EasCorp Hosts Historic 42nd Annual Meeting

On Tuesday, June 23, 2020, a beautiful summer morning, EasCorp held its 42nd Annual Meeting. The business meeting was led by James Regan, President/CEO of Digital Federal Credit Union and Chairman of the EasCorp Board. The event included reports from its Supervisory Committee, chaired by Thomas White of Rockland Federal Credit Union, and its Nominating Committee, chaired by Mark Cochran of Jeanne D'Arc Credit Union.

Jane Melchionda, President and CEO of EasCorp, made brief remarks about EasCorp and Vertifi's success in 2019 as well as the system readiness that enabled the companies to not only operate fully during the pandemic but also continue to innovate. Portions of the 2020 Management Report prepared by Ms. Melchionda and by Christopher Smith, President, Vertifi Software, are reprinted on the following pages for the benefit of all members and clients. The report also honored four member credit unions celebrating milestone anniversaries whose stories have been shared in previous issues of this newsletter.

As a result of the elections for Directors, Douglas M. Allman, President of NASA Federal Credit Union, and Eileen M. Danahey, President/CEO of St. Anne's Credit Union of Fall River, were each elected to three-year terms. Following the Annual Meeting, the Board of Directors elected David P. Sprague, President/CEO of Hanscom Federal Credit Union, as Chairman, Denise Barstow, President/CEO of Granite State Credit Union as Vice Chairman, and Douglas M. Allman, President of NASA Federal Credit Union as Secretary, each serving a one year term.

On behalf of all of us at EasCorp and Vertifi, we thank those who were able to join us this year despite these unusual circumstances. We look forward to the day when we can all gather again safely, as partners and friends.
A Message from EasCorp and Vertifi
The Introduction to EasCorp’s 42nd Annual Meeting Management Report

This past January, we announced that EasCorp’s 42nd Annual Meeting and Partnership Conference would focus on the theme “The Accelerating Pace of Change.” It seemed an appropriate theme for a time of remarkable economic and technological transformation. In 2019, credit unions faced slowing economic growth and shifting global markets; the announcement of the FedNow service that was expected to radically change the movement of money in the United States; growing competition from FinTechs and large banks that threatened to disrupt established systems or restrict our access to them; and, an increasingly competitive job market that made it difficult to hire and retain talent. At our Annual Meeting, we would encourage our members to embrace change rather than brace for it. We would celebrate both our industry’s agility and its vision.

Only six weeks later, the world was forever changed.

We are extremely fortunate. Our staff is healthy and safe; our companies are successful and industrious. We recognize that our industry has not yet realized the full impact of the pandemic, but, in times of stability and in times of uncertainty, we at EasCorp and Vertifi remain focused on our role in service to our members.

Our Annual Meeting is not the meeting we envisioned; in fact, it is far different from the one we imagined. Who would have guessed that we would be unable to bring our full membership together this year? Unable to sit beside you—our partners and our friends—to celebrate our shared success? Who would have imagined an Annual Meeting in a parking lot, where we must keep our distance and wave instead of shake hands? More important than any meeting though is the partnership that ties us together, and that partnership is unaffected by the pandemic.

Normally, this Management Report would focus on the previous fiscal year alone, but this is not a normal year. Our report cannot ignore these last four months nor can it deny that there will be challenging months ahead. Instead, we hope to reinforce the following truths:

- We are committed, as always, to the success of our members.
- We are, and have been, fully operational, conducting business with the same level of excellence you expect from us. We are well equipped to meet your changing needs.
- We continue to innovate across all service areas, despite the pandemic. We continue to improve our suite of financial services solutions and remain at the leading edge of the field.

In 2019, EasCorp and Vertifi reinvested in both its solutions and its staff to better prepare our companies to serve you today, tomorrow, and for many years to come. In 2020, our preparations and predictions were tested as they have never been tested before. We are pleased to share that both EasCorp and Vertifi rose to the challenges of COVID-19, and we are confident we will continue to do so this year.
In 2019, EasCorp upgraded the technology behind its interface with and access to the Federal Reserve Bank to allow for more robust, more secure, and faster future capabilities. EasCorp also made significant enhancements and compliance upgrades to its ALM services, cash management and correspondent services, and ACH services. These business critical improvements will allow EasCorp to improve its service portfolio and delivery to the benefit of its members. With the changes imminent on the payments landscape and the demand for 24/7/365 payments processing and settlement, EasCorp provides its members access and support, assuming the operational needs so its members may remain competitive without duplicating these investments many times over.

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), enacted into law on March 27, 2020, included temporary regulatory provisions approved by the NCUA on April 13, 2020, to help credit unions with liquidity needs. Under this new legislation, EasCorp may act as an agent of the Central Liquidity Fund (CLF), facilitating access to the CLF and settlement of funds for qualified members in the event of unusual liquidity shortfalls. The inclusion of the corporate credit unions as agent members increased the CLF’s borrowing capacity by more than $13 billion—an important measure for the stability of the industry.

In 2019, Vertifi invested heavily in its proprietary image capture and data processing technology. Vertifi released its downloadable DeposZip Desktop application, a high-performance solution designed for large-volume check deposits and supporting multiple scanner integrations. Featuring a modern user interface and intuitive workflow built for efficiency, the newly-designed DeposZip Desktop is expected to have ancillary benefits for credit union service users who have active member business accounts. The DeposZip Desktop app includes, of course, Vertifi’s advanced image processing technology, resulting in improved overall performance and exceptionally low rates of image quality errors.

Vertifi’s commitment to providing industry-leading financial technologies and ongoing delivery of service enhancements was evident in the 2019 release of Branch Capture v5.0. This new release included significant improvements to the capacity and accuracy of the system’s image processing engine without compromising scanning speed. Later in the year, Vertifi released new image processing libraries for mobile remote deposit capture, which similarly improved MICR read rates, as well as design enhancements and new functions such as on-device duplicate detection. These changes have proven to significantly reduce the number of items that require administrative review and deletion. In 2019, Vertifi also invested in hardware and system upgrades to its Statement Rendering facility, improving printing and processing capabilities and passing cost savings along to its clients.

In early 2020, Vertifi Software released enhancements to its DeposZip Remote Deposit Capture risk mitigation toolkit to allow service users to proactively manage the expected influx of more than 70 million Economic Impact Payment checks being distributed by the U.S. Treasury. This fully integrated and fully automated Treasury Check Verification system was developed in cooperation with the U.S. Treasury. As of June 1, 2020, the Treasury Check Verification tool has been used to date by more than 300 financial institutions to test the validity and status of more than 110,000 checks issued by the U.S. Treasury and has identified hundreds of red flag items. This enhancement is a reflection of Vertifi’s ongoing investment in its proprietary technology and of the company’s capacity to innovate not only in advance of but also in response to factors on the economic or fraud landscape, technological innovation, regulatory changes, and market demand.

Later in 2020, Vertifi will release a new, proprietary, and fully rewritten image processing library and remote

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Learning Opportunities

EasCorp and Vertifi presented dozens of learning opportunities for its members during 2019, including in-person service user meetings and webinars, discussion groups, and member and client consultations, and participated in conferences hosted by our industry and mobile banking integration partners. As anticipation grew for the Federal Reserve’s announcement of its intent to develop a new real-time payment and settlement service in the United States, EasCorp focused many of its educational offerings on innovations in the existing payments rails as well as future solutions. Vertifi’s programs for service users highlighted new system enhancements and opportunities to improve system performance. Highlights of the season include the Cybersecurity Collaborative meetings, the 2019 ACH Network update, DeposZip webinars, and the annual ALM Academy.

October of 2019 marked the return of EasCorp’s CEO Roundtable, a peer advisory group where executive leaders from EasCorp’s member credit unions discuss critical industry topics. At this year’s meeting, CEOs considered how they might prepare for the Federal Reserve’s FedNow faster payments network. Key considerations discussed were system access, ubiquity, and consumer adoption. The group discussed the impact of changes to interchange income as new and existing brands offer their own card brands and of competition from FinTechs and private sector solutions.

What began as a forum for sharing ideas over 30 years ago, the Association of Credit Union Senior Officers (ACUSO) has become one of the credit union community’s most popular and trusted learning platforms today. In 2019, the group held engaging programs on leadership development, succession planning and talent retention; branding, corporate culture, and member engagement; and cybersecurity, risk, and regulation. Fruitful and dynamic discussions with peers keep the ACUSO membership informed of these and other industry trends, not only sparking new ideas but also offering a competitive advantage.

Presented in partnership with ALM First Financial Advisors, EasCorp’s 2019 ALM Academy included lessons on how to manage interest rate risk and capitalize on emerging economic trends and how to make sound pricing, investment, and funding decisions; and to improve your credit union's overall performance. All participants joined an expert-led session on the outlook and health of the U.S. economy.

We thank our partners at ALM First Financial Advisors, Callahan and Associates, Cambridge Global Payments, Trust for Credit Unions, and New England Automated Clearing House for their contributions. We also thank the Massachusetts State House for the opportunity to teach high school and college students about savings and investments at the 2019 State House Intern Scholars and Cents fair.
Community Service

In 1996, EasCorp and a small group of Massachusetts credit unions founded Credit Unions Kids at Heart®. Over two decades later, dozens of platinum sponsors, corporate sponsors, and participating credit unions stand behind the organization’s hopeful mission to help children lead happy and healthy lives. Credit Unions Kids at Heart funds research aimed at the prevention, treatment, and cure of pediatric neurological diseases. The organization supports several multi-year research initiatives at Boston Children’s Hospital, Beth Israel Deaconess Medical Center, and their research affiliates.

In its 2019-2020 season, Credit Unions Kids at Heart helped to fund studies of Moyamoya disease and Cerebral Palsy led by Dr. Edward Smith and studies of pediatric epilepsy and other seizure disorders led by Dr. Scellig Stone, all conducted at Boston Children’s Hospital. To raise money for these particular projects, Credit Unions Kids at Heart sponsors a Boston Marathon Team that trains with and wears the charitable race bibs of the Boston Children’s Hospital team. The 2019-2020 Team included 15 runners, including some sponsored by their employers who are Participating Credit Unions. This fall, some of the Team’s runners will participate in the virtual Boston Marathon.

In the 2019-2020 season, Credit Unions Kids at Heart established the C.J. Buckley Memorial Fund for Pediatric Brain Cancer Research at Beth Israel Deaconess Medical Center to support studies on inflammation and cancer conducted by the Panigrahy Lab. Led by Dr. Dipak Panigrahy, principal investigator, this lab furthers research first developed in partnership with Dr. Mark Kiernan, formerly of Boston Children’s Hospital/Dana-Farber Cancer Institute, to treat children with brain cancer. The fund honors C.J. Buckley, a young man who passed away in 2002 from brain cancer, and whose memory has been honored by a Credit Unions Kids at Heart marathon runner every year since 2017.

This season Credit Unions Kids at Heart supported the Team Jack Foundation, a non-profit foundation chaired by New England Patriots running back Rex Burkhead. Together, Credit Unions Kids at Heart and Team Jack have funded two national clinical trials on new drug therapies for pediatric brain cancer. A special thanks to radio partners 98.5 The Sports Hub and to the credit unions who contributed to the “First Downs to Fight Pediatric Brain Cancer” campaign to raise public awareness of this research.

Credit Unions Kids at Heart set an ambitious annual fundraising goal for the 2019-2020 season, but the pandemic has had a significant impact on the organization’s fundraising calendar and opportunities. However, it has not affected the Team’s unwavering dedication to its mission and to a future where every child can thrive. To learn more, or to make a donation today, please visit www.cukidsatheart.org.

In its 2019-2020 fundraising season, Credit Unions Kids at Heart and its supporters raised and donated:

**OVER $330,000**
for research studies on pediatric neurological disorders conducted at Boston Children’s Hospital (BCH)

- Studies of pediatric epilepsy and other seizure disorders by Principal Investigator Dr. Scellig Stone, BCH
- Studies of Moyamoya disease by Principal Investigator Dr. Edward Smith, BCH

**$100,000**
for the C.J. Buckley Memorial Fund for Pediatric Brain Cancer Research at Beth Israel Deaconess Medical Center (BIDMC)

- Studies of the resolution of inflammation in pediatric brain cancer by Principal Investigator Dr. Dipak Panigrahy, BIDMC

**$40,000**
to the Team Jack Foundation

- Clinical studies of treatments for pediatric brain cancer by Principal Investigators at Dana Farber Cancer Institute and their research affiliates
Remote Deposit Capture
Helpful Tips and Tricks

There may be ways to adjust your risk profile settings to better balance operational efficiency and risk mitigation. The new "Held for Review" report shows which items are being held for administrative review, for what reasons, and by which users (i.e., which risk profiles). Download this report daily or multiple times a day to monitor the data for trends. Then, adjust your risk profile configurations accordingly.

UPCOMING EVENTS

Please note:
EasCorp and Vertifi will host events and programs planned with the guidance of the CDC and other local, state, and federal agencies, and with the safety of our members, clients, and colleagues in mind.

Association of Credit Union Senior Officers (ACUSO) Members' Meetings
Thursday, July 16, 2020
Webinar on cybersecurity and payments fraud

Tuesday, August 11, 2020
Webinar on technology, innovation, and business strategy

Tuesday, November 10, 2020
In-person meeting on regulatory topics

Credit Unions Kids at Heart
Virtual Research Report on studies of pediatric brain cancer
Tuesday, July 28, 2020

EasCorp's Invitational Golf Tournament benefiting Credit Unions Kids at Heart
Wednesday, September 16, 2020

Online registration will be available on the News & Events page of www.eascorp.org. For more information, please call 800.428.1144, Ext. 3300, or email admin@eascorp.org.

Save the Date
EasCorp’s 2020 Invitational Golf Tournament benefiting Credit Unions Kids at Heart
Wednesday, September 16, 2020
at Tedesco Country Club, Marblehead, MA

Contact us to learn about sponsorship opportunities or entries for the Helicopter Ball Drop. 800.428.1144 | cukidsatheart@eascorp.org