

## January 2017

MONTHLY UPDATE OF ALL THINGS RELATED TO CUSOS



CONNECTING WITH OPPORTUNITY  
2017 NACUSO NETWORK CONFERENCE  
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CYBER SECURITY  
HOT TOPIC AT NETWORK CONFERENCE - 3



SPOTLIGHT  
AMY BEATTIE,  
INVESTMENT ADVISORY BOARD-4



# NACUSO NEWS



## CEO Perspective - 2017

As I look back on 2016, which was in many ways a challenging year, with a tumultuous election process that seemed like it would never end, to the ever increasing regulatory burden, to the continuous threat from new FinTech competitors, to a world filled with conflict and terrorist attacks ... I am also encouraged by the continued growth in membership that the shrinking number of credit unions have reported they are serving ... I am encouraged by the lowest unemployment rate in 8 years ... I am encouraged the DOW is closing in on 20,000 a

The newly remodeled Disney's Beach Club Resort. Site of the 2017 Network Conference

record I would have thought was impossible just 8 years ago.

I am also encouraged by what we have seen and accomplished at NACUSO in the past couple of years, specifically:

- Welcoming over 50 new members since January 2015, including 2 new Platinum Partners and a new Gold Partner in 2016.
- Mitigating the worst aspects of the CUSO Rule and the implementation of the CUSO Registry.
- Advocating for a regulatory environment that is conducive to collaboration and supportive of CUSOs.
- Reducing the Risk Based Capital requirement for investment in CUSOs from 250% in NCUA's initial proposal to 100% for wholly owned CUSOs and most multi-CU owned CUSOs in the final RBC rule.
- Successfully opposing NCUA's costly and unnecessary Vendor Authority Legislative priority.
- Innovative, productive, effective annual conference, with comments from attendees including:
  - NACUSO's conference is the best for networking and new ways to serve our members
  - This conference is the most innovative and informative in the industry
  - Very relevant information, breakout sessions informative, great networking opportunities
  - This event is top class, as always. Great opportunities for networking, great and unique presentations, really helpful NACUSO staff

As I look forward, I am excited to have Dan Marino (courtesy of Mastercard) joining us and to be back at Disney's Yacht & Beach Club in Orlando, for our 2017 Network conference. Dan Marino is not only a football legend, he is a committed family man with 6 children with his wife of 30 years, and he has been active in helping young adults with learning disabilities. Dan will sit down with us and share the secrets of building winning teams, including preparation, perseverance and leadership.

Dan Marino has also agreed to have breakfast with a small group of attendees, to benefit the NACUSO Advocacy Fund (all proceeds are used for CUSO focused advocacy to benefit credit union collaboration)! Don't miss the opportunity to meet, and have your photo taken with, a true sports legend. Cost is only \$500 to attend the Advocacy Fund breakfast event, and for those who are able to make a \$1,000 contribution, you will receive a Dan Marino autographed NFL football! We will also have a signed Miami Dolphins helmet and an autographed Miami Dolphins jersey that will be auctioned off during the breakfast.

For more information on the 2017 NACUSO Network conference, which will be held April 10-13, click here: [nacusonetwork.com](http://nacusonetwork.com) The full agenda is now available including the breakout sessions. Disney's Beach Club Resort was completely refurbished and upgraded, so you will be staying in beautiful newly appointed rooms, while enjoying one of the most amazing resort pools in the world, at the best time of year! NACUSO's low room rate of \$255 excludes the typical \$35 resort fee, and is well below what these rooms go for at this gorgeous time of year. We have a limited number of rooms available for up to 5 days prior to the start of the conference, and up to 5 days after the conference at the same low \$255 rate, but these rooms are going fast, so make your reservations now! Click [here](#) to book your room.

*Enjoy golf, shopping,  
spas. So much to do  
in Orlando!*



# One Size Does Not Fit All – By Gene Fredriksen

Usually I think of this when ordering some clothes on line. It's not uncommon for me to pull something out of the package and find out that the description should have said "One size fits most." Sadly, it seems to be a part of getting older....

Another area where it is extremely applicable is the Risk and Cyber Security functions of most credit unions. Over the past three years I've visited many credit unions, and the one common thread I've seen is that the risk and security people wear multiple hats. In a large financial services firm, it's not uncommon to find separate risk and security groups with large staffs. In most CU's it is typically one or two people at the most. These folks are stretched thin and dedicated. They need services to help make them productive.

What does this mean to CU's? It means that the alerting and intelligence received by the CU must be focused and actionable. If the information coming to the organization is like drinking out of a firehose, the risk and security people can't be efficient and will probably miss a critical alert or issue. The value of intelligence is not in its volume, but it's accuracy and applicability. In this case, "one size" of threat feeds and alerts does not fit all financial firms. Similarly, when receiving information about new and changing regulatory issues, it needs to be through the lens of the NCUA, not large bank examiners. From a physical threat perspective, most CU's are regional, threat information should have similar actionable focus. It's not that we shouldn't care about the big picture, but we first need to take care of the CU and its members who trust us.

Similarly, while industry standard certifications like the CISSP and CISM provide an outstanding base for risk and cyber professionals, being an Information Security Officer at a CU means there are a broader spectrum of skills necessary to be successful. Educational programs that provide CU specific compliance skills which incorporate the FFIEC and NCUA requirements are critical to the success of the organizations programs. Since there is a current shortage of qualified cyber and risk professionals, we will also work with the educational organizations to encourage qualified people to study for and enter the workforce. Most of these programs will be on line, so they can also be used for developing internal talent.

The focus of the [NCU-ISA](#) is to provide the specific and actionable focus for the information coming to the CU. Additionally, the ISA is developing CU specific educational and certification programs in conjunction with CU Risk experts and the regulators. Through communication and sharing, we can accelerate the maturity of the CU cyber and risk programs across the nation.

The next time you hear that "one size" of threat information is good for all, conjure up a picture of me trying to wear that "one size fits all" T-shirt I just ordered. That alone should cause you to re-evaluate the offering. As always please email me at [gene.fredriksen@ncuisao.org](mailto:gene.fredriksen@ncuisao.org) with any questions!



Gene Fredriksen, Executive Director  
National Credit Union – Information Sharing & Analysis Organization



NCU-ISA will be a part of an exciting panel discussion on Cyber Security: The Anatomy of a Data Breach at the 2017 NACUSO Network Conference April 10-13, 2017 at the Disney Beach Club Resort in Orlando, Florida.

## Advisory Board Member Profile: Amy Beattie

Amy Beattie is co-founder and Chief Operating Officer at sister broker-dealers CUSO Financial Services, LP and Sorrento Pacific Financial, LLC. She joined the NACUSO Investment Services Advisory Board this year. As a NACUSO Director and the Investment Services Advisory Board member, she is active on two key committees:

- 1) Chairman of the committee to select the Credit Union Collaboration & Innovation Award winner** – Amy leads the committee to vet, vote, and select the winner of the Credit Union Collaboration & Innovation award, an important NACUSO award that highlights the value created through collaboration and the use of the CUSO model. At its core, NACUSO supports collaboration between credit unions and CUSOs, and this award is a great way to drive that message home.

**How can you get involved?** Amy says, “We need more people to nominate themselves! There are so many creative, profitable, and helpful credit union-CUSO collaborations out there and we want to hear about them!” Committee judges include leaders of industry media publications, so nominees get the benefit of increased awareness in the media, and CUSOs benefit by sharing their business story with more credit unions. Nominate yourselves for this award this year!

- 2) NACUSO Network Conference Investment Services track** – Within the conference committee, there are six different tracks, and Amy leads the sub-committee for the Investment Services track. In this function, she and her committee get input from industry experts to plan the content that will best educate people on the value of investment services within credit unions. With the approaching DOL Fiduciary Rule going into effect this year, investments are a hot topic!

**How can you get involved?** Amy says, “The NACUSO Network Conference is a fantastic opportunity to participate in the association, network with other industry leaders, speak on topics where you are an expert, and learn about new services available to your credit union. If you are a CUSO, or looking to provide services to other credit unions, exhibiting at the NACUSO Network Conference is a great way to connect to industry leaders! Get involved!” Contact Amy at [abeattie@cusonet.com](mailto:abeattie@cusonet.com) to share your ideas for the Investment Services conference track. Every month we will highlight the work of our advisory boards which include:

Business Services: Mark Bostock, Chair  
Mortgage Services: Amanda Smith, Chair  
P&C Insurance Services, Nick Bloxham, Chair

We thank Amy for her efforts both with our Collaboration & Innovation award and the NACUSO conference planning. We encourage you to reach out to her committees to get involved.



*Amy Beattie and Valorie Seyfert, co-founders of CFS, led the discussion on Investments at the Partner Connection Sessions at the 2016 NACUSO Network Conference*