

NACUSO Network



CU*NorthWest



CU Revest



Constellation



ORNL & Y-12 CUs

It's a Wrap!

The 2017 NACUSO Network Conference returned to the happiest place on earth, Disney's Beach Club Resort to celebrate all things CUSO. And what a celebration it was. The weather was perfect, the networking was amazing and Disney, of course, did not disappoint.

Dan Marino, Rick Metsger, Dennis Dollar, Dan Berger and Guy Messick all took to the main stage to entertain, update, educate, inform and challenge us. We crowned the Next Big Idea Winner and gave out several awards for excellence in collaboration.

3

WINNERS

CUSO of the Year and
CU Collaboration/
Innovation Awards

5

NEXT BIG IDEA

5 finalists took to the
"Shark Tank" stage.

6

STATE OF THE UNION

Metsger, Berger, Dollar
& Messick - not the
name of a new law firm
unfortunately....

A Morning with Dan Marino

NFL Legend Dan Marino is no stranger to finding ways to raise funds for worthy causes. Since creating the Dan Marino foundation in 1992 when his second son, Michael, was diagnosed with Autism, he has managed to raise over \$45 million. Dan graciously agreed to attend an Advocacy Fund Raising breakfast Tuesday morning with 30 credit union and CUSO executives. They were all there to support our advocacy fundraising efforts. Their contributions earned them a photo op with Dan and a signed football. Dan also answered some questions and made us laugh with some of his



stories.

Immediately following the breakfast Dan took the stage for an interview with Mike Lawson of CU



Broadcast. The interview opened up to the general audience where people lined up to ask their football hero about his famous "fake spike" play, his college career and what it was like growing up in Pittsburgh. But much to Dan's dismay no one asked about his movie career, which included such greats as *Ace Ventura*, *Pet Detective*. Dan offered a signed football to anyone that knew the names of the 3 other films he appeared in. It was a great moment, as no one knew, which of course was his point.

But Dan summed up his success with a simple challenge. He said that he never dwelled on the past. He can't be thinking about the interception he threw in the first quarter. It was a distraction to the job at hand. And that was to throw a touchdown. Too often we let our future success be defined by past failures and are afraid to take a chance and throw a Hail Mary, or rally your team members to overcome adversity, such as falling behind in an important game.

WELCOME NEW NACUSO BOARD MEMBER BILL BEARDSLEY

After nearly a 20 year banking career in Michigan, Bill led the launch of Michigan Business Connection, LC in March 2004 and serves as its president and chief lending officer. MBC is a collaborative effort by credit unions throughout the State of Michigan to provide small business and commercial real estate financing.

A life-long Michigan resident, and Michigan State University graduate, Bill lives in Saline, Michigan, with his wife and four children.



And the winners are...



The 2017 CUSO of the Year award recognized **CU*NorthWest**. Greg Smith, CEO upon accepting the award said, "We knew that people sharing their core processor would be better off. For over 10 years we have focused on our owner's voice, learning about their challenges, fixing their problems and leveraging the cooperative movement."

The CU Innovation and Collaboration award was a 3-way tie because it was impossible not to honor the different ways the nominees found to innovate and collaborate.



The winner of the **CU of the Year Collaboration & Innovation Award** was two credit unions, who despite being competitors located just a mile from each other in the same market, serving the same membership, decided to collaborate for the benefit of all of their members, and are delivering exceptional value to their members ... the two credit unions are **ORNL FCU** and **Y-12 FCU**.



This year's winner of the **New CUSO of the Year Award** is **CU Revest**. CEO Mike Joplin summed up their mission quite succinctly when he said, "Sometimes really bad things happen to really good people. Our job is to help them find a path back to the credit union with dignity and compassion." Their collection CUSO is proud to be fulfilling that mission.

The winner of the **CU of the Year Leading Edge Innovation Award** was recognized for investing in and leading innovation for their members and the industry - **Denali FCU** has been a true leader in developing innovative new CUSO collaborations that not only benefit their members, but the entire industry, through such collaborative innovation as OnApproach and Deep Future Analytics.

Element FCU was selected to win the NACUSO 2017 Credit Union of the Year **CUSO Leverage Award**, for leveraging collaboration so effectively for the benefit of their members. Element FCU has set the bar on how to utilize CUSO collaborations to lower costs, help provide expanded products and services it would be difficult to provide on their own, and for creating value for their members through collaboration.

Congratulations to all of this year's winners!



The Next Big Idea...

In it's 5th year NACUSO's version of Shark Tank, the Next Big Idea Competition, saw some pretty tough competition. This year we received 11 big ideas, but only 5 were selected as finalists to present live at the NACUSO Network Conference. They are given 7 minutes to present their big idea to a panel of 4 judges who then spend another 8-10 minutes asking the really hard questions.

of digital financial services; helping credit unions unlock innovation to compete, survive, and win.

CU Lending Cooperative is an online fully automated high speed consumer loan generation and new member acquisition platform designed to attract the lucrative millennial market to the Credit Union Industry.

CURateReset: Customized Digital Pre-Approval for Credit Cards – The industry's first multi-dimensional digital solution to offer credit cards.

Deep Future Analytics offers an easy to use, forward looking, CECL-ready ALLL solution.

FICO: Protect your organization with a FICO score for consistent, empirical and actionable assessment of cybersecurity risk: the **FICO® Enterprise Security Score**

And the winner is.....**Constellation!** Kris Kovacs seen below receiving the award.



This year our judges were Ray Crouse, President of Parsons FCU, Steve Salzer, SVP of PSCU, Steph Sherrodd, CEO of TDECU and Kirk Drake, CEO of Ongoing Operations.

The five finalists covered a wide range of products and services:

Constellation – Digital Services Platform
The first open digital services platform specifically designed to enable a marketplace



The Magic of Disney

Jeff Williford, from the Disney Institute shared some of the secrets to the consistently amazing experience you get when you visit the “Happiest Place on Earth.” They are constantly looking for ways to wow their guests. And they get a lot of suggestions from their employees. One such story told of the park “janitors” using their idle time to paint characters (using water tinged with coffee grounds) on the pavement in the parks. It was an instant hit.

One of my favorite slides: ***Disney's consistent business results are driven by strategically focusing on certain business functions and opportunities in which companies often fail to see the value and potential - and that is a key source of what differentiates us. We have learned to be intentional where others may be unintentional.***

Here's some fun math from Disney Institute:

If...Culture = Desired Behaviors
And...Desired Behaviors = Results
Then....Culture = Results



Just walking around the Disney property and spending a day at Epcot after the event you can see and appreciate the consistency of the Disney experience. And with over 75,000 employees, that's pretty impressive.



Constellation is a new CUSO that is funded by seven credit unions, including Coastal Credit Union, Georgia's Own Credit Union, CFCU, Farmers Insurance Federal Credit Union, Affinity Federal Credit Union, Meritrust Credit Union, and Nusenda Credit Union. Through a three year long research and development project, Constellation has created the first open digital services platform which powers a marketplace of digital financial services.

Credit unions can now shop for new mobile and online banking functions in a marketplace of advanced digital services, created by many providers, and choose which ones to offer. Once selected, the platform aggregates the selected services, ensures the security of channel, and provides access to the core-processing system. The first product will be released in the fourth quarter of this year. Constellation is dedicated to help credit unions unlock innovation to compete, thrive, and win. Ownership opportunities continue to be available. For more information visit <http://www.WhatIsDSP.com>

CONSTELLATION

Metsger, Dollar, Berger & Messick

Sounds like the name of an amazing law firm. We were very fortunate to have some of the most knowledgable and experienced people in the CUSO space offering their insights, wisdom, predictions with a little humor to help us navigate these tricky political waters we find ourselves in.

Rick Metsger is looking for ways to make all of NCUA more efficient. They might reduce their 5 regions to 3 or 4, as the industry continues to shrink. NCUA is now considering what the industry

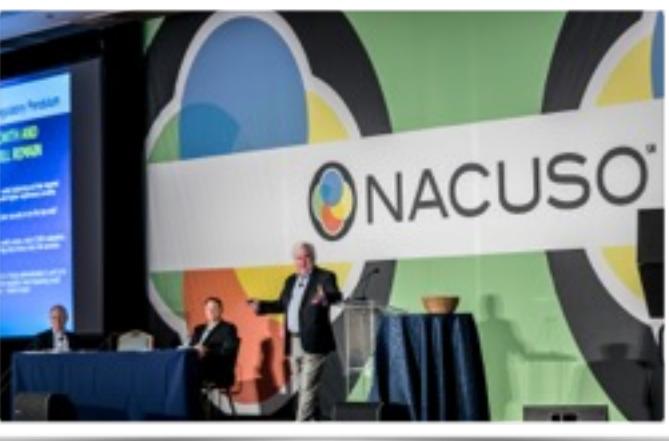
economy of scale through shared services is better for the bottom line, the movement but more importantly mergers are disruptive to the service to members. We owe it to our member/owners to preserve their financial cooperative - find all the ways to achieve scale and increase services without destroying their legacy.

Guy Messick said we can finally be on the offense. We have been on the defense for years. We need to get NCUA to approve a change to the CUSO law to allow CUSOs to engage in all types of lending that credit unions can offer. This would expand it to include auto lending. If you agree with this expansion we would like to hear from you. Our hope is to help credit unions find economies of scale as well as expertise in each area of lending, not just those that have been added to the CUSO Rule's list of permitted activities.

Dennis Dollar provided us with a perfect sports analogy to wrap up an event that started with a sports legend.

NCUA is the referee - they don't care if you win the game. They just want you to follow the rules. Too many credit unions are afraid of taking any risk for fear of the referee.

We cannot afford to play it safe right now. We need to look for new ways to collaborate with CUSOs. When you do take some risk ask yourselves the hard questions that you think the examiner will ask. Be prepared. It's a great way to make sure you are covering your bases. But the crucial element to CUs, is to keep moving that ball and get it in the end zone. Perfect ending after beginning with Dan Marino.



might look like in 5 years and how they should change to adapt to the changes in fewer credit unions but with a growing number of members.

Rick said that he has been working together extremely well with Mark McWatters. Rick mentioned they are working on an appeals process, that the NCUA Board will soon approve to get it out for comment ... they are looking at the merger issue and having transparency on CU mergers, so members understand what is being paid to merging CU CEOs.

Dan Berger, CEO of NAFCU spoke on the last day. He presented one slide that really sums up why NACUSO exists. The number of credit union mergers is out of control and is not good for anyone. The best way to slow down this trend is with collaboration. Working together to achieve

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