES BANKING** is important when choosing a financial institution

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Commissioned by Kasasa and conducted online by Harris Poll in April 2016 among 569 18-34 year olds ("Millennials").

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'I Love What I Do'

Credit Union Hero of the Year will be honored later this month at the America's Credit Union Conference.

THIS IS THE TIME OF YEAR OUR two stellar programs intersect: Credit Union Rock Stars and Credit Union Heroes.

Both programs—and the professionals we meet as a result—serve as reminders that at our core, credit unions are a people movement.

Not a Wall Street movement. Not a shareholders' movement. A people movement.

Later this month at CUNA's 2018 America's Credit Union Conference, we'll present our 2018 Credit Union Hero of the Year Award to Tom McWilliams, senior vice president of the Mississippi Credit Union Association. The award is sponsored by Trellance.

McWilliams has devoted his life to developing training and education programs for credit union professionals. As the chairman and education director for the Southeast CUNA Management School, he prepares the next generation of leaders for the future. He loves the exponential impact of his work—how educating one leader can transform a credit union and the lives of all the members it serves.

"Across the decades of my career, I have been blessed to know and build an amazing credit union family," McWilliams says. "I love what I do, and my motivation has always been simple: A desire to offer the best professional growth opportunities to help others become heroes for their own members."

We applaud this year's Credit Union Hero of the Year finalists:

- ▶ **Laura Aguirre**, president/CEO, Hawaii First Federal Credit Union, Kamuela.
- ▶ **Kathy Chartier**, president/CEO,



ANN HAYES PETERSON,
editor-in-chief
apeterson@cuna.coop

Members Credit Union, Cos Cob, Conn.

▶ **Jeffrey Hayes**, president/CEO, North Star Community Credit Union, Cherokee, Iowa.

▶ **Vicki Hoehn**, vice president of community engagement, Royal Credit Union, Eau Claire, Wis.

You'll find all of their remarkable stories at news.cuna.org.

Rock Star season

Through June 15, we're calling for nominations for our next class of Credit Union Rock Stars, sponsored by Fiserv. Submit your nominations at news.cuna.org/nominaterockstar.

Last year, you nominated more than 250 credit union CEOs, executives, branch officers, front-line staff, and volunteers. We're anxious for more.

When we interview our Rock Stars, we see once again the heart of the movement: People dedicated to service and excellence in their chosen fields. You'll find profiles of the 2018 Credit Union Rock Stars in our October issue.

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-Jeff Rendel,
*President of Rise Above
Enterprises*

The issues facing your credit union and the entire credit union movement are constantly evolving, and so should your strategic plan.

CUNA Strategic Planning Roundtable brings credit union leaders together to discuss the latest issues and trends most relevant to the credit union movement. Using credible research from the 2018-2019 CUNA E-Scan, you'll discover the issues that matter most to your credit union and:

- // Explore trends likely to affect credit unions in the coming years
- // Discuss how to incorporate E-Scan trends into your strategic plan
- // Share your perspective, hear from your peers and discover innovative ideas from industry experts

*Want to know more about CUNA E-Scan?
Visit cuna.org/escan for details.*

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5 Steps to a Workforce Plan

Like any organization, credit unions are constantly trying to figure out how to get the right people in the right jobs at the right time.

With baby boomers approaching retirement and the growing amount of churn taking place as more employees switch jobs, that task has never been more front of mind for human resource (HR) professionals.

Workforce planning is a tool credit unions can use to determine how to allocate employees in the most efficient way possible.

“It’s the intentional union of strategy and people,” says Jo Ann Romero, president of StrategyWorks Inc. She addressed the 2018 CUNA HR & Organizational Development Council Conference.

Workforce planning starts with a strategic plan, which provides a clear path of where your organization is going and what priorities are driving

your people and strategy.

Romero says there are five steps to developing a workforce plan:

1. Conduct a workload analysis.

This is the key starting point, Romero says, because it creates a clear picture of the current workload and how your credit union completes that work.

Make it a participatory exercise. That way, employees from throughout the organization will contribute ideas and understand the reasoning behind any future changes.

2. Assess your current efficiencies.

This allows you to recognize where gaps exist between what you have now and what you might need going forward.

3. Identify future skills. This looks at your workload and, based on your current gaps, identifies what skills will be needed to fill positions in the future.



Jo Ann Romero

“Who are you bringing in, and how will you make sure you’re bringing in the right people?” she asks.

4. Identify options to address workforce needs. This is an opportunity to develop a framework to address workload shortfalls, inefficient processes, and actions needed to develop a meaningful workforce plan and to address future gaps, Romero says.

5. Document, evaluate, and revise. This ensures you have a plan to manage the expected skill loss in the organization and provides a roadmap for future recruitment, development, and training needs.

ONLINE POLL

How often do you talk to the board about compensation?



Source: CUNA News monthly online poll

Next month: Does your credit union consider credit history when making employment decisions?

VOTE AT NEWS.CUNA.ORG

Be a Collaborative Leader

To guide an organization through a project that will bring change, potential conflicts, and emotions to the team, having a leader with a collaborative mindset at the helm is the best scenario.

“I like to think that a collaborative leader is someone who recognizes that change needs a champion,” Pamela Green tells the CUNA News Podcast. “They have to recognize there is an opportunity to bring people together, but first, they have to know when people aren’t and know when there’s this disconnect, be willing to jump in.”

Collaborative leaders also must

have a strong understanding of how each department works and how they work together, says Green, an executive coach and trainer.

These leaders also can’t be afraid of confrontation, she says, because bringing together two sides in a disagreement is a vital piece in moving an organization forward.

“It’s often one of the least desired responsibilities of a leader,” Green says. “You must be able to bring people together and work through conflict.”



HEAR MORE FROM GREEN ON THE CUNA NEWS PODCAST AT NEWS.CUNA.ORG/PODCASTS

Create 'Re-memorable' Experiences

Create an emotional connection with members by giving them a “re-memorable experience,” a phrase coined by Patrick Henry’s 9-year-old daughter after a family trip to Disney World.

Henry, who spoke at the 2018 CUNA HR & Organizational Development Council Conference, says a re-memorable experience is how you make members feel special and valued.

There are three mentalities people must have to build a re-memorable experience for members:

1. Extra-inch mentality. Don’t merely meet expectations at your job. Go beyond the minimum.

“The extra mile is easy to identify, but it’s not easy to do. It’s not the extra mile though, it’s the extra inch,” says Henry, author of “The Pancake Principle: 17 Sticky Ways to Make Your Customers Flip for

You.” “We are judged on how we meet expectations, but you’re evaluated by how you exceed those expectations.”



Patrick Henry

2. “Cheers” mentality. “Is there a better feeling in the world than walking in a room and everybody turns around and smiles because they’re genuinely glad you’re there?” Henry asks. That’s the “Cheers” mentality, which refers to the long-running TV series.

Interact with members in a way that differentiates you from other

financial institutions. Do this by knowing your members’ names or forming a connection with them.

3. Lead the way mentality. When a member is in an unfamiliar or uncomfortable situation—such as applying for their first mortgage or wanting to talk about tackling mounting debt—don’t be annoyed with their questions. Instead, reach out to them and guide them through the process.

“When you point the way, you get one-time results. When you lead the way, you get lifetime results,” Henry says. “Credit unions create opportunities to serve as resources to their members.”

Keeping these three mentalities in mind will allow your credit union to provide re-memorable experiences for your members. As a result, they’ll likely be loyal members of the credit union.

Use Coaching to Develop Leaders

Coaching was once considered a remedial tool to help poor performers improve their work. But that’s not how human resource (HR) professionals view coaching today.

“It’s how well you’re preparing the organization and developing the next generation of leaders,” Steve Heinen told attendees at the 2018 CUNA HR & Organizational Development Council Conference.

An executive coach can provide a tailored process for leaders’ development and offer guidance during that process. Coaching is like mentoring, but there are

differences.

Coaching involves an external person, and is a shorter duration that focuses on developing experience and a greater self-awareness of the leader’s impact on others. Mentoring, however, often is ongoing or long-term, and involves a senior-level leader partnering with a junior-level employee to provide perspectives or offer advice.

Heinen, an executive coach who works with leaders to reach their full potential, says organizations typically use coaching in two situations:

1. Enhance the performance of a key employee. This focuses

on identifying behaviors and making changes that enable leaders to become more effective at their jobs.

2. Grow to a higher level of responsibility. This type of coaching often prepares an individual for a new position that comes with more responsibility and involves a different set of skills.

“Anyone can call themselves a coach,” Heinen says. “You need to look at what the needs are of the individual and what expertise a particular coach offers. Ultimately it comes down to chemistry and fit.”



ACUC Delivers Ideas That Move

Conference will ready the credit union leaders of tomorrow.



JIM NUSSLE,
CUNA president/CEO

WHEN YOU THINK ABOUT THE future of credit unions, what do you see? Strategic fintech partnerships? Data-optimized services that anticipate member needs? Virtual reality branches?

When I spoke at CUNA's Governmental Affairs Conference in February, I pointed out that soon, more people will learn about credit unions from personal virtual assistants like Amazon's Alexa than from us. Are we ready?

SUCCESSFULLY NAVIGATING CHANGE WILL REQUIRE BOLD LEADERSHIP.

Look folks, no one knows exactly what the future holds. But it doesn't take a fortune teller to predict that successfully navigating such rapid change will require bold leadership.

How to identify, retain, and develop that talent is a puzzle every credit union is trying to solve. In my opin-

ion, one vital piece is to regularly invest in experiences that fire up you and your most promising staff—experiences that equip you with the tools and excitement to tackle the challenges ahead.

The America's Credit Union Conference (ACUC), a CUNA signature event, does just that. This year we're shaking things up with an action-packed and thought-provoking agenda to give leaders the ideas that will ready them for the future.

ACUC has always been about inspiring passion for the vital work of credit unions and empowering its leaders to make change. But this year in Boston we want to unpack the core ideas that move our industry forward so you can return to your credit union with actionable knowledge and tips that will mark you as a future-focused leader.

To that end, we've gathered experts from within and outside our industry to tackle some of the biggest issues credit unions face today.

You'll have the opportunity to participate in diverse discussions that include the future of auto lending, consumer insights, cybersecurity, analytics, knowledge sharing, and data mining to grow digital loans.

We've also added a special three-part series for credit union leadership, and our unmatched exhibit hall and key business partners will keep you abreast of the latest solutions to move your credit union forward.

Because leading your credit union, and the credit union movement, into the future is something we're all trying to figure out, my thought is, let's do it together.

By bringing together credit union leaders from all over the country and putting them in the same rooms with cutting-edge experts, I have no

doubt we'll cultivate ideas that will position credit unions as the best choice for consumers now and in the future.

We may not know exactly what tomorrow holds, but we can be certain our core commitment to serving our members will never change, and that when we work together, we can accomplish anything.



DON'T MISS AT ACUC

► **Our fantastic keynoters**, featuring Jeff Henderson, Whitney Johnson, Daniel Lerner, and Jonathan Mildenhall ("Power, Passion, and Positivity," p. 22).

► **Credit Union Roundtable**. Small credit unions discuss critical issues and swap insights in this facilitated session.

► **CEO's Black Book of Secrets Revealed**. Filene Research Institute's Ryan Foss breaks down strategic leadership into six components and shares research showing how they've deployed this at 68 credit unions.

► **Own it. Earn it. Give it**. CUNA Chief Engagement Officer Mollie Bell will help you connect the dots between owning your authentic self, understanding your values, and working smarter to enhance your leadership skills in this workshop-style session.

► **Your Analytics Journey: Looking Beyond Tomorrow**. Learn what "best in class" analytics means within the credit union space and leave with simple steps to start your credit union's data transformation journey.

See a full list of ACUC programming at cuna.org/acuc.

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Attacks on Tax Status Misguided

We take every opportunity to remind policymakers of the benefits credit unions provide.



MIKE SCHENK

IN A LETTER DELIVERED IN April to Sen. Orrin Hatch, R-Utah, the National Taxpayers Union (NTU) urges the Senate Finance Committee to evaluate the tax-exempt status for large credit unions.

NTU's letter falsely characterizes credit unions, their mission, and the statutory rationale for the credit union tax status. The group seems unaware that Congress originally conveyed the federal income tax exemption to credit unions because of their unique ownership structure and special mission.

Credit unions of all sizes remain distinguished by member-ownership, democratic control, and not-for-profit status—a structure that hasn't changed one bit over their nearly 100 years of existence.

Further, NTU wrongly equates the terms “low income” and “unbanked” with “modest means.” History clearly shows the American credit union movement began as a cooperative effort to serve wage-earning, working-class people, not “unbanked” or “low income” individuals.

This intention was broad, encompassing the masses of average working-class individuals. Congress had multiple opportunities to more narrowly define the term “modest means” since the passage of the origi-

nal Federal Credit Union Act of 1934 but has never done so.

Since their inception in the early 1900s, a majority of credit unions have operated with narrow fields of membership, many based on occupational groups—therefore having no legal basis for serving low-income or unbanked individuals.

Common bond

The credit union tax status has absolutely nothing to do with credit union common bond. The original role of the common bond was to control/reduce credit losses in an era when little was known about borrower creditworthiness.

Widespread credit reporting now eliminates the fundamental need for that construct. More important, in today's modern and rapidly changing economy, regulators have expressed concern over narrow common bonds which can create safety and soundness concerns due to concentration of risk in a single sector, company, or associational group.

Still, that legacy of tightly defined credit union fields of membership, primarily based on employer groups, means that credit unions have disproportionately served wage-earning, working-class people from their beginnings nearly a century ago.

Today, nearly two-thirds of credit unions, serving more than one-half of credit union members, continue to reflect significantly restricted fields of membership, and all credit unions are bound by field-of-membership requirements. Lost in NTU claims is the fact that larger credit unions are more likely than their smaller counterparts to serve narrow fields of membership.

Credit unions naturally view outreach to unbanked or low-income individuals as desirable. But many

of those that do so repeatedly find themselves embroiled in litigation brought on by bankers aggressively seeking to limit credit union service, even though such expansion would directly and significantly help disadvantaged consumers.

Further, NTU's myth of bank harm arising from charter differences is clearly reflected in two facts:

1. An uneven playing field, if one existed, would produce outsized market share gains for an advantaged class of institutions. However, credit union market share is essentially unchanged over the past quarter century and sits at 7% of depository assets today.

THE CU TAX
EXEMPTION IS ONE OF
THE GOVERNMENT'S
BEST INVESTMENTS.

2. One of the defining characteristics of the U.S. depository chartering system is ease of entry and exit. Banks suffering from the uphill battle presumed by NTU are free to convert to a credit union charter, although only two have done so.

The NTU letter also greatly overstates true revenue impacts of taxation because the government estimate of that impact NTU cites doesn't reflect recent changes to the U.S. tax code. The new tax law includes a permanent reduction in the statutory C corporation tax rate to 21%. This will have the effect of reducing the revenue impact estimates by about 40% relative to NTU claims.

Taxing credit unions would do exceedingly little to address U.S.

government budget issues. If credit unions had been taxed in 2017, the receipts (according to last year's government estimates) would have accounted for only 0.07% of federal spending—which would have funded federal government operations for only seven hours. Going forward, lower corporate tax rates drop that to a little over four hours.

In a similar vein, NTU seems blind to the fact that credit unions and their employees already have substantial tax burdens. Using IMPLAN modeling, CUNA finds that credit unions and their employees directly paid an estimated \$4.2 billion in federal taxes and \$2.4 billion in state and

local taxes in 2016 alone.

Credit unions' 113 million consumer-owners are likewise saddled with a substantial tax burden. Any new tax on credit unions is an additional direct tax on these consumers. U.S. credit union members paid an estimated \$1.6 trillion in state and federal income taxes during the most recent federal tax year.

Changing the credit union tax status would likely result in many credit unions converting to bank charters, essentially eliminating cooperative, member-owned institutions from the marketplace. That would eliminate nearly \$11 billion in direct financial benefits to credit union members.

Fewer credit unions also would result in fewer societal benefits. These include reductions in billions of indirect financial benefits that accrue to bank customers and innumerable benefits to the economy arising from the fact that, unlike banks, credit unions serve as a counter-cyclical force during economic downturns.

The credit union tax exemption is one of the best investments government makes in its citizens—and we take every opportunity to remind policymakers of this important fact.

MIKE SCHENK is CUNA's vice president of research and policy analysis. Contact him at 608-231-4228 or at mschenk@cuna.coop.

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Member-Focused Technologist

John Ainsworth joined CULedger as president/CEO in December 2017 following a long career as an executive with financial services companies including MasterCard and Visa. CULedger provides distributed ledger—or blockchain—technology that allows for innovation around financial transactions. Here, Ainsworth shares his take on the technology.

Q What is blockchain? It's most noted for bitcoin and cryptocurrency, but it's actually much more than that. It's really a network of computers that basically agrees on a set of data or information, and in a distributed fashion. That's where we come up with "distributed ledger."

So as opposed to a centralized source of information in one database, it's a series of different databases that communicate with each other—thus the "chain" definition.

It's a protocol not a product, which allows for wide adoption across a number of different use cases.

Q You've had a long association with technology and credit unions. What drew you to CULedger? A couple of factors. When I started in payments, it was about the old "zip zaps"—machines where you had a piece of paper on which you took a physical imprint and deposited it with the financial institution.

Now, with mobile commerce and the evolution of technology, we're going to see more innovation in the next five to 10 years than we've seen in the last 50. I have a thirst for emerging technology, and these are fascinating times.

Early in my career I met longtime credit union executive Tom Sargent. I would attribute some of my nuttiness and passion

for technology to him because we were playing around with things like mobile banking even before it was well known.

Credit unions are at a critical inflection point. They're becoming more challenged in staying in touch with members and meeting members' growing expectations.

For me, CULedger is a chance to provide a unique opportunity that could pull the credit union industry together and make sure it stays relevant in the next digital wave that's coming.

Q Where do you want to take CULedger? The first mission of order is execution: making sure we can show not only that it works, but that it has an economic benefit. Initially, CULedger will benefit credit unions and their members by reducing risks associated with cybersecurity and fraud, improving the member experience, and cutting costs.

Following that are extended use cases around smart contracts and then payments. It's really about the broader digital landscape and how members will want to interact with credit unions.

Q Is a focus on members your top concern then? It is, and it always has been. If we start with the voice of the member and follow that, we'll always have a high percentage of success.



John Ainsworth

Q What are some larger trends we should watch for? The one that most comes to mind concerns loyalty. In my neck of the woods, for example, Chick-fil-A has a cult-like following, and you can have a 20- to 30-minute wait in the drive-thru. Chick-fil-A introduced a mobile app where I can preorder my food, and when I approach the restaurant it picks me up on the geo locator which says, "Hey, it looks like you're here," and prompts me to say which car I'm driving. I then drive into a mobile line where I wait for them to bring out my food.

For me, loyalty is not about getting 30 cents off a chicken sandwich. It's about "gosh, you just gave me back 30 minutes of my time." I'm willing to pay a premium for that. That kind of experienced-based mentality is threading through all loyalty efforts.



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Disruptive Community Building

Allegacy Federal Credit Union's partnership fosters financial and physical well-being.

ALLEGACY FEDERAL CREDIT Union in Winston-Salem, N.C., has entered into a partnership—believed to be the first of its kind in the country—to improve both the physical and financial well-being of its community.

The partnership with Wake Forest Baptist Medical Center has resulted in the creation of WellQ, a membership-based service that provides access to convenient, high-quality health care for everyday illnesses and wellness needs, along with financial coaching and education.

“There is a strong correlation between people’s physical and financial well-being because financial stress can negatively impact their physical health and vice versa,” says Cathy J. Pace, president/CEO of the \$1.3 billion asset credit union.

“Health care expenses can be one of the top costs for families,” she says. “A WellQ membership can be a vital part of financial planning for those who need an affordable, convenient place to go for minor illnesses, as well as



Cathy J. Pace, president/CEO of Allegacy FCU (left), and Dr. Julie Ann Freischlag, CEO of Wake Forest Baptist Medical Center and interim dean of Wake Forest School of Medicine, stand in the WellQ lobby.

valuable financial education and planning assistance.”

Insurance isn’t accepted for clinic appointments or visit-related prescriptions at the onsite pharmacy. Appointments are made online or through a smartphone app. Payments are made by credit or debit cards—including those attached to health savings accounts and flexible spending accounts.

“The clinic at WellQ is not designed to be a substitute for a primary care provider, but rather as a convenience that complements a person’s existing primary care provider and supports the physical and financial well-being of members,” says Dr. Julie Ann Freischlag, Wake Forest Baptist

Medical Center CEO and interim dean of Wake Forest School of Medicine. “The Allegacy-Wake Forest Baptist partnership is about becoming champions for improving the overall health and well-being of the folks who live and work in our community.”

Wellness is in Allegacy Federal’s DNA, as Pace likes to say. The credit union was named one of the 2017 Healthiest Workplaces in America by Healthiest Employers LLC, an organization that evaluates employers’ corporate health.

Wake Forest Baptist Medical Center is a longtime Allegacy Federal select employee group, and it co-sponsors the annual Susan G. Komen Northwest NC Race for the Cure with the credit union.

“Together we found something that truly differentiates us,” Pace says. “Today everyone wants to be a disruptor, and I think we’ve truly achieved that. At the same time, we’ve found a way to be good partners in the community. That’s what makes this so exciting.”



The rooms at WellQ are designed to treat everyday illnesses and promote wellness.



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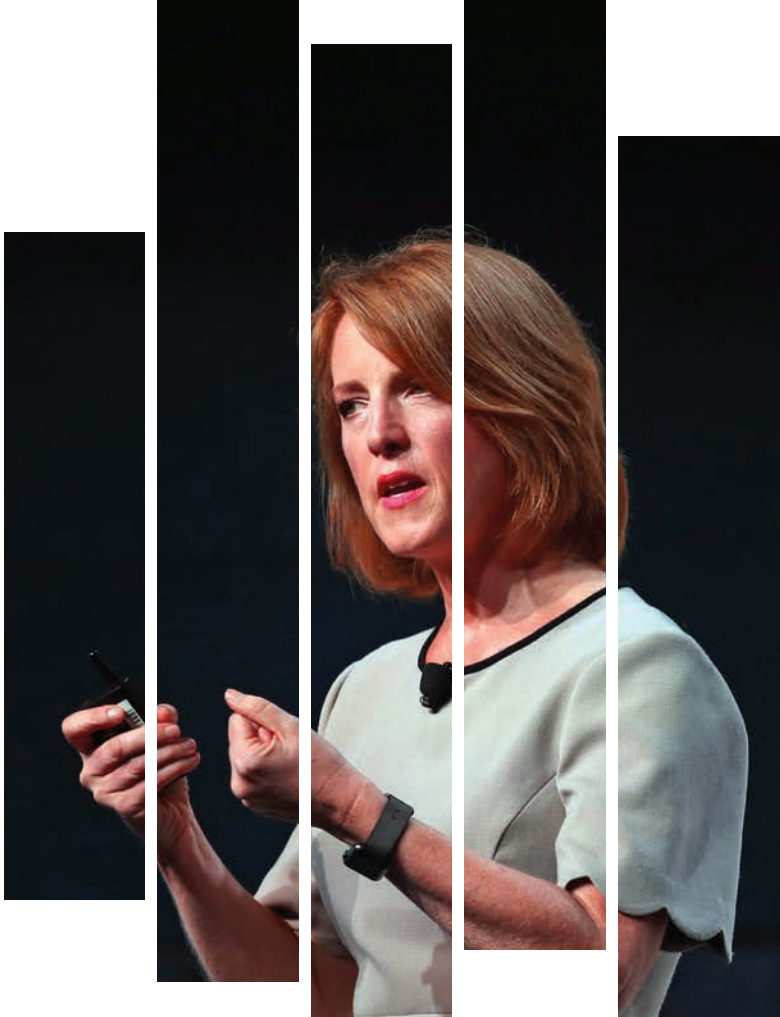
RON JOOSS, BILL MERRICK, CRAIG SAUER, AND JENNIFER WOLDT

Play where others aren't. Find your passion. Embrace the power of positive emotion. Take a stand with your brand. These ideas and more will move your credit union forward during CUNA's 2018 America's Credit Union Conference, June 28 to July 1 in Boston. Keynote speakers Jeff Henderson, Whitney Johnson, Daniel Lerner, and Jonathan Mildenhall will show attendees how to reach their potential, the importance of innovative disruption, the link between happiness and success, and the power of purpose.



WHITNEY JOHNSON

‘**F**ind a way to play
where others aren’t.’



INNOVATIVE DISRUPTOR WHITNEY JOHNSON encourages business leaders to “play where others aren’t.”

Imagine yourself as a kid in the sandbox or maybe with a pile of Legos playing alone, deeply connected to your own world of possibilities. Your ideas aren’t subject to critique, but rather are building blocks to shape something truly your own.

That simple act of creativity, “finding a way to play where others aren’t,” is one key to innovative disruption, says Whitney Johnson, named one of the world’s 50 most influential management thinkers by Thinkers50 in 2017 and 2015. Through speaking, writing, coaching, and consulting, Johnson synthesizes the key levers of change and how to use them effectively.

Through her work at Harvard Business School, Johnson has learned that those who are willing to wade into their own mental territory “like a kid in grade school” are more likely to be creative and innovative. “People who are able to be innovative are willing to play where no one else is playing,” she says.

Ironically, today’s business environment is ripe for creativity because of the constraints companies face. Virtually every business process naturally imposes constraints, whether it’s time, money, or resources, she says.

“We should embrace those constraints because that’s what gets our creative juices flowing,” Johnson says. “We rarely

have all the money or time we want. That makes us play to our strengths. One way we can find places where no one else is playing is to recognize the constraints that are built into any situation. That forces us to find a work-around. In finding that work-around, we find a way to play where others aren’t.”

Johnson adds that women are natural disruptors. Research shows that women historically built networks outside of organizations because internal networks weren’t available to them. “They had to go and play where no one else was playing.”

Ultimately, people, not companies, are disruptive: those who work hard and come up with smart ideas that no one else has been able to divine.

Johnson’s mission is to cultivate that environment. “Every person wants to be a great leader,” she explains. “They want to be a part of that place where people want to come to work. At the same time, we all have that day-to-day tension of reports and deadlines. At some point you have to let go—I call it ‘learn, leap and repeat.’

“You have to help others do that as well because they will be more engaged with you and with the whole process,” she continues. “They will be all in, and because they’re all in, they’re going to be even more productive. And you become that boss who people love and want to work for.”



JONATHAN MILDENHALL

‘**P**urpose is an absolute mandate.’

DON'T BE AFRAID TO TAKE A STAND WITH your brand, says Jonathan Mildenhall, an internationally renowned thought leader in the worlds of business strategy and creative excellence.

Mildenhall defined his career connecting brands like Coca-Cola and Airbnb to social purpose.

The standout campaign of his career, Mildenhall says, is Coca-Cola's 2014 Super Bowl campaign featuring the song "America the Beautiful" sung in many languages, and the faces of Americans with varied religious beliefs, sexual orientation, skin color, and age.

"It was tough getting that campaign through the Coca-Cola Company because we were taking a very progressive stance on what the American family looked like, and we were taking a very progressive stance on the history of American culture," he says. "It was brave in 2014, but I was so proud."

Coca-Cola ran the ad again during the Super Bowl a few years later despite complaints from some consumers.

Mildenhall credits spending time in Coca-Cola's rich commercial archives for much of his success at the soft drink company.

"It helped me appreciate those moments when Coca-Cola stood up as a significant cultural icon that was pressing up against tensions of the time," he says. "And I realized that all I had to do was to remind Coca-Cola

of the cultural power of that brand."

When a brand takes on a cultural position generation after generation, teenagers in particular flock to it, he says. "Coke taught me about the power of purpose and how putting the purpose into marketing messages can create significant value."

Mildenhall also used this purpose playbook when he developed Airbnb's "Is Mankind" campaign, which connected the company's brand to discovery of the world and humankind.

In that campaign, Airbnb was one of the first advertisers to recognize the transgender community.

"It was right around the time that Caitlyn Jenner was receiving the Arthur Ashe Award for Bravery, and there was a huge, polarizing narrative about the transgender community in the U.S.," he says. "But because Airbnb is purpose-driven and believes in a world where anyone can belong anywhere, it was important that we stood up and defended the transgender community."

The campaign didn't cost Airbnb much money, but the impact was "phenomenal," Mildenhall says.

"I'd like everybody to understand that purpose-driven companies outperform their competitors," Mildenhall says. "Especially for younger consumers, purpose isn't an option, it's an absolute mandate."



JEFF HENDERSON



When other inmates saw punishment, I saw opportunity.

CHEF JEFF HENDERSON DIDN'T FIND HIS PASSION for food in the kitchens of a prestigious culinary school.

"I didn't find food, food found me," Henderson says. "And food found me in one of the darkest places on earth: prison."

Henderson grew up in the inner cities of Southern California, made "poor choices," got involved in drugs, and spent nearly a decade in federal prison following a conviction for selling drugs.

For Henderson, prison was an opportunity to fix his wrongs. He earned his high school diploma, read his first book cover-to-cover, and was told he was smart.

He was also assigned to a job in the kitchen. That's where he found his connection to food.

"In the pots and pans room, the connection came," he says. "The connection was smelling all the food that was being cooked. In prison they give you three meals a day, and you don't get extra. So food is one of the most important moments of the day."

Being in the kitchen provided access to more food, says Henderson, who was known for his prison fried chicken and cinnamon rolls. "So the idea that I could eat extra food every day because I worked in the kitchen was the hook to keep me there."

In the kitchen he helped the head inmate cook, Friendly Womack Jr., serve 1,100 prisoners—plus staff—each day. In the process, he learned skills such as how to properly sea-

son and steam food and how to tell if the food was done by appearance and scent.

His aunt sent him cookbooks that he studied. Henderson eventually worked his way up to head inmate cook and baker.

"When other inmates saw punishment, I saw opportunity," he says.

Henderson capitalized on that opportunity following his release from prison in 1996.

He became the first African-American chef de cuisine at Caesars Palace in Las Vegas. He was also the first African-American executive chef to run a restaurant at the Bellagio before writing his first book, "Cooked: From the Streets to the Stove."

Eventually, Henderson became the host of four cooking shows on Food Network.

When he's not in the kitchen, Henderson travels the world inspiring people and arming them with the tools they need to reach their goals.

"I use food as a teaching component to help young people understand they have the power of potential," he says. "And these are the strategies people need to become the best versions of themselves."

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DANIEL LERNER

‘**W**hen you’re stressed out, run toward your friends and family.’



IF YOU WANT TO HAVE A SUCCESSFUL SURGERY, give your doctor candy before the operation.

That’s because doctors who are happy outperform those who aren’t, says Daniel Lerner, citing a study where doctors who received a bag of candy before diagnosing 50 symptoms made 20% more correct diagnoses than those who instead read a medical journal or received nothing.

“Across the board, people who are primed with positive emotion achieve at a higher level, whether they’re students, doctors, or other professionals,” says Lerner, co-author of “U Thrive: How to Succeed in College (and Life),” and professor at New York University, where he teaches a course called “Science of Happiness.”

Traditionally, people think they’ll find happiness when they’re successful: “When I get the job, the promotion, the raise, the car—whatever it is you’re looking for—then I’ll be happy,” he says. “But research shows that when we have higher levels of positive emotion, we perform in a way that’s more efficient and more effective.”

Of course, not all successful people are happy. “But there are potential advantages to raising our levels of positive emotion when we’re looking to be successful as well,” Lerner says.

Too often, our culture looks for the negative, he says. “We celebrate the Jim Morrisons, the Janis Joplins, the Steve Jobs—the folks who suffer for their art. We often don’t see the folks who are great because they’re happy and who take pleasure in their work.”

Like other skills, creating positive emotion takes work. Lerner cites four “interventions” that foster happiness and well-being:

► **Keeping a gratitude journal.** Take five or 10 minutes each day to write down three things for which you’re grateful, and why.

“When we do this every night, we see after 30 days that our levels of positive emotions rise,” Lerner says. “It’s not just because we’ve found a few things to be grateful for. It’s because we’re reprogramming our brain to see the world differently and to find things to be grateful for. In doing so, this becomes much more natural, and our levels of positive emotions rise.”

► **Mindfulness and meditation.** These are positively associated with higher levels of life satisfaction, vitality, and optimism, and lower levels of depression and social anxiety.

“When I maintain a consistent practice of meditation, it changes my ability to deal with challenges, changes



3D Bean uses full-body, high-resolution photography to create realistic, 3D figurines.



3D Bean founder Yifei Zhang

Experiential Sessions Top ACUC Agenda

A feature at this year's America's Credit Union Conference in Boston will be "experiential" sessions, where attendees can venture into the city to visit some of the nation's top companies.

These sessions will allow attendees to explore:

- ▶ **Innovative** customer experiences.
- ▶ **New media** and technology.
- ▶ **Emerging** markets.
- ▶ **Refreshing** office culture.
- ▶ **Economics** and ethics.

Attendees can take advantage of experiential sessions at some of Boston's unique companies such as:

3D Bean

This startup company "breaks the barriers of the flat photo" by creating realistic, 3D photo figurines made of sandstone. Each highly detailed color figurine is based on instant, full-body, high-resolution 3D photography.

"I believe 3D photography is the next major progression of photography itself," says founder Yifei Zhang. "We can cherish and preserve those special moments as close to how they occurred."

Participants in this session will hear the inspirational and whimsical story of how this concept came about and have their 3D poses taken.

Trip Advisor

From plane tickets to hotel rooms, restaurants to entertainment, Trip Advisor connects consumers with comprehensive travel information.

Its innovation is driven by a culture where employees push themselves to work in new and exciting ways. Attendees will hear Matthew Gabree, senior director of global office experience, describe a workplace with an energetic, positive atmosphere.

The Envoy Hotel

The Envoy is part of Autograph Collection hotels that celebrates independent leaders in film, art, design, and literature by curating one-of-a-kind travel experiences. The Boston hotel has close ties with local businesses that provide it with food, beverages, toiletries, and artwork.

my concept of stress, and changes my level of patience," Lerner says. "It helps in how I address challenging moments in the world."

▶ **Regular exercise.** Studies show that exercise is as effective as medication in treating mild to moderate depression, Lerner says.

"I can tell, as can my wife, if I have or have not been exercising because my mood is very different," he says. "If I go for a couple of days without it, it's far more challenging for me to be relaxed."

▶ **Quality relationships.** This is the greatest indicator of happiness and well-being, Lerner says. "If you don't have positive relationships, it's difficult to have well-being. Spend ample time with the people you love.

"When I spend time with good friends, even if it's reaching out for a quick conversation, that really changes my level of happiness," he continues.

Too often, people isolate themselves when they're stressed out. "They hide or clam up," Lerner says. "That's akin to running away from the hospital when your appendix is about to burst. When you're stressed out, run toward your friends and family.

"There are plenty of interventions," he adds. "Part of the journey is finding the one that's right for you."



HOUSE BLEND	\$3
CAPPUCCINO	\$5
LATTE	\$4
CARMELO	\$4
TEA	\$2

THE STATE OF P2P

RON JOOSS

Person-to-person payments are the logical progression in digital services.

In an age when the one-click ease of Amazon Prime sets the standard for retail convenience and mobile devices can deliver virtually any form of data, it's a bit of a wonder that person-to-person (P2P) payments haven't gained more traction.

The capability and convenience of P2P is well established, and it seems like a natural way for friends and family to pay each other for meals, rent, and gifts.

"We do a lot of research about that very topic, and it always seems to come back to consumer awareness," says Steve Shaw, vice president, strategic marketing, at Fiserv. "Consumers just don't know that they can transfer money to someone from a different financial institution from their mobile phone, and how simple it can be. There's a little bit of a disconnect there."

But Shaw and others believe P2P payments are a natural next step in evolving credit unions' online and mobile banking strategies.

A key driver

One of the key factors to drive P2P payment adoption will be the mobile channel. "Where P2P really works with consumers is in the mobile world," says Doug Marshall, senior vice president of retail at \$18 billion asset BECU in Tukwila, Wash. "You make payments when you're out in the world. That's where mobile P2P is a perfect fit."

An August 2017 poll of U.S. internet users by

Market Force Information reveals that nearly 80% of respondents had downloaded their primary financial institution's mobile app. And a 2017 report from Fiserv reveals that 19% of consumers have used P2P in the past 30 days, up from 14% in 2015 ("Top uses of P2P," p. 31).

"As P2P becomes more a part of the mobile banking experience, consumers will find a certain comfort level with it," says Michelle Lemieux, senior product manager at CO-OP Financial Services.

But despite steady growth, P2P statistics remain relatively anemic compared with other payment types. eMarketer estimates the transaction value of U.S. mobile P2P payments grew 55% in 2017—to \$120.4 billion.

In 2016, the last year data was available from the Federal Reserve, credit card payments grew 10.2% to \$37.3 billion with a total value of \$3.3 trillion.

Success is relative, however, according to Brian

FOCUS

- ▶ **Mobile channels** will be the key drivers in P2P adoption.
- ▶ **Security and convenience** are the two most important features of P2P.
- ▶ **Board focus:** Offering P2P can make credit unions more relevant in their local marketplace.



White, senior vice president of information services and technology at \$1.1 billion asset Hiway Federal Credit Union, St. Paul, Minn., which offers P2P through Payzur by Acculynk.

White says P2P accounts for 200 to 250 transactions a month—and he's fine with that. "Offering P2P makes us more relevant in our local marketplace. The members who use it find it easy to use, and that's a win for us. That's how you create organic growth and word-of-mouth marketing: by offering products that members like and make their lives easier."

Venmo gains traction

The first P2P solution to gain traction with the general public was Venmo, which is owned by PayPal. While PayPal includes capabilities for people to send money to each other, it was primarily designed to facilitate e-commerce, such as eBay.

PayPal launched Venmo in 2009 for the express purpose of P2P payments, and it incorporates elements of social media. Venmo has even gained verb status among many users, as in, "Venmo me."

Many, however, don't consider Venmo to be financial institution-friendly. Customers link their Venmo accounts to a financial institution account or plastic card, but the Venmo app stands alone.

However, another major, more financial institution-centric P2P player has emerged in the past year to rival Venmo. Instead of being a standalone mobile app, financial institutions can integrate Zelle within their mobile banking apps. Zelle accounted for \$75 billion in P2P payments in 2017, more than double the \$35 billion Venmo moved in the same period, according to CNBC.

OFFERING P2P MAKES US MORE RELEVANT IN OUR LOCAL MARKETPLACE.

BRIAN WHITE

Zelle traces its roots to a joint venture called clearXchange, formed in 2011 when Bank of America, Wells Fargo, and JPMorgan Chase teamed

DO-IT-YOURSELF P2P

Despite having multiple options for providers, \$4 billion asset Redwood Credit Union in Santa Rosa, Calif., opted to develop its person-to-person payments (P2P) solution in-house.

"We looked at a number of third-party applications before deciding that developing a solution ourselves would be, in the long run, a better option for us," says Ron Felder, Redwood's executive vice president and chief lending officer. "It would allow us to fully customize delivery for our members and deliver a more seamless experience."

Redwood did hire a consultant to assist with the development of RCUPay. "We also did a lot work on the security side, a lot of code review, really just making sure

that what we were developing was the right solution," Felder says. "Although it required more time and cost upfront, I think it's going to pay dividends for us down the road."

RCUPay is integrated with the credit union's mobile banking app. Users must be members to initiate payments, but members can send money to friends and family who bank with other financial institutions.

"It's cool because even if you're not a member, if you receive money it's a good experience," Felder says. "That generates word-of-mouth marketing, so I think we'll get some organic growth from that. About 64% of our transactions so far are member to member, so almost a third go from members to nonmembers."

up to work on a digital payments solution that would allow their customers to send money to each other. In 2016, Early Warning, a fraud prevention and risk management firm, purchased clearXchange.

Industry offerings

Credit union service providers have also been proactive in providing P2P solutions. CO-OP Financial Services offers RealPay, which allows members to pay anyone via mobile or online. Credit union members can send money to consumers in real time, including to account holders at other financial institutions.

Lemieux says the market for RealPay has been “steady, but not explosive.”

Fiserv offers Popmoney, which allows consumers to send money with an account number, email address, or mobile phone number regardless of where the other person banks. About 2,400 credit unions and banks currently offer Popmoney, Shaw says.

Google and Apple also offer P2P solutions, and Facebook offers P2P payments through its Messenger function. Keeping track of the P2P players literally requires a scorecard—and that’s one of the roadblocks to wider consumer adoption, experts say.

“Supposedly, one of the critical lessons that Zelle espoused at the time of their rollout was the need for a common brand,” says Glen Sarvady, managing principal at 154 Advisors.

Sarvady specializes in online payments, digital wallets, customer segmentation, and consumer behavior. “If a Bank of America customer makes a transfer to a credit union member and they have two different solutions, they might think the solutions don’t work together. If it’s called the same thing on both sides, you know it works together.”

To that end, Zelle has shown a willingness to work with financial institutions, including credit unions. With more than 60 partner banks, Zelle has taken significant steps toward its common brand concept.

“There’s a lot of momentum there,” says Lemieux.

Adding Zelle to the mix

Both Fiserv and CO-OP offer Zelle to their clients, with no plans to sunset their existing P2P products.

“We have clients interested in Zelle because of the momentum behind it,” Shaw says. “We always want to give our clients choice, and ultimately the consumer will determine the market.”

Among the credit unions that have signed on with Zelle is \$10 billion asset First Tech Credit Union in Mountain View, Calif. Brian Ziff-Levine, senior director of payments strategy and support at First Tech, says the credit union based its decision to offer Zelle on two factors: security and convenience.

continued ►

Top Uses of P2P



Source: Fiserv

He believes Zelle is a more convenient solution than Venmo for consumers. One inconvenience with Venmo is that users must carry a secondary balance in the Venmo app.

THE KEY TO SUCCESS IS EASE OF USE.

RON FELDER

“Eventually, the consumer has to transfer funds from that Venmo balance into their financial institution accounts,” Ziff-Levine explains. “With Zelle, it goes straight into my account—no middle man, no intermediary. And so the ease for our members to send money to one another was the driving force behind our decision to go with Zelle. We’re all about innovation, but we don’t want to innovate if it’s not actually going to bring any convenience to our members.”

As for security, Zelle’s integration with mobile banking was important, he says. “Venmo works through PayPal, but it’s not a financial institution,” he explains. “The credentials that you use to log on may be secure, but they might not be. You’re up to the whim and whimsy of that organization. That’s a critical consideration for consumers today.

“With Zelle,” Ziff-Levine continues, “you gain access through your financial institution’s mobile banking app. So all the security that we bring to the table for keeping your money secure also keeps your P2P payments secure.”

Popmoney

BECU has offered its members P2P payments since 2009. While it currently offers Popmoney, the credit union will soon introduce Zelle.

“Our member base on average tends to be a little more technically demanding,” Marshall says. “The expectations are on us to always offer the latest digital solution.”

He says there’s not a typical P2P user profile. “We see a mix. In some cases, we have members who use it literally once a year. They might make a holiday gift payment to a family member or some other annual payment.

“Other members,” Marshall adds, “use it on a relatively frequent basis; maybe five to 10 times a month. The amounts also vary widely. You’ll have the people who send their friends \$5 for coffee and others who will send up to \$1,000.”

Larger amounts tend to be for rent payments, says Ziff-Levine. “If you’re a small-time landlord who owns a property or two and wants to do away with having checks mailed, Zelle is an easy, fast, and convenient way to get money from a tenant. You also have a couple of roommates paying another roommate for a single rent payment.”

White sees potential for growth in the business-to-consumer space. “There’s a cost for a sole proprietor to process checks and credit cards,” he says. “But if they can accept P2P payments, it’s going to work better for them, and it’s probably easier to manage.”

While P2P isn’t yet a core product, it’s important to keep an eye on. As the Venmos and Zelles of the world continue to gain traction, more members likely will want it.

Shaw says P2P can also be a retention tool, and encouraging members to use it introduces them to another valuable credit union service. “It’s on us to educate consumers.”

RESOURCES

- ▶ CUNA Technology Council: cunacouncils.org
- ▶ 154 Advisors: twitter.com/154advisors
- ▶ CO-OP Financial Services: co-opfs.org
- ▶ Fiserv: fiserv.com

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- Brian Schmitt, CFO
American Heritage FCU

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LOANS

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DENNIS CHAPMAN

An increasingly mobile society requires comprehensive mobile lending solutions.

Everybody wants a piece of mobile lending. The saturation marketing of Rocket Mortgage, along with popular lending apps like Kabbage, and the growing appetite of credit union members for convenient, tech-based services have made mobile lending a required offering for many credit unions.

“Mobile lending is a must,” says Stephanie Zuleger, vice president and chief lending officer at \$1.2 billion asset Y-12 Federal Credit Union in Oak Ridge, Tenn. “We are in a society of convenience. We want it when we want it and how we want it.”

Behind the ease with which members can access services with a few clicks on a cellphone or tablet, however, lies a thicket of head-splitting complexity, cost, and planning.

“The challenges can be nuanced and

take time and planning to overcome,” says Willis Chang, vice president of innovation and application delivery at \$4 billion asset Kinecta Federal Credit Union in Manhattan Beach, Calif.

But, Chang adds, the importance of deploying mobile lending technology is increasingly apparent at Kinecta. “Based on the marketing campaigns to our members, we’re able to see about 65% of loan application traffic coming from mobile devices.”

Adopting new technologies like mobile lending solutions can be fraught with practical, political, and technical pitfalls. These traps can cost your credit union time, money, employee morale, and member loyalty.

It’s one thing to say you’re serving members’ technology needs but quite another to move seamlessly from concept to execution.

Sidestepping the obstacles through careful planning and far-sighted strategy allows credit unions to work more seamlessly toward helping their members get their hands on the convenient mobile access they demand.



And the planning, like the information technology (IT) elements, can greatly benefit from being integrated and forward looking.

Working with a mobile solution, vendors and legacy systems can become a challenge. Do you try to find ways to make your core system perform the new tasks or choose a third-party vendor and try to get their software to talk with your legacy system?

“The keys are to ask the right questions upfront, get things in writing, get references, and ensure your IT team is involved, capable, and can support the need of technology integration,” Zuleger says.

Another key vendor consideration is support, she says. Implementation can be labor-intensive with providers whose idea of support is providing manuals and videos.

Some companies go above and beyond with a project team and project plan. “It varies greatly,” Zuleger says.

Benefits of mobile

Overall, 47% of credit unions offer mobile banking services, according to the NCUA report, “Going Digital: Strategies for Providing Digital Services.” That ranges from 4.4% of credit unions with less than \$10 million in assets to 95.7% of credit unions with more than \$150 million in assets.

Not only are mobile transactions less expensive than in-branch transactions (\$0.19 versus \$4), mobile

customers are more profitable than their nonmobile counterparts, NCUA reports. Consider that:

► **Members** who used mobile banking brought in 36% more revenue than branch-only members, and were less than half as likely to leave their credit unions.

► **Within three months** of adopting mobile banking, the average number of monthly point-of-sale transactions for credit union members rose by 19%, their ATM transactions increased 25%, and their bill-pay transactions increased 13%.

► **The attrition rate** for members of large credit unions who used mobile banking was just 4.9% compared with 13.4% for members who weren’t enrolled. Among medium and small credit unions, the attrition rates were even lower: 2.8% for mobile bankers.

continued ►

FOCUS

- **Adopting technologies**, such as mobile lending solutions, can be fraught with pitfalls.
- **Offering mobile lending** and other services can have many benefits.
- **Board focus:** A growing number of members obtain loans on mobile devices.

BE 'SCRAPPY AND BOLD'

Cisco Malpartida Smith's small credit union is leveraging technology one bit at a time, substituting resourcefulness for resources.

"We needed to project bigger than what we were," says Smith, president/CEO of \$10 million asset Florist Federal Credit Union in Roswell, N.M. "And technology is helping us accomplish that."

Since assuming the helm at Florist Federal in 2016, Smith used professional ties to upgrade its digital presence.

A group of students he once mentored at \$17 million asset Georgetown University Alumni and Student Federal Credit Union in Washington, D.C., went off to start a New York-based firm called Narmi Tech, a financial technology company which offers affordable digital solutions for small credit unions.

Smith used the firm to rebuild the credit union's website and provide online banking for the first time.

"In about 60 days, we had the website and online banking up and running. That's really fast. It could take two or three years for some shops," says Smith.

This year, the credit union—which serves florists nationally—is working to implement a mobile video application that allows members to speak with staff about loans, membership, and other financial issues.

Because of its size and modest resources, Florist Federal has not been able to deploy a mobile lending system. But Smith is again using resourcefulness to compensate.

Because a large part of the credit union's loan business involves lending for floral delivery vans, he is working on a product concept that would entail working with an auto manufacturer to get discounts on a number of vans, and then offering 100% financing to members along with a free vinyl marketing wrap for the vehicles.

"Even if we don't have a full-service lending mechanism on mobile, here's a creative way to differentiate our products without making a heavy investment," Smith says. "We like to think of ourselves as scrappy and bold, and that requires thinking outside the box."

► **More than half** (53%) of mobile banking users were younger than 55 years.

Although mobile bankers can be found in every generation, use skews younger—with millennials and Generation X leading the way.

Integration issues

Chang says Kinecta's digital transformation started several years ago and has led to the credit union developing a custom solution for mobile lending. While this requires Kinecta to apply more effort and resources, it also gains flexibility, he says.

"One of the biggest benefits was being able to control the end-user experience and not be held back by vendors' limitations," Chang says. "If we want to use selfie technology to perform the Know Your Customer process, we have that option. If we want to leverage a payment service like Venmo or PayPal or Apple Pay, we have choices."

There's also a danger in adopting too many high-tech systems because that can ratchet up the complexity involved in getting your systems to multitask and talk to one another—and to your members.

Alex Barker, senior vice president and chief information officer at \$7 billion asset Mountain America Credit Union in West Jordan, Utah, says his credit union wrestles with adopting voice authentication.

"Identification is getting harder for us to get right and not make it painful," says Barker, a member of the CUNA Technology Council executive committee. "Does your voice authentication work at the drive-up, at the teller line, on your mobile app, and in the call center?"

Barker says Mountain America is weighing the integration problems the new technology poses and identify ways to leverage the service across all platforms.

"It becomes difficult to integrate because, in most cases, they're different systems," he says. "We could go live today with voice authentication in the call center, but it's an island, and nothing else can talk to it."

MOBILE LENDING IS A MUST.

STEPHANIE ZULEGER

Integrating systems can also become a divisive issue inside the credit union, stalling or sidetracking implementation, says Joe Brancucci, president of CU RateReset, a CUNA Strategic Services alliance provider that offers preapproved refinancing solutions.

“If I have a lending solution and I want to integrate it into the core, I don’t own the core,” he says. “IT owns the core, so I’ve got to convince them that the integration and interface is something they want to do. Once you get through the noise and political maneuvering, and get to the fact that we’re creating a frictionless solution for members, then everyone gets in line and we get quick implementation.”

Brancucci’s experience shows that credit unions that have the most success with digital change develop a digital transformation group headed by a C-suite executive to leverage resources, and implement and develop strategy.

“It’s like an office project on steroids,” he says. “It’s focused on innovation and digital transformation. Because if we stay in the traditional manner of delivering them, we will be the Blockbuster Video of the financial world. You have to re-imagine products and services.”

The transition also has to account for how to manage the operational results after moving to mobile lending solutions.

“You need sufficient staffing to handle any manual underwriting—to match consumer expectations around time-to-decision when it cannot be auto-decided,” Chang says. “People want instant gratification.”

Mobile marketing

Moving to mobile lending should also change how a credit union markets itself. Zuleger says all of Y-12 Federal’s loan marketing has gone digital in an effort to drive adoption of other digital solutions.

The credit union does not take applications for home equity lines of credit in its branches, and soon members will be able to originate and sign documents via a video

conferencing service called Vidyo, a CUNA Strategic Services alliance provider. And, lending never drives members to a call center or branches.

“Our marketing drives people to mobile efforts,” Zuleger says. “Any sales or promotions that we do are only available online in all areas of lending—no exceptions. People get used to mobile lending and see the efficiencies, and then they feel comfortable.”

NCUA’s “Going Digital” report suggests:

► **Offering incentives** to migrate current members to mobile channels, or disincentives (such as fees for paper statements) to stay in the old channels.

► **Training** staff to help members make the switch. Staff must become promoters of the new channels.

► **Reducing resources**, where appropriate, that are committed to old channels. Otherwise, savings may never be realized.

Chang says that timing marketing campaigns can also help with member expectations. For example, instead of emailing a loan promotion on a Friday night that can’t be auto-decided, he suggests sending the promotion on Sunday night.

“Let’s say they view it and fill it out, then first thing in the morning somebody’s already working on it,” he says.

Analyzing data generated from mobile lending and adjusting processes accordingly is also crucial, Chang says. “From getting the email, how many viewed or opened it?” he asks. “How many clicked into the application? And what was the drop off at specific steps? And what were the actual outcomes from a decisioning and funding standpoint?”

Because of the pace at which new technologies roll out, experts urge planning for continual digital evolution. Get ready to dig in and plan for the long haul.

RESOURCES

- CUNA Technology Council: cunacouncils.org
- CU RateReset, a CUNA Strategic Services alliance provider: curatereset.com
- Vidyo, a CUNA Strategic Services alliance provider: vidyo.com

FAQ Available for Customer Due Diligence Rule

The Treasury's Financial Crimes Enforcement Network (FinCEN) issued a new FAQ for its Customer Due Diligence (CDD) rule, which went into effect May 11. This FAQ is in addition to the set FinCEN published in July 2016, and the agency says it may issue additional FAQs and guidance or grant exceptions as appropriate.

The document contains 37 sets



of questions and answers. CUNA's compliance staff notes that Question 12 is particularly interesting for credit unions.

It addresses whether renewable share certificates/certificates of deposit (CD) constitute new accounts under the rule.

Financial institutions are required to have their legal entity customers certify the beneficial owners for existing customers during the course of a financial product renewal (e.g., a loan renewal or CD).

Consistent with the definition of "account" in the customer identification program rules and subsequent interagency guidance, each time a loan is renewed or a CD is

rolled over, the bank establishes another formal banking relationship and a new account is established. Covered financial institutions are required to obtain information on the beneficial owners of a legal entity that opens a new account, meaning (in the case of a bank) for each new formal banking relationship established, even if the legal entity is an existing customer.

Additional information on the answer can be found on pages nine and 10 of the FAQ.

The FAQ also covers:

- **Beneficial** ownership threshold.
- **Identification** and verification.
- **Collection** and retention of beneficial ownership information.
- **Other** definitions.

NCUA Issues Legal Opinion on Loan Participation

NCUA General Counsel Michael McKenna recently issued a legal opinion letter (18-0133) from the agency on loan participations. An inquiry was made about whether a loan participation must meet the requirements of NCUA's loan participations regulation throughout the life of the transaction.

"Yes, certain provisions of the loan participation must be met throughout the life of the transaction," McKenna wrote.

Another part of the inquiry asked if a participated loan must be identified and treated independently of all other participated loans, even when many participated loans are sold to the same purchasing credit union at the same time.

McKenna said the answer is "yes" as well. Section 701.22(d)(4) requires a loan participation agreement to identify each participated loan, enumerate servicing respon-



sibilities for that loan, and include disclosure requirements regarding the ongoing financial condition of that loan, the borrower, and the servicer.

"These requirements support the underlying principle that the purchase or sale of a loan participation represents an interest in a single loan. This principle must be maintained throughout the life of a participated loan, including servicing," McKenna wrote. "Therefore, a servicer generally cannot deduct a servicing fee related to a nonperforming loan participation from the principal and interest received from a performing loan participation, even when many loan participations are sold to the same purchasing credit union."

He also noted that NCUA's loan participation regulation does not prohibit servicing practices that may make administering multiple loan participations more efficient.

Reg CC Creates Remote Deposit Capture Indemnity

The 2017 Regulation CC final rule becomes effective on July 1. It creates a new Remote Deposit Capture Indemnity in Section 229.34(f) to address the allocation of liability when a depository institution, such as a credit union accepts deposit of a check through remote deposit capture.

In other words, when the depositor/member sends the credit union electronic information about a check—such as a photographic image—the credit union uses it to create an electronic check or substitute check for collection.

The proposed indemnity would be provided by a credit union that accepted a check via remote deposit capture to a financial institution that accepted the original check for deposit, in the event the financial

institution that accepted the original check incurred a loss because the check had already been paid.

The final rule added an exception to the indemnity, and associated commentary, which would prevent a bank from making an indemnity claim if it accepted the original check containing a restrictive indorsement inconsistent with the means of deposit, such as “for mobile deposit only.”

The Federal Reserve Board believed that providing this exception could reduce accidental double deposits and could provide incentives for financial institutions that receive remote deposit capture deposits to take steps to minimize intentionally fraudulent deposits.

If you accept checks via remote deposit capture, you may want to

ensure the language in your remote deposit capture agreement requires your member to add a restrictive indorsement to the check such as “For Mobile Deposit Only,” or similar endorsement.



COMPLIANCE Q&A *by CUNA's Compliance Team*

Q Do we have to now report all mortgage preapproval requests under the Home Mortgage Disclosure Act (HMDA)? What about prequalification requests?

A The collection, recording, and reporting of preapproval requests that are approved but not accepted used to be optional under Regulation C. As of Jan. 1, 2018, **covered institutions are now required** to collect, record, and report information for approved but not accepted preapproval requests for

home purchase loans.

Preapproval requests for open-end lines of credit, reverse mortgages, and home purchase loans to be secured by multifamily dwellings aren't covered transactions under the new rule. The appendix to the rule states that incomplete preapprovals should not be reported.

However, prequalification requests are treated differently under the rule. Regulation C doesn't require an institution to report prequalification requests on the HMDA loan application register (LAR),

even though these requests may constitute applications under Regulation B for purposes of adverse action notices.

Be careful that your credit union is using the terminology correctly and the prequalification isn't actually a preapproval under the rule.

The important factors are whether a full credit underwriting with a commitment to lend takes place or if the approval is an informal estimate of an amount for which an applicant “might” qualify. What the credit union calls the approval is not the controlling factor.

Rethinking the Roth IRA

Elimination of recharacterizations creates new tax considerations.

DENNIS ZUEHLKE

CONGRESS HAS ELIMINATED the ability to reverse a Roth individual retirement account (IRA) conversion—known as a recharacterization—as part of the recently passed tax-reform bill.

As a result, IRA owners who made a Roth IRA conversion contribution on or after Jan. 1, 2018, and later suffer buyers' remorse will no longer be able to reverse the transaction and the tax consequences associated with it.

A Roth IRA conversion allows you to convert traditional IRA assets to a Roth IRA or roll over employer-sponsored retirement plan assets to a Roth IRA. You pay taxes on all pre-tax assets that you convert—but not the 10% early-distribution penalty tax—regardless of your age at the time of conversion. Once you convert, you have

the advantage of tax-free growth in a Roth IRA, and you will avoid required minimum distributions during your lifetime—allowing you to pass along tax-free IRA assets to your heirs.

Important decisions

The advantages make Roth IRA conversions attractive, but investors often have a difficult time deciding whether to convert, because they are unable to determine the tax impact of the conversion until long after the transaction occurs. Any number of events during the year of conversion, including the sale of securities, purchase of a home, new job, or a salary increase can affect taxable income.

A Roth IRA conversion transaction early in the year that looked manageable from a taxation stand-

point may become unaffordable by tax time.

Investors who underestimate the cost of the conversion often discover at tax time that they do not have the money to pay the taxes on the conversion. Congress recognized this when it created the ability to convert assets to a Roth IRA, and created recharacterization as a way to reverse the transaction and the tax outcome that it creates. In other words, if you are unpleasantly surprised at tax time and want to change your mind, you get a “do-over.”

While it may not have been Congress' intention, recharacterization also is used by individuals as a way to reduce the cost of a Roth IRA conversion in cases where the value of the converted assets declines sharply after the conversion.

An individual who converted assets to a Roth IRA, only to see the value of the assets decline substantially, can recharacterize the transaction up to Oct. 15 of the year following the year of conversion. After a mandatory waiting period, the individual can then reconvert the assets to a Roth IRA, and pay taxes based on the lower value of the assets at the time of the reconversion.

For example, if an individual converted \$100,000 in pre-tax traditional IRA assets to a Roth IRA, and the value of the converted assets fell to \$50,000, the individual could recharacterize the assets back to the traditional IRA.

If, after the waiting period, the recharacterized assets are worth \$60,000, and the individual reconverts the assets to a Roth IRA,



the individual will pay taxes on \$60,000, the value of the assets at time of reconversion, rather than \$100,000, the value of the assets at the time of the original conversion.

Reconversion considerations

This use of recharacterization followed by reconversion allows individuals to move the same assets from a traditional IRA to a Roth IRA and pay taxes on the reduced value of the assets at the time of reconversion.

Most individuals who recharacterize for this reason fully intend to reconvert to a Roth IRA, but they want the tax benefit associated with the reduced value of the assets. Some members of Congress viewed this use of recharacterization as inconsistent with the original purpose of recharacterization.

But now that Congress has eliminated the ability to recharacterize a Roth IRA conversion, once you convert, you have no way to reverse the transaction and are stuck with the tax consequences.

This change in the tax law eliminates the ability to recharacterize a Roth IRA conversion made on or after Jan. 1, 2018. However, the IRS has clarified that a Roth IRA conversion made in 2017 can still be recharacterized. Under current law, individuals who made a Roth IRA conversion in 2017 have until Oct. 15, 2018, to recharacterize the contribution to a traditional IRA.

Although recharacterization is no longer permitted for Roth IRA conversions, it is permissible for annual IRA contributions. Individuals can continue to use recharacterization to correct an error in making an

annual IRA contribution.

For example, individuals who contribute to a Roth IRA and later discover that their income exceeds the income thresholds can recharacterize their contribution to a traditional IRA. Contributions to a Roth IRA can be recharacterized to a traditional IRA, and contributions to a traditional IRA can be recharacterized to a Roth IRA under the current recharacterization rules.

IF MEMBERS CAN'T
PAY THE TAXES
AND STILL WANT
TO CONVERT, THEY
SHOULD SEEK TAX
ADVICE.

This little-noticed change in the tax-reform bill that eliminates the ability to recharacterize a Roth IRA conversion sets up a tax trap for the unwary. Individuals who convert and do not seek tax advice may not be aware of the tax impact until they file their federal tax return months later. If they converted assets and do not have the money to pay the taxes, they are now stuck with their decision and can't reverse the transaction or the tax consequences associated with it.

However, converting to a Roth IRA offers substantial tax advantages for many investors, even after

paying the taxes associated with the conversion. The change in the tax law should not dissuade credit union members from converting assets to a Roth IRA. Converting to a Roth IRA may be advantageous for credit union members who believe that their tax rate in retirement will be higher than their current tax rate, or want to avoid required minimum distributions and pass along tax-free IRA assets to their heirs.

A trusted adviser

Survey after survey affirms that members view their credit unions as trusted sources of financial information and advice, and with this new change in the tax law, members may look to their credit unions for assistance with Roth IRA conversions.

In situations where members inquire about converting to a Roth IRA, credit unions should encourage the member to seek tax advice and carefully consider the tax consequences, including any potential changes to the member's income and the member's ability to pay the taxes on the conversion.

If a member cannot pay the taxes and still wants to convert, then they should seek tax advice, and may want to consider spreading out the conversion over a number of years. The member can convert a portion of the assets to a Roth IRA each year and pay taxes only on the amount of pre-tax assets that they convert each year.

DENNIS ZUEHLKE is compliance manager for Ascensus. Contact him at 608-229-1875.

A New Branch Prototype

While many financial institutions struggle to find a happy medium between their digital and physical presence, Listerhill Credit Union in Muscle Shoals, Ala., has planted a flag into the financial services landscape by opening a state-of-the-art facility that also expands services to members.

“The expectations of what a branch is changing,” says Brad Green, president/CEO of the \$755 million asset credit union. “Of utmost concern to us is the value, the convenience, and the experience that we provide our members.”

The 4,000-square-foot financial center introduces a new concept of Listerhill’s enhanced retail model, which includes an open floor plan and employees who are able to assist members with any financial needs.

The branch also includes a tubeless drive-thru area with new ATMs that allow members to make deposits,



Listerhill CU’s new prototype branch features a “community wall” that allows members to see the local impact of the CU’s footprint.

payments, or withdrawals anytime, even without a debit card.

The ATM offers members an optional video link to connect with a member advocate.

Inside the branch, members can grab a cup of locally roasted coffee or a chilled bottle of water while children have access to iPads with financially themed games. The member waiting area features a “community

wall” that displays Listerhill’s local impact.

“This office is the culmination of many years of work,” says Kristen Mashburn, Listerhill’s chief of staff, retail. “From surveys, workshops and credit union visits to constructing, training, and testing, our team made sure that our members’ needs were considered first in every decision we made.”

Text Messaging as a Lending Tool

Text messaging is fast becoming the communication method of choice for consumers. Educators Credit Union in Mount Pleasant, Wis., uses it to engage members in the loan process.

The \$2 billion asset credit union employs Elle, a conversational text-messaging platform from the fintech company Shastic. When members begin the online vehicle loan or credit card application process, they’re given the option to receive text messages from the Educators loan engagement team.

The credit union sees text messaging as a more cost-effective way



to scale its operations.

“From an organizational standpoint we are always looking for ways to offer new channels to extend our conversation with members,” says Emily Olson, marketing development specialist.

The credit union also employs text messaging as a marketing tool, Olson

says. “With text messaging, members are picking the channel they use to learn from Educators Credit Union. At the same time, they can engage with us. It’s exciting to open the door for these educational conversations.”

Indeed, using the Elle system, the text-message reply rate among members and nonmembers applying for loans is 70%, with more than half responding by text in 90 seconds. Nearly 1 in 3 text messages received were from nonmembers.

“This gives us the ability to help members through the loan process in a way that’s convenient for them,” says Olson.

Best: Member Data Should Drive Strategy

Members' data should drive strategy at your credit union, according to John Best, CEO of Best Innovation Group.

"You've got to trust the data," he says.

To take full advantage of that data, Best says credit unions must:

1. Challenge conventional wisdom. Revisit the beliefs you hold true, including that bill pay is a sticky feature, digital transactions are always cheaper than in-person transactions, mobile members are mostly

millennials, all millennials use mobile services, only 25% of your members use branches, and that checks are dying.

"This is conventional wisdom that I'm sure you hear every day," Best says. "Things are changing."

2. Create a data-driven culture. Assumptions won't move your credit union forward, Best says. Challenge people to back up their statements with data.

3. Measure your strategies. Use data to improve processes at your credit union. And don't be afraid to fail.

"Failure is a symptom of two things: trying and innovation," Best says. "When we don't try things, we fall behind."

4. Be predictive. Use data to try to predict member behavior or find answers to your biggest problems.

While credit unions' use of data analytics is still somewhat in its infant stage, Best says credit unions must recognize the important role it has in determining results.

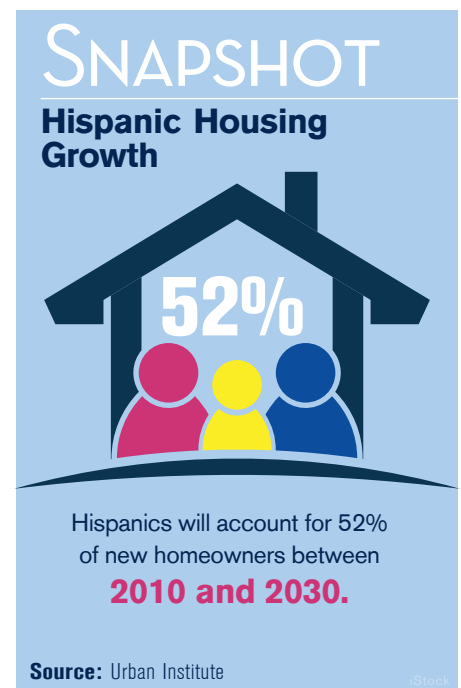
"You will have a chief analytics officer someday," he says. "We

must recognize new disciplines sooner rather than later, and give them a seat at the table."

Best addressed the 2018 CUNA HR & Organizational Development Council Conference in Fort Lauderdale, Fla.



John Best



Ward Off Wage Lawsuits: Six Steps

While a federal overtime rule that was slated to take effect in late 2016 was put on hold, the Department of Labor (DOL) is expected to revisit the issue in the future, says David Gobeo, an employment attorney with Ford & Harrison LLP.

Gobeo expects DOL to revisit the minimum salary for exempt employees. He encourages credit

unions to reduce the risk of wage lawsuits by taking six steps:

1. Require all employees, even exempt staff, to record their time.

2. Audit job descriptions for exempt positions to determine if they match the actual duties those employees perform.

3. Implement safe-harbor policies to correct payroll mistakes. "Give

them a specific procedure to follow and put it in writing," Gobeo says.

4. Have employees and supervisors sign off on pay and time records, and any changes made to them.

5. Train managers on lawful pay practices.

6. Put any policies and procedures regarding pay in writing.

No Barriers to Developing a Mobile Strategy

All credit unions can provide mobile technology regardless of asset size.

PATRICK TOTTY



ONE PLUS OF MODERN TECHNOLOGY is that credit unions of any size can access tools that allow them to compete with big banks when it comes to mobile strategy.

“As long as small credit unions have the right attitude, which is to be aggressive in giving good service, there is technology available to them to compete with far larger financial institutions,” says Nikhil Lakanpal, co-founder of Narmi.

There have been vast changes in what mobile offerings are available—and what people expect—compared with five years ago, says Jeremiah Lotz, vice president of product management at PSCU. That’s partly because large companies like Amazon and Samsung have created some high-tech capabilities for consumers.

“Originally, mobile offered basic services such as account balances and transfers,” Lotz says. “But as services have evolved, credit union members now expect almost continuous change in what it can do. So their question becomes: ‘We can get these services at Bank X, how about with you?’ Providing a good answer is the role we play.”

Scott Collins, executive vice president of national sales and marketplace relationships at CU*Answers, says the most sought-after type of services that smaller credit unions seek when it comes to mobile apps are remote deposit capture, API-based bill pay, and multifactor authentication.

“Younger members,” Collins says, “expect digital tools and access across channels, including call center availability at off hours. What I’m describing here is a level of service that small credit unions would have considered unobtainable just a few years ago.”

Collins says “our mobile solutions are the great equalizer with regard to the comparative size of all financial institutions.” CU*Answers offers mobile features that are equal to what larger financial institutions offer.

“The size of the credit union should be of no consequence,” he says.

There’s also the element of vendor willingness to front-load a mobile app with some potent capabilities.

“We call it the ‘kitchen sink’ concept,” says Collins. “Mobile banking tools do not make money in general, they simply transfer banking from one channel to another.

“That means all of a credit union’s mobile app capabilities are folded into their core processor,” he continues. “Any credit union that uses our core will be getting free mobile apps forever.”

“We’re bringing a different technology to the table,” says Lakanpal. “We are more than a software product supplier; we’re out there looking for the latest fintech innovations—like our Billshark and Lemonade partnerships—and will integrate them into our platform on behalf of credit unions.”

Not only does Narmi’s app offer the quickness and simplicity that users expect, Lakanpal says, it also provides some capabilities—such as negotiating discounts or offering incentives—that larger financial institutions don’t. For example: **► If credit union members** take pictures of their Comcast bills and

submit them, Narmi will negotiate with Comcast for a \$30 reduction in their monthly bills.

► If a credit union wants to encourage members to use direct deposit, Narmi can offer one year’s worth of Amazon Prime to those who make that switch as an incentive.

There’s an educational aspect to mobile apps that vendors gladly take on, Lotz says.

“We’ll tell a client how to commercialize mobile,” he says. “We’ll say, ‘Here’s a product and why it’s useful. Here’s how to approach your members with it. Here’s what other financial institutions in your space are doing with it. Here are studies about this approach to mobile.’”

Mobile means self-service

“Mobile and online capabilities are basically a self-serve approach to members’ financial management,” says Lotz. “Members no longer need to walk into a branch to perform sophisticated transactions like balance consolidation or document origination. That removes the higher-cost, face-to-face transactions from the mix. Digital payment capabilities allow credit unions to more effectively compete with big banks.”

Sophisticated mobile apps aren’t just for large credit unions, says Collins.

“No one can be left behind, or our industry is in trouble,” he says. “Every credit union needs a mobile strategy. It should be embedded in its DNA.”

RESOURCES

- CU*Answers: cuanswers.com
- Narmi: narmitech.com
- PSCU: pscu.com

OFFICE EQUIPMENT

EQUIPMENT SALES & SERVICE

New and used bank equipment, teller cabinets, locks, cash handling. Maintenance service supplies and parts. Safe, vault and ATM, rigging service. Moving and storage, short and long term. Business relocation services. **Warner Industries** serving the upper mid-west for over 30 years. Call 414-803-4043 or email at info@warnerindustries.com & please visit www.warnerindustries.com.

AUDITING/CONSULTING SERVICES

PROVIDING A FULL RANGE OF SERVICES

for credit unions for over 50 years including: audits, supervisory committee examinations, board training sessions, internal control consulting, and bank secrecy audits. Contact Randy Robbins at 806-747-3806. Visit our Web site at www.bsgm.com. **Bolinger, Segars, Gilbert & Moss, L.L.P.**, 8215 Nashville Avenue, Lubbock, TX 79423.

SPECIAL SERVICES

BLANKET BONDS

Directors' and officers' liability for credit unions (most areas) since 1974. Control costs with our three-year-rate guarantee. Also, GAP, single interest, etc. All insurance needs for a credit union. **L A Blanchette Agency**, 15 Briarcliff Professional Center, Bourbonnais, IL 60914; 815-932-6256. Visit www.insuranceforcreditunions.com.

CHICAGO LEGAL REPRESENTATION

Walinski & Associates P.C. represents credit unions for collections, bankruptcies and foreclosures in Cook, Will, Dupage, Kane, Lake and McHenry Counties. Email walinski@walinskilaw.com or call Robert J. Walinski (312) 985-7214.

cuSchool.com

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Know Your Salesperson

Nine types of vendor reps and their 'superpowers.'

JAMES COLLINS

VENDORS. WE ALL DEAL WITH them—and we all need them.

Vendors do things you can't, such as bringing expertise you don't have or performing duties beyond (or beneath) what your staff can do.

They're as integral to your business as your most trusted employee—and can be as problematic as your worst.

Quite often, the primary face of the vendor relationship is a salesperson. While these folks come in more flavors than Baskin Robbins, they do fall into broad categorizations:

► **The LinkedIn guy.** After badgering you to connect on social media, he instantly launches into a long-winded online/email pitch on whatever he's representing.

Superpower: They can fill up your email box faster than a foreign dignitary.

► **'I was in the neighborhood.'** Unannounced, they stop by the office to drop off some literature, all the while hoping for a meeting. The more aggressive types camp out for a while. The very aggressive bring a tent.

Superpower: They can live for days on lobby coffee.

► **Cross-industry dude.** The company's product is for a completely different industry. But if you squint your eyes, turn your head, and take antihistamines you may kind of see where they're coming from and how their product might be used in the credit union.

Superpower: They refer to any-

thing from an ATM on up as a "bank," no matter how many times you correct them.

► **The talker.** Basically, what just walked into your office isn't a salesperson but a walking Facebook update.

Prepare for the first 30 minutes of your meeting to focus on everything from the weather to pet pictures.

Superpower: Compressing an hour-long strategy meeting into the five minutes left over at the end.

► **PowerPointer:** Their specialty isn't the product, the service, or the company. They excel at one thing: Clicking their way through a PowerPoint presentation so full of slides it could double as the wiring manual for a Boeing 747.

Superpower: Maintaining sanity as they start each presentation with a 15-minute history lesson on their company.

► **'I brought food.'** Some of the nicest, most generous, and kindest people fall into this category—at least until the food is gone.

Superpower: Everybody has a price, and they know yours is Starbucks coffee and a Danish.

► **The experienced veteran.** After tying up their steady horse to the post out front, they come in and bring you—get this—binders. Then they begin their pitch, which is partly a story of how they sold their first widget to Alphonse Desjardins and how they predicted that



checking accounts would destroy the industry.

Superpower: They have a hard-shelled briefcase and know how to open it.

► **Doomsdayer.** Their one and only goal is to put the fear of God into each and every participant. The reason is irrelevant: Cash is going away, financial institutions will dissolve into a series of mobile phone apps, or a Spice Girls reunion tour is imminent.

Salvation is at hand, however, for only a three-year, auto-renewing contract.

Superpower: They smile a lot for someone predicting the end of the world.

► **The Brady Bunch.** You don't get a salesperson, you get a sales team. Your first clue is that your largest boardroom suddenly runs out of chairs.

Each person in this group knows exactly one thing. Put it together, and you have a presentation.

Superpower: You can play a pickup game of basketball on the fly.

JAMES COLLINS is president/CEO at O Bee CU, Tumwater, Wash. Contact him at 360-943-0740 or at jcollins@obee.com.

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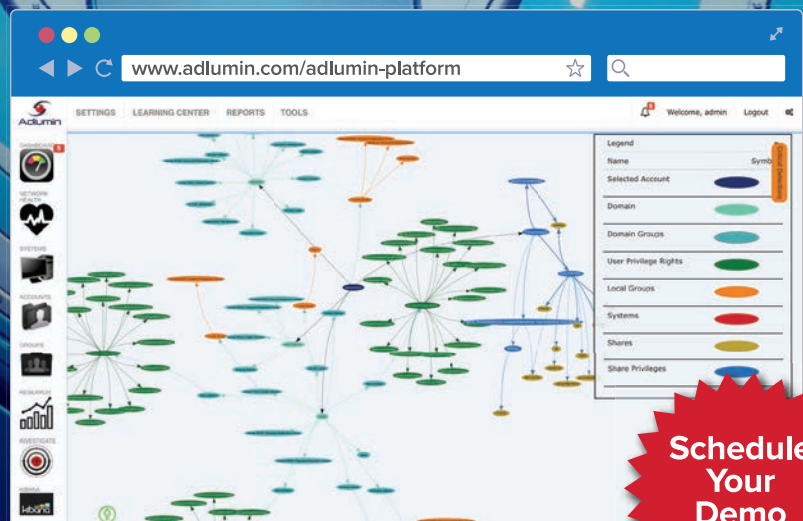
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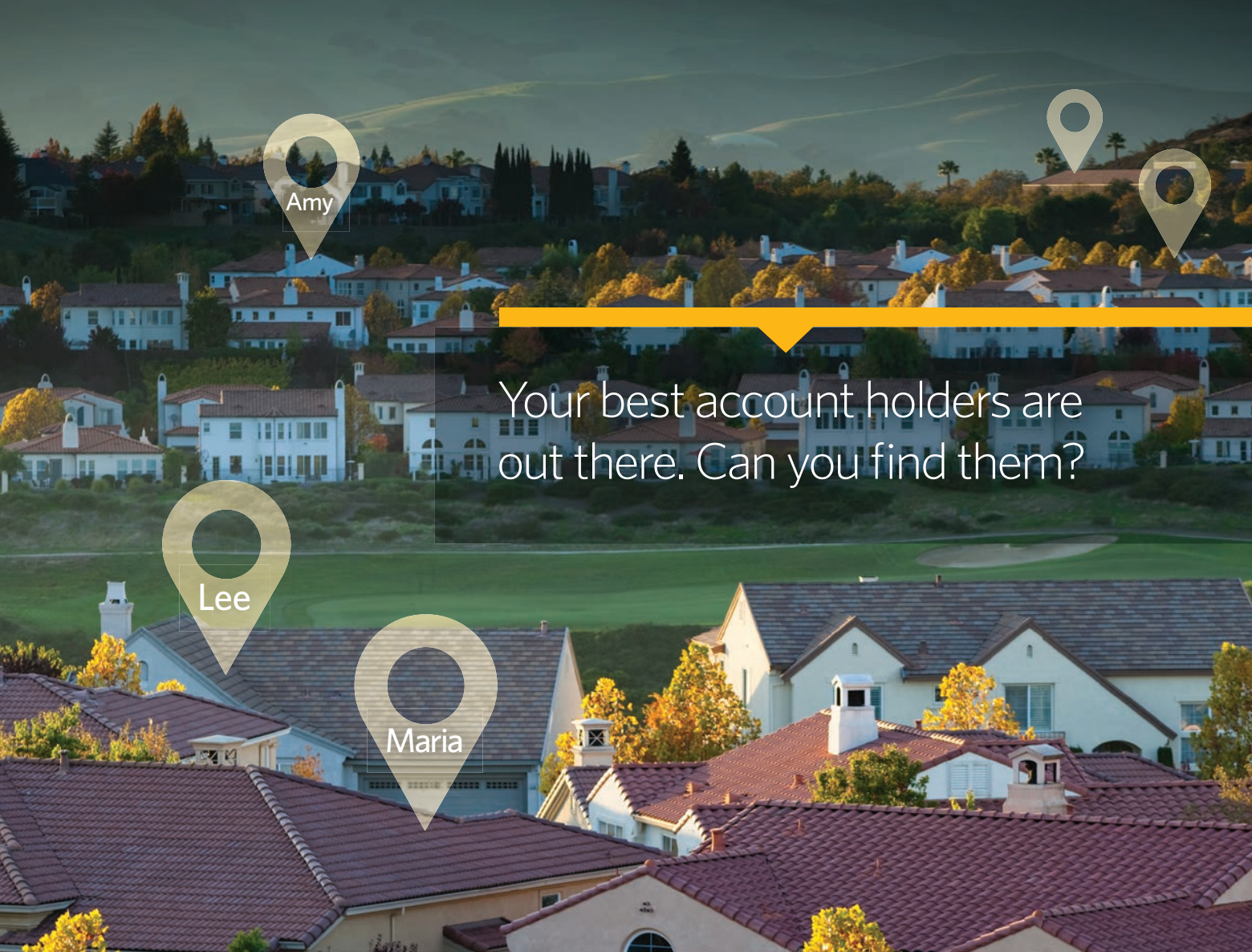


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