

# Inside EasCorp



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## Prepare for NCUA Examinations with a Strong ALM Program

In addition to the other supervisory priorities of Bank Secrecy Act Compliance, Information Security, and Consumer Financial Protection, the NCUA has indicated balance sheet risks of credit, liquidity, and interest rate will receive additional focus this year. A strong Asset Liability Management (ALM) program will accurately measure and monitor interest rate risk. The NCUA expects to see adequate, unbiased assessments of assumptions and scenarios as well as projected risk position analysis. The expectation is that a credit union proactively manages its interest rate risk and the related risks to capital, asset quality, earnings and liquidity.

At EasCorp, we built our ALM solutions around this very principle: intelligent business decisions depend on reliable information and knowledgeable decision makers. EasCorp’s ALM Modeling Service brings together sophisticated analytical tools and multiple data sources in order to perform complex calculations. We align the model to your credit union’s size and complexity; adjusting tests, analyses, and narratives as your institution grows and changes. And, we collaborate with you to develop key modeling assumptions. We then test these assumptions regularly through core deposit analyses and routine assumption sensitivity testing. EasCorp provides in-depth reports and executive summaries, identifying areas of strong and weak performance that can be addressed and fixed promptly.

If you already have an ALM provider but need an outside independent view of your modeling program, please consider our ALM Model Validation service. We offer two types of validation reports. We can run a full validation model calculation with your member data to compare results, or we can test the integrity of your ALM Modeling results for accuracy and reasonability given your model assumptions.

To learn more about EasCorp's ALM Modeling and Consulting Services or its ALM Validation Services, please contact Kevin Peters ([kpeters@eascorp.org](mailto:kpeters@eascorp.org)) at 800.428.1144, Ext. 3354. And stay tuned for EasCorp's ALM Academy this October! Registration will open soon!



In observance of Independence Day, EasCorp and Vertifi offices will be closed on Thursday, July 4, 2024. Have a safe and happy holiday!

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## ACUSO Learns Skills to Advance to the C-Suite

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Last month, EasCorp and the Association of Credit Union Senior Officers (ACUSO) hosted a successful program well aligned with its career advancement origins and focused on how aspiring credit union leaders may better prepare and develop a mindset for a top executive role.

The meeting, entitled "C-Suite Succession Insights," began with *The Science Behind Advancing the C-Suite*, presented by Susan Pardus, Partner, KLR Executive Search Group, LLC, who acknowledged that the requirements of a high performing leader have fundamentally shifted. C-Suite executives must prepare for the impact of fintechs, increased competition, and what is coming down the path, she advised. Qualities that worked in the past are unlikely to be relevant in the future, she said; innovation, transformation, and the ability to take and embrace risks are qualities needed today. She offered the following actionable tips:

- Demonstrate value and impact in current roles.
- Seek out leadership development opportunities.
- Take risks with stretch and/or lateral assignments.
- Embrace a learning and grown mindset.
- Investigate and develop expertise in emerging areas/skills.
- Build a strong professional network.
- Seek and learn from 360 feedback.
- Stay positive, collaborate, and respect others.

In her second presentation—*Minimizing Employee Turnover*—Pardus noted that a more positive job market and hiring atmosphere exists today than found in the recent past. While the downward trend of the quit rate is an optimistic development for employers and an indicator of improved employee retention, the war for talent continues. In today's challenging human resource climate, hiring managers are bending to meet the changing needs and wants of new employees. Pardus shared how employee retention is improved when employees find tangible meaning at work and feel their work is more than just a job. When teams understand their why, motivation, retention, and performance increase. She suggested the following:

- Focus on and invest in human capital (both managers and employees).
- Listen to employees to understand what is most important to them.
- Provide fair, market-driven compensation and benefits.
- Demonstrate appreciation and empathy.
- Recognize and thank employees.
- Provide flexibility.
- Review retention plans to make it more difficult for employees to move on.
- Clearly communicate, share the vision, and ensure all employees understand, "Why?"

This meeting also featured a segment that the organization intends to offer again—*Career Showcase for Success*. Highlighting the career pathway of an ACUSO member, this segment will look at how they reached their desired role by developing skills and overcoming challenges. The inaugural segment was presented by ACUSO Chair Michele Plaza, EVP, CLO and CIO, of Granite State Credit Union, who began her industry career without any experience or advance knowledge of credit unions.

ACUSO's next meeting will be held in-person on September 12 on the topic of *What's Now and What's Next in Trends and Innovations Shaping Payments*, featuring Peter Tapling, PTap Advisory, LLC. Registration will open online soon. To learn more about ACUSO please contact us at 800.428.1144 or [acuso@eascorp.org](mailto:acuso@eascorp.org).

## USPS Postage Increase May Drive Increase in Digital Delivery

On July 14, 2024, the U.S. Postal Service will implement its new mailing and shipping service rates. This price adjustment reflects the agency's continued efforts to combat rising operating expenses and market conditions, and is a part of a 10-year restructuring plan announced by the agency in 2021 for achieving long-term financial sustainability. The price of a first-class mail stamp will increase by more than 7%, from 68 cents to 73 cents. According to a [recent article](#) in Reuters, "the plan will raise overall mailing services product priced by 7.8%. USPS has said it expects its 'new pricing policy to generate \$44 billion in additional revenue' by 2031."

These increases are expected to impact businesses and high-volume mailers. Credit unions looking to combat these rising postage costs, if they have not yet done so, may themselves consider moving their members to electronic rather than paper statements. Credit unions may see significantly reduced production and supply costs. And, as the USPS is also suffering from frequent mail delays, as noted by the [Wall Street Journal](#) in June, members will benefit by receiving their statements and notices in a more timely and secure manner.

Some credit unions may default to electronic statements, and others, if permitted in their state, may charge for paper delivery. But these decisions must depend not only on costs, but also on the needs of your membership. National surveys regularly show that consumers value choice. Electronic statements can cause friction for those without stable broadband internet access, and many find it easier to reconcile account activity with a paper statement, are wary of losing their notices in crowded inboxes, or simply do not review digital statements as closely as paper. Credit unions must follow regulations and be aware of guidance from consumer advocacy agencies and may offer their members support in understanding their rights and their statements.

If you have any questions about Statement Rendering Services, please contact Joe Bean ([jbean@vertifi.com](mailto:jbean@vertifi.com)) at 800.428.1144, Ext. 3304.

### Win Up to \$5,000 in the Helicopter Ball Drop

On Monday, September 9, Credit Unions Kids at Heart® will hold its annual Helicopter Ball Drop, releasing 500 individually numbered golf balls onto the 1<sup>st</sup> hole at Tedesco Country Club. The ball that lands in or comes closest to the hole wins half the proceeds from golf ball sales! The remaining proceeds go toward the foundation's mission to help children lead healthy and happy lives.

To purchase your entries, please contact Deirdre Zaccagnini ([dzaccagnini@eascorp.org](mailto:dzaccagnini@eascorp.org)) at 800.482.1144, Ext. 3347.

### Is the Latest Inflation Report Enough to Support a Rate Cut?

The Bureau of Economic Analysis released its latest personal consumption expenditures (PCE) price index for the month of May. The core PCE price index, which excludes volatile categories of food and energy from the overall measurement of what those living in the US pay for goods and services, increased on a month-to-month basis in May less than 0.1%, the lowest increase in six months. The increase was only 2.6% year over year, the smallest annual percentage increase since the beginning of 2021.

The Fed has not been shy indicating that the core PCE price index is their preferred measurement of underlying U.S. inflation. But, is this report enough to support a rate cut? This remains the question. Policy makers will likely want to see more reports confirming this lower inflation trend. Treasury rates declined in response to this report.

## NCUA Leadership Recognize Important Industry Anniversary

On June 26, the NCUA commemorated the 90<sup>th</sup> anniversary of the signing of the Federal Credit Union Act of 1934 into law by President Franklin Delano Roosevelt, which authorized the formation of federally chartered credit unions in all states.

“It’s appropriate to consider not only where we’ve been, but also where we are now and where we’re headed,” said Chairman Todd M. Harper. “The passage of the Federal Credit Union Act was a watershed moment in our nation’s history. But, just as that law was forward-thinking when enacted nearly a century ago, it must evolve to reflect current realities with an eye to the future.”

In remarks presented at the agency's headquarters, Harper acknowledge the "system's resilience and performance." He also identified two limitations of the credit union system, both topics on his regulatory agenda for some time: "electronic payment losses and the NCUA’s lack of vendor authority."

As of March 2024, there are more than 4,500 federally insured credit unions serving more than 140 million members. Said NCUA Board Member Tanya Otsuka, “Today, we celebrate the growth of our cooperative credit system, while recommitting ourselves to making sure it lives up to its original purpose of providing savings and credit to people of modest means.”

Read the full press release at [NCUA.gov](https://www.ncua.gov).

## UPCOMING EVENTS

EasCorp's Invitational Golf Tournament  
*benefiting Credit Unions Kids at Heart*<sup>®</sup>  
Monday, September 9, 2024  
Tedesco Country Club, Marblehead MA

The Association of Credit Union Senior Officers  
*What's Now and What's Next in Trends and Innovations  
Shaping Payments*  
Thursday, September 12, 2024  
MHA Conference Center, Burlington, MA

Executive Leadership Forum  
Tuesday, October 1, 2024  
Tuscan Kitchen, Burlington, MA

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

## Coin and Currency Reminder

All Federal Reserve Banks and offices will be closed on Thursday, July 4, in observance of Independence Day. As a reminder, cash orders prepared by the Federal Reserve Bank must be placed two business days in advance of delivery (e.g., orders must be placed by 11:30 a.m., ET on Monday for Wednesday delivery). If you have any questions regarding your cash orders, please contact Taylor King ([tking@vertifi.com](mailto:tking@vertifi.com)) at 800.428.1144, Ext. 3516, or the Payment Systems Department, Ext. 4, in advance of the holiday.



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