

Inside EasCorp



INSIDE

- Celebrating International Credit Unions Day1
- Cybersecurity Awareness Month: Synthetic Identity Fraud2
- International Payments Services: Protecting Yourself against Fraud .2
- Cybersecurity Awareness Month: Deepfake Threats3
- What to Watch: Student Loan Repayment3
- EasCorp's Invitational Golf Tournament a Fundraising Success4
- Cybersecurity Awareness Month: Tips and Tricks for Consumers.....5
- International Payments the Focus of Upcoming Webinar6
- Upcoming Events6

More Inside!

Celebrating International Credit Union Day

International Credit Union (ICU) Day celebrates the history and collaborative spirit of the global credit union movement. Since its inception in 1948, the annual event has taken place on the third Thursday of October, and is recognized worldwide with advocacy and outreach campaigns, member experiences, and community engagement.

Cooperatives emerged in Europe in the 1840s, pooling resources to make affordable food and other provisions available. These organizations shared their profits with their members, who, in turn, continued to frequent the shop, reinvested their share of the profits back into their community, and otherwise supported the operations and interests of the co-op. The governing principles of these co-ops—equity, voluntary membership, mutual self-help, democratic governance and profit sharing, and concern for community—and their business practices were soon adopted by other industries.

The first credit unions developed concurrently in Belgium and Germany in the late 1840s. Credited as the founding father of the movement, Hermann Schulze-Delitzsch opened the first successful "people's banks" in Germany in the 1850s on the principle of shared responsibility, stating, "...your own selves and character must create your credit." Friedrich Wilhelm Raiffeisen recognized the capacity of these financial cooperatives to serve the poor, uneducated, or rural populations who were banned from traditional banks and exploited by loan sharks, and introduced the concept of social capital to the model. The foundations of the credit union model now set, they moved across Europe to North America, and the first credit union was established there, in Quebec, in 1901, and in the United States in 1908.

Today, credit unions are the trusted financial services providers to 400 million members in 118 countries across 6 continents. We at EasCorp are pleased to serve our nearly 200 member credit union in the United States and, through our CUSO Vertifi Software, many more. In your offices and your communities, we hope you will join us, and your community of credit union peers worldwide, in this celebration of our industry's collective achievements. To learn more about ICU Day celebrations, or to download a digital design kit, please visit the World Council of Credit Unions website at www.woccu.org.

EasCorp and Vertifi's offices will be closed on Monday, October 9 in observance of Indigenous Peoples' Day/ Columbus Day.

Cybersecurity Awareness Month: Synthetic Identity Fraud

The Federal Reserve (Fed) defines synthetic identity fraud as "the use of a combination of personally identifiable information (PII) to fabricate a person or entity in order to commit a dishonest act for personal or financial gain." Cybercriminals use a combination of real, stolen personally identifiable data, such as a Social Security Number, and fabricated information, including name, address, birth date, and contact information, to invent a new, fake identity and use that identity to steal money, evade law enforcement or other entities, or fund and facilitate other criminal activities. Financial institutions can experience significant and irrecoverable losses and, for those whose data has been stolen, there is a risk to their reputation, credit scores, and finances.

The Fed launched an awareness and training campaign in 2018, and in 2022 released its *Synthetic Identity Fraud Mitigation Toolkit*. Synthetic identity fraud accounts for billions of dollars in losses for organizations each year, but losses are difficult to quantify as this type of fraud is often mis-characterized as a credit loss. However, at a recent Senate Banking Committee hearing on artificial intelligence and financial services, U.S. Senator Mike Rounds stated, "Despite the billions spent to protect institutions and the billions paid to buy off attackers, things are only getting worse, with synthetic identity fraud costing banks nearly \$50 billion last year."

Synthetic identity fraud is particularly popular in the United States because fraudsters can exploit weaknesses in the U.S. financial system including frequent data breaches, account onboarding processes with limited verification of identity and documentation, and the reliance on Social Security numbers, unique to the United States, as an individual's primary identifier. Even credit application processes make it easy for criminals to introduce synthetic identities into the credit system, taking ownership of the SSN and establishing a "real person," and to build its creditworthiness.

Critical to our industry's ability to combat synthetic identity fraud will be our ability to detect a synthetic identity, validate real identities, and accurately report fraud data. The Federal Reserve provides dozens of resources online, including training videos and easy-to-understand fact sheets. Learn more at <https://fedpaymentsimprovement.org/synthetic-identity-fraud-mitigation-toolkit>.

International Payments Services: Protecting Yourself Against Fraud

On October 19, the team from Corpay, EasCorp's global payments partners, join us virtually for the International Payments Services webinar. During the program, Rita Sabri and Christopher Valotta of Corpay's Compliance Team will discuss financial crime compliance and strategies to mitigate the risk of payment fraud. The team from Corpay assures us that a credit union's staff play a critical role in combating cross-border payment fraud. Although written for businesses paying international suppliers, their 2022 white paper, *Tips for Managing International Payments*, offers these practical tips:

Reduce your company's fraud risk by verifying with your vendor all bank details sent to you, or any changes made. Be on the alert for malware, email takeovers, and phishing attempts which tend to rise in times of crisis or disruption. Any emailed change to a banking instruction on an invoice, or a change in a supplier's or client's email address, should prompt a phone call from you or your team (e.g. voice verification using a two-way live phone call you make to a phone number you are certain belongs to your vendor) as a best practice.

To learn more about these and other strategies, register now for the International Payments Services webinar on the News and Events page of the EasCorp website at www.eascorp.org.

Cybersecurity Awareness Month: Deepfake Threats

Synthetic media is a blanket term used to describe a broad scope of highly realistic examples of AI-generated media—believable images, videos, text, and voice recordings that are often manipulations of authentic media. Drawing from massive data sets, with most legitimate developers drawing from "fair use" sources, these technologies are being developed and exploited at an exponential pace. From OpenAI's ChatGPT to social media dupes to fake news, synthetic media has both promising and malicious applications, and leaves many wondering if they can believe what they see.

The U.S. government has been monitoring synthetic media for several years, aware of its potential to spread misinformation and of the growing threats of fraud and internet-based crimes. On September 12, 2023, the National Security Agency (NSA), the Federal Bureau of Investigation (FBI), and the Cybersecurity and Infrastructure Security Agency (CISA) released a Cybersecurity Information Sheet (CSI), *Contextualizing Deepfake Threats to Organizations*, which provides an overview of synthetic media threats, techniques, and trends. This report warns that deepfakes and other forms of synthetic media can be abused to threaten an organization's brand, impersonate leaders and financial officials, and enable access to networks, communications, and sensitive information. And, the implications for the financial services industry are significant.

As a credit union industry, we must be both well-informed and vigilant against current and emerging threats. To defend ourselves against risks related to this new technology, we must understand how to detect synthetic media, to authenticate our members and their behaviors, and to ensure that our policies and controls reflect a security posture which addresses specific and evolving threats.

The Cybersecurity and Infrastructure Security Agency website at www.cisa.gov is a foundational resource to educate credit union staff, security professionals, and members on the types of synthetic media, its uses, and its risks. It includes actionable guidance on how organizations can identify, defend against, and respond to threats, guidance that should be front of mind as you consider more positive applications for these innovations.

What to Watch: Federal Student Loan Repayment

In March of 2020, then-President Donald Trump paused federal student loan payments and interest accrual as a pandemic-relief measure. The break was extended again and again over the past three years, but now has reached its end. On September 1, 2023, interest accruals began again and repayments resume on October 1, the exact dates determined by loan providers. Student loan debt has been rising and the Department of Education reports that more than 40 million people currently hold student loans, amounting to \$1.63 trillion in federal student loan debt.

Some economists fear that many of these borrowers cannot afford these payments given today's inflation rates, and anticipate a radical drop in consumer spending. Others are more optimistic and do not think repayment will have much effect, if any, on the economy. They state that the economy has fared better than anticipated by early forecasts, and that the threat of recession is no longer looming over the economy. Additionally, borrowers will benefit from two government measures, one that offers additional leniency, an adjustment period through 2024, and another more affordable repayment rates based on income.

While financial institutions generally do not hold student debt, they should consider the impact of student loan repayment on their members and clients who may inquire about their credit scores, debt repayment plans across various loan products, default rates, and more.

EasCorp's Invitational Golf Tournament a Fundraising Success!

Despite gloomy skies at the start of their day, more than 100 golfers, volunteers, and friends descended upon Tedesco Country Club in Marblehead, MA on Monday, September 11 for a day of sport, levity, and giving at EasCorp's Invitational Golf Tournament. The annual event benefitting the Credit Unions Kids at Heart Team is much-loved by the credit union community, and this year raised \$57,000 in support of the charity's mission to help children lead healthy and happy lives. EasCorp is proud to cover the operational costs of the event to ensure that the full revenue from event fees and donations are directed toward research aimed at the prevention, treatment, and cure of pediatric neurological disorders.

The day included 18 holes of golf on the Club's manicured grounds, an incredible luncheon with silent auction, and classic tournament games, including Closest-to-the-Pin, Longest Drive, the Putting Contest, and new favorites such as the always silly Best Selfie! The clouds cleared just in time for the Helicopter Ball Drop, and we thank Members Mortgage Company for generously donating their winnings back to the charity.

We thank the credit union community who came out to support the event, and the many people who made the day possible including: CU Kids at Heart Chair Jane Melchionda, Alan Bernstein, Sandy Imbrogna of Hanscom Federal Credit Union, Jimmy Katsos, the Loftus family, Dr. Dipak Panigrahy and his team from the Panigrahy Lab at Beth Israel Deaconess Medical Center, the Saunders family, the team from Service Credit Union, and, of course, our EasCorp and Vertifi Software staff.



1st Place: The Kelliher Corbett Group at Morgan Stanley
Golfers: Tom Clougherty, Karl Gutsche, Anton Arapoff, and Joe McLaughlin with Peyton Loftus



2nd Place: Somerset Federal Credit Union
Golfers: Jim Kelly, Cory McPhee, Joe Lajoie, and Ray Lajoie, with Peyton Loftus



3rd Place: Rockland Federal Credit Union
Golfers: Mark Winship, Bob Neidimire, Tom White, and Tom Alighieri with Peyton Loftus



Best Dressed: Steve Green and Chuck Russian, not pictured



Best Selfie: Service Credit Union
Golfers: Tyler Pihl, Tyler Kuhn, David Araujo, and May Hatem with Isla Saunders

Cybersecurity Awareness Month: Tips and Resources for Consumers

October is Cybersecurity Awareness Month when the private and public sector work together to raise awareness about digital security and provide tools on how consumers and businesses can protect their data from digital crimes. 2023 marks the 20th anniversary of Cybersecurity Awareness Month, and this year, the Cybersecurity and Infrastructure Agency (CISA) has launched a new cybersecurity awareness program, Secure Our World. They have also partnered with the National Cybersecurity Alliance (NCA) to provide up-to-date educational resources including practical advice on dealing with hacks and viruses, learning to spot phishing and other online scams, teaching children about online safety, reporting cybercrime, and more.

The following tips from www.cisa.gov are shared with their permission:

- **Use strong passwords and a password manager:** Strong passwords are critical to protecting data. They are long, random, unique, and include all four-character types (uppercase, lowercase, numbers, and symbols). Password managers are a powerful tool to help you create long, random, and unique passwords for each of your accounts. Plus, they make storing passwords and user IDs easy.
- **Turn on multi-factor authentication (MFA):** You need more than a password to protect your online accounts and enabling MFA makes you significantly less likely to get hacked. Enable multi-factor authentication on all your online accounts that offer it, especially email, social media, and financial accounts and use authentication apps or hardware tokens for added security.
- **Recognize & report phishing:** Phishing emails, texts, and calls are the number one way data gets compromised. Be cautious of unsolicited emails, texts or calls asking for personal information. Avoid sharing sensitive information or credentials over the phone or email unless necessary and don't click on links or open attachments sent from unknown sources. Verify the authenticity of requests by contacting the individual or organization through a trusted channel. Report phishing attempts to the appropriate authorities or IT department. Learn to recognize the signs of phishing and report these incidents to protect data and devices.
- **Update software:** Ensuring your software is up to date is the best way to make sure you have the latest security patches and updates on your devices. Regularly check manually for updates if automatic updates are not available and keep operating systems, antivirus software, web browsers, and applications up to date.

Credit unions are encouraged to educate their members of the security features of their online banking platforms and mobile applications, and to provide them with resources on how to protect personal data and financial resources when making payments or performing other banking transactions. The month provides the opportunity to review their risk management procedures, tools to protect member and credit union data, current threats and trends, and their expectations for reporting potential cybercrime.

Additional Cybersecurity Awareness Month resources, including a digital toolkit of graphics and content, are available at the CISA website at www.cisa.gov and from NAFCU at www.nafcu.org.

Coin & Currency Reminder

In observance of Indigenous Peoples' Day/Columbus Day, all Federal Reserve offices will be closed on Monday, October 9, 2023. As a reminder, cash orders prepared by the Federal Reserve Bank must be placed two business days in advance of delivery (e.g., orders must be placed by 11:30 a.m. ET on Monday for Wednesday delivery). Due to the holiday, you may need to place your cash order a day earlier than normal (e.g., the same order referenced above should be placed on Friday for Wednesday delivery). If you have any questions regarding your cash orders, please contact Taylor King (tking@vertifi.com) at 800.428.1144, Ext. 3516, or the Payment Systems Department (corrsvc@eascorp.org) at Ext. 4.

International Payments the Focus of Upcoming Webinar

As International Credit Union Day approaches, we are reminded that your business is increasingly global. Small to mid-sized businesses are building global footprints and consumers are sending and receiving payments worldwide.

EasCorp's International Payments Services, offered in partnership with global payment leaders Corpay, include both wire transfer and iACH solutions that reach 200 countries, including emerging markets and in 145 currencies. A deeply-connected global network of more than 100 correspondent banks supports the secure and rapid cross-border movement of money.

Current services users are invited to attend a webinar on October 19 at 2 pm ET to review transaction processing and learn time-saving features in the payments portal. Learn to research payments and receive actionable tips on market opportunities, when to use U.S. vs. foreign currency, and more.

To register for the webinar, please visit the *News and Events* page of our website. To learn more about EasCorp's International Payments Services, please contact Paula Seremetis (pseremetis@vertifi.com) at 800.428.1144, Ext. 3319 or the Payments Systems Department at Ext. 4.

UPCOMING EVENTS

International Payments Services Users Webinar
Presented in Partnership with Corpay
Thursday, October 19, 2023
on International Credit Union Day
Virtual

ALM Academy
Presented in Partnership with ALM First
Tuesday, October 24 - Wednesday, October 25, 2023
MHA Conference Center, Burlington, MA

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

For more information about the events listed above,
please call 800.428.1144, Ext. 3300
or email to admin@eascorp.org.

INTERNATIONAL CREDIT UNION DAY

International Credit Union Day is October 19, 2023, and we're celebrating the many achievements of our members! Please join us in sharing the remarkable story of how credit unions began, the principles that guide us, and how they serve members across the globe today.

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

35 Corporate Drive
Suite 300
Burlington, MA 01803
781.933.9950
800.428.1144

www.eascorp.org
www.vertifi.com

