

Volume 19, Issue 3

Perspectives

The Official Magazine of the Cornerstone League



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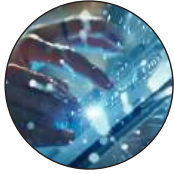


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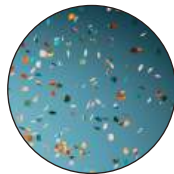
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Expanding Credit Unions' Horizons in Times of Transition



Caroline Willard
President/CEO
Cornerstone League

In the rapidly evolving financial landscape, credit unions are continuously seeking innovative strategies to sustain growth and enhance member value. This issue of Perspectives delves into pivotal topics shaping the future of credit unions: leveraging artificial intelligence in indirect lending, mitigating money laundering risks, ensuring successful core conversions, the Corporate Transparency Act, and giving: the heart of credit union culture.

Among our preferred business partners, David Adams of Origence discusses the impact of AI on indirect lending. The transformative nature of AI is creating a next-level lending process that enhances the member experience and reduces operational costs. Jeff Taylor, with PhaseOne Builders, explains the new design trends for branches that build stronger member and community relationships and promote financial literacy.

Our in-house experts at Cornerstone Resources present two must-read pieces. AVP of Risk Management Monica Villines brings us back to the basics on effective strategies to mitigate money laundering risks. She highlights measures to help protect credit unions from fraudulent activities and regulatory penalties. Senior Business Operations Consultant Pamela Blevins looks at choosing a new core processor and the factors you must consider before making this critical decision.

“Change can be frightening, and the temptation is often to resist it. But change almost always provides opportunities to learn new things, to rethink tired processes, and to improve the way we work.”

— Klaus Schwab

This edition also features perspectives from two very different lines of business. League Compliance Specialist Sarah Easley answers your questions about the Corporate Transparency Act, which can trigger filing requirements for many businesses. Foundation Executive Director Courtney Moran discusses the role of community development grants in building collaborative relationships and member loyalty.

As credit unions navigate these transformative times, embracing innovation, leveraging technology, and reinforcing risk management practices will be key to sustaining growth and delivering enhanced value to their members. This issue provides insights and strategies to help credit unions thrive in the face of change and to sustain their mission of serving their communities. 

Sincerely,

Caroline Willard, President/CEO
Cornerstone League

What's AI Got to Do with It?

The Strategic Impact of AI on Indirect Lending



David Adams
Senior Vice President of Lender
Client Experience, Origence

Credit unions are at the center of technological shifts as they find ways to embrace lending solutions powered by artificial intelligence.

The auto buying experience has certainly changed over the years. Remember when we received credit applications over fax machines, and a quick credit decision took a few hours or even days? Overnight funding packages were the norm, and paper checks exchanged hands. Some of us can still remember the clunky humming of the fax machine even now.

Technology has come a long way, changing our workflows and adding efficiencies we never expected. Credit unions are at the center of these technological shifts as they find ways to embrace lending solutions powered by artificial intelligence (AI).

Document Processing Automation (DPA) is a new tool that [leverages AI](#) and machine learning to radically streamline credit union lending operations. DPA's added benefits include bringing lending workflows into the next generation of financial technology and offering much-needed efficiency.

The AI Acceleration Advantage

This is the time of virtual shopping, digital purchases, and self-driving cars. Buyers expect immediate responses with short wait times, and that includes financing.

Credit unions are turning to AI as a strategic ally in pursuit of operational efficiency. Surprisingly, traditional manual processes still cause delays in loan origination, frustrating members who expect swift


decisions. DPA eliminates this friction by automating the classification, analysis, and extraction of data from loan documents such as pay stubs, W-2s, and financial records.

DPA's accelerated loan processing significantly reduces turnaround time. What once took days can now be accomplished much faster, aligning with member expectations and reinforcing credit unions' commitment to exceptional service. This streamlined approach enhances efficiency and positions credit unions as responsive and member-focused.

Optimizing Operational Efficiency for Sustainable Growth

[Operational efficiency](#) is the cornerstone of a successful lending program. DPA streamlines day-to-day operations and adapts seamlessly to handle volume surges from dealers. Its ability to manage increased volumes without proportional overhead costs positions credit unions for sustainable growth. Finding ways to do more with less is a win for the credit union.

Moreover, DPA reduces manual document sorting and categorization. This automation frees credit union staff to focus on higher-value tasks, like personally answering member or dealership inquiries and ensuring the best experience. By automating time-consuming processes, credit unions can handle more loan applications while maintaining quality, reducing costs, and improving overall efficiency.



DPA accelerates loan funding, reducing contract-in-transit time and lowering holding costs for dealerships.

Automated Decisioning

Precision decision-making is fundamental in lending. Manual processes are susceptible to errors and inconsistencies, potentially risking financial loss and member dissatisfaction. DPA uses AI algorithms following predefined rules and guidelines, ensuring a more consistent workflow and reducing human error.

For example, DPA cross-references various documents, such as check stubs and W-2s, validating income alignment with loan application details. This automation minimizes errors and enhances overall lending efficiency.

Strengthening Dealer Relations Through Efficient Funding

A healthy relationship between credit unions and dealerships is pivotal for successful auto lending programs. DPA accelerates loan funding, reducing contract-in-transit time and lowering holding costs for dealerships. This improves the dealership's cash flow and positively impacts employee incentives.


For credit unions, streamlined funding enhances dealer relations. Dealerships benefiting from swift and efficient funding are more likely to choose the credit union as their preferred lending partner. This relationship provides credit unions with leverage to negotiate improved portfolio mixes and competitive terms for members.

A Member-First Approach to Indirect Lending

Credit unions prioritize exceptional member service. DPA amplifies this commitment by enabling efficient member service. Faster lending processes free up credit union staff to provide personalized assistance, creating a seamless, satisfying experience.

Satisfied members become loyal advocates. Their positive word-of-mouth recommendations contribute to increased membership and loan volume, reinforcing the credit union's success.

Charting the Future: DPA as a Strategic Imperative

As credit unions navigate the evolving auto financing industry, those equipped with DPA capabilities are strategically positioned to lead the way. DPA transcends being a mere tool; it emerges as a strategic imperative that paves the way for a future characterized by efficiency and a heightened focus on member needs. 

Learn more about DPA and how it can transform your indirect lending business by [contacting us for a demo](#).

David Adams, SVP of lender client experience at Origence, supports a nationwide team of talented client experience directors and operations managers serving their credit union partners. He has been with Origence and the credit union industry for more than 20 years.

Ready for a New Core Processor?

6 Keys to a Successful Selection



Pamela Blevins
*Senior Business Operations
Consultant, Cornerstone
Resources*

Choosing a data core processor is a pivotal decision for credit union leaders. It's the backbone of operations, managing vital functions like data storage, transaction processing, and member communication, and it can significantly influence a credit union's efficiency, security, and success.

With technology and data security needs evolving rapidly, several key factors should be considered to ensure your chosen core processor aligns with the credit union's goals and objectives. These factors include scalability, data security, integration capabilities, compliance with regulatory requirements, support and maintenance, and cost-effectiveness. Let's take a closer look at each.

Credit unions are under pressure to select a data core processor that aligns with their unique infrastructure needs and requirements.



1. Scalability

As credit unions grow and evolve, a data core processor that can scale along with the credit union's expanding operations is essential to avoid disruptions and downtime. Credit unions should consider the processor's ability to handle increased transaction volumes, support new products and services, accommodate future technological advancements, and provide all the same level of services offered by the current core provider.

Even if a service is not offered currently, consider the products and services that should be available as part of the credit union's future strategic initiatives. If your data core processor comes standard with those future offerings, they won't have to be piece-mealed together using third-party partnerships or incurring additional costs for customizations.

2. Data Security

Data security is paramount for credit unions, given the sensitive financial information they handle. When selecting a data core processor, credit unions must prioritize solutions that offer robust security features such as encryption, multi-factor authentication, access controls, and regular security updates.

Compliance with industry regulations, such as the Gramm-Leach-Bliley Act and the Payment Card Industry Data Security Standard, should also be evaluated to ensure the processor meets the necessary security specifications.

3. Integration Capabilities

Your core processor should seamlessly integrate with existing systems and applications to ensure smooth data flow without delays in member service operations. Credit unions should evaluate the compatibility of the processor with any third-party vendors, mobile banking platforms, and other essential tools to ensure streamlined operations and enhance the member experience.

4. Regulatory Compliance

Regulatory compliance is non-negotiable for credit unions, as failure to comply with regulations can result in severe penalties and reputational damage. When selecting a data core processor, ensure that the solution meets all relevant regulatory requirements, including those set forth by entities such as the National Credit Union Administration and the Consumer Financial Protection Bureau. The processor should support compliance initiatives, anti-money laundering, and data privacy regulations to protect the institution and its members.

Also, ensure that the automation included for monitoring compliance will help streamline workflows. For example, you'll want a system that automates the ability to search the Office of Foreign Assets Controls updated Sanctions Lists against the credit union's membership and FinCEN's 314a transmissions.

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Ensure that the automation included for monitoring compliance will help streamline workflows.

5. Support and Maintenance

Support and maintenance considerations, including reliable technical support, regular software updates, and ongoing maintenance services, are vital to ensure smooth operations and the ability to address any issues that arise.

Evaluate the vendor's support offerings, response times, and service agreements to determine the level of support you can expect throughout the relationship. One way to accomplish this is to request a list of references for recently completed conversions onto the platform you're researching. Speak to the referenced credit unions and consult your network of credit unions in collaborative spaces (forums, chats, conferences, etc.), since many of them may already be on that same core system. These knowledgeable resources can provide a wealth of information on the pros and cons of the system or the level of service you can expect. I cannot stress enough the importance of this step.

Suppose a core system does not provide sufficient technical, accounting, training, and reporting support. These shortcomings would impact the level of service you provide to members and deteriorate the staff's user-end experience. A core provider's reputation of support and service level (prior, during, and post-implementation) will be one of the most crucial factors to consider when determining an optimal partner for the backbone of your credit union operations.

Also, consider negotiating the core processor training pre- and post-implementation upfront and the balancing assistance you expect during onboarding and post-implementation during the first end-of-month close. Assistance post-implementation for the first EOM close, system balancing, and board reporting seem to be the biggest heartburn that credit union staff experience upon conversion. Request that these provisions be part of the contract to ensure your partner provides the level of service your members and staff expect and deserve.

6. Cost-Effectiveness

Cost-effectiveness is a prime consideration for credit unions with limited budgets and resources. While choosing a data core processor that meets the institution's needs in terms of functionality and security, also consider the total cost of ownership, including upfront costs, licensing fees, maintenance expenses, and any hidden costs associated with the solution. A thorough cost/benefit analysis should determine the most cost-effective option and the best value for the institution.

Often, core providers will entice credit unions with signing bonuses or onboarding incentives. The excitement about getting such a great deal upfront can result in clients forgetting about or overlooking the back end of the contract—the deconversion or termination expenses—until the contract comes to a close and it's a shock.




Consider the total cost of ownership, including upfront costs, licensing fees, maintenance expenses, and hidden costs.

The deconversion expenses are just as crucial to the credit union's strategic initiatives as the upfront conversion costs.

Negotiate deconversion/termination expenses at the beginning, before signing the contract. If those costs are not strategically beneficial for the credit union, research another processor with friendlier "leave" clauses. You never want to be held hostage by deconversion expenses, especially to the detriment of future growth and evolution.

In Conclusion

Selecting a data core processor requires careful consideration of key factors. By evaluating these factors and conducting thorough research and due diligence, credit unions can make informed decisions that enable them to achieve their business objectives, including the credit union's long-term success and sustainability.

Remember, if you don't have time to do it right the first time, when will you have time to do it over? 

How an Operations Consultant Can Help

Whether you're still in the shopping phase or are actively in the pre/post-implementation phases, **Cornerstone Resources' Business Operations Consultants** can provide tailored assistance—as limited or extensive as needed—to accomplish the credit union's conversion goals.

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Corporate Transparency Act Triggers Filing Requirements for Many U.S. Businesses

A Primer for Cornerstone Credit Unions



Sarah Easley
*Compliance Specialist
Cornerstone League*

Adding individuals with significant control is a newer concept in the U.S., introduced as a requirement in the Corporate Transparency Act.

What is the Corporate Transparency Act?

The bipartisan Corporate Transparency Act (CTA), enacted in 2021 to curb illicit finance, requires many companies doing business in the United States to report information about the individuals who substantially own or control them, otherwise referred to as beneficial ownership information. These reports are required to be filed with the Financial Crimes Enforcement Network (FinCEN), an arm of the Treasury Department.

What is beneficial ownership information?

Beneficial ownership information (BOI) refers to identifying information about the individuals who directly or indirectly own or substantially control a company. Reporting companies are required to identify all individuals who own or control at least 25% of the company's ownership interests, as well as all individuals with substantial control.

What does substantial control mean?

Someone can exercise substantial control over a company in different ways. Adding individuals with significant control is a newer concept in the U.S., introduced as a requirement in the CTA. According to FinCEN, if an individual fits any of the following criteria, they could be deemed to be exercising substantial control:

- Someone who is a senior officer (the company's president, chief financial officer, general counsel, chief executive officer, chief operating officer, or any other officer that performs a similar function).
- Someone with the authority to appoint or remove certain officers or a majority of directors of the reporting company.
- Someone who is an important decision-maker within or for the reporting company.
- Someone with any other form of substantial control over the reporting company (such as someone with influence over important decisions).

Does my company need to comply?

There are two types of reporting companies:

- **Domestic reporting companies** are corporations, limited liability companies, any other entities created by the filing of a document with a secretary of state or any similar office in the United States.
- **Foreign reporting companies** are entities (including corporations and limited liability companies) formed under the law of a foreign country that has registered to do business in the U.S. by the filing of a document with a secretary of state or any similar office.

The CTA exempts credit unions, banks, publicly traded companies, and several other types of businesses from complying. For a list of exemptions, see FinCEN's [BOI Small Entity Compliance Guide](#).

When do I file?

- Existing companies must file by Jan 1, 2025.
- New companies created in 2024 must file within 90 days of creation.
- New companies created after Jan. 1, 2025, must file within 30 days of creation.

Beneficial ownership information reporting is not an annual requirement. However, businesses will be required to promptly update the report with any updates or changes to BOI.

What information needs to be filed?

Generally, reporting companies must provide four pieces of information about each beneficial owner:

- Name
- Date of birth
- Address
- The identifying number and issuer from either a non-expired U.S. drivers license, a non-expired U.S. passport, or a non-expired identification document issued by a state (including a U.S. territory or possession), local government, or Indian tribe. An image of the document must also be submitted.



Illicit actors frequently use corporate structures such as shell and front companies to obfuscate their identities and launder their ill-gotten gains through the U.S.

How does the company file?

If the company is required to report its beneficial ownership information to FinCEN, it will do so electronically through a secure filing system available via FinCEN's [BOI E-Filing website](#)

Who can access beneficial ownership information?

Under the CTA, authorized entities, including federal, state, local, and tribal officials, along with certain foreign officials, can access beneficial ownership information for national security, intelligence, and law enforcement purposes.


Financial institutions may also gain access under specific circumstances with consent from reporting companies. However, access to this information is only given to a limited number of inquirers, even though other organizations and entities may benefit from accessing it for due diligence and risk management purposes

Why do they want this information?

Illicit actors frequently use corporate structures such as shell and front companies to obfuscate their identities and launder their ill-gotten gains through the U.S. Not only do such acts undermine U.S. national security, but they also threaten U.S. economic prosperity: shell and front companies can shield beneficial owners' identities and allow criminals to illegally access and transact in the U.S. economy while disadvantaging small U.S. businesses that are playing by the rules. This rule will strengthen the integrity of the U.S. financial system by making it harder for illicit actors to use shell companies to launder their money or hide assets.

Are there penalties for not filing?

As specified in the CTA, a person who willfully violates the BOI reporting requirements may be subject to civil penalties of up to \$591 for each day the violation continues. However, this civil penalty amount is adjusted annually for inflation. A person who willfully violates the BOI reporting

requirements may also be subject to criminal penalties of up to two years imprisonment and a fine of up to \$10,000. Potential violations include willfully failing to file a beneficial ownership information report, willfully filing false beneficial ownership information, or willfully failing to correct or update previously reported beneficial ownership information. 

Are there other resources available?

Yes, the following resources are available on FinCEN's BOI website.

- [BOI FAQs \(FinCEN\)](#)
- [BOI Small Compliance Guide \(FinCEN\)](#)
- [BOI Reporting FACT sheet \(FinCEN\)](#)



Have a Compliance Question?

The Cornerstone Compliance team is poised to take your questions via our Regulatory and Compliance Hotline, **Information Central**.

Information Central provides member credit unions with compliance resources to meet regulatory and legal obligations. All credit union staff are encouraged to utilize this invaluable dues-based service.

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Redesigning Financial Spaces:

The Role of Member Education in Branch Design Lending



Jeff Taylor
Partner, PhaseOne
Design Builders

Member education has become a high priority for branch design because financial literacy presents a real member need.

As credit unions evolve to meet their members' needs and expectations and technology reshapes how people manage their finances, credit unions are reimagining the design of their branches. Today's branches help credit unions serve their members' banking needs and interface with the community and its needs.

In a 2023 edition of Perspectives magazine, Cornerstone League detailed the Eight Cooperative Principles that drive the credit union movement today. It's fitting that two of the principles are "Concern for the Community" and "Education and Training," dual components that are vital to the design of today's credit union branches.

Member education has become a high priority for branch design because financial literacy presents a real member need. This was recently pointed out in the results of a Goalsetter survey* that assessed the financial literacy of some 1,065 undergraduate students at three Ivy League universities. The report concluded that students at these schools scored an "F" in the financial literacy test.

Before taking the test, 55% of students believed they had a solid understanding of financial concepts. After the quiz, that number dropped to 30%. These findings demonstrate the dire need to improve financial literacy, especially among the younger generations.

Member Education as a Strategic Imperative

We know that member education plays a vital role in emboldening members to make informed financial decisions. When educational elements are incorporated into the design of branches, credit unions can build stronger relationships with their members, promote financial literacy, and enhance satisfaction. This is driven by the increased complexity of financial products and services, which has grown the need for personalized guidance.

Integrating Elements into Branch Design

Credit unions can easily integrate educational elements into their branch design. The following elements aim to create a welcoming, informative environment that encourages learning and exploration.

- **Dedicated Education Areas**
By creating dedicated education areas within branches, credit unions can offer personalized financial advice, educate members on certain products, and give overall guidance in an informal one-on-one setting. Within these dedicated areas, members can be open about their financial needs. Café-style office space is a more contemporary design that can accomplish this informal area.
- **Educational Workshops**
Credit unions can provide educational workshops on financial topics as another effective way to educate members. These events can cover various subjects such as credit management, homeownership, retirement planning, and identity theft protection. Credit unions can also invite guest speakers to further encourage meaningful discussions within the community. Creatively designed conference rooms and classrooms with mini kitchens that can be locked off from the rest of the branch are ideal for these workshops, so there is the capability of after-hours events.



Take visual communication one step further in branch design by incorporating gamification and interactive experiences.

- **Interactive Education Zones**

Design branches with dedicated, interactive education zones that can provide members with hands-on experiences to educate themselves on banking products and services. Some examples would be providing educational videos and touchscreen displays that would cover topics such as budgeting, saving, investing, and fraud prevention. Large display screens throughout the lobby can help push the credit union's marketing campaigns.


- **Visual Communication Tools**

The strategic placement of visual communication tools such as infographics, charts, and diagrams in branch design can simplify financial concepts and make information more consumable for members. Eye-catching displays placed throughout the branch can serve as educational attractions, in turn prompting members to explore further.

- **Gamification and Interactive Experiences**

Take visual communication one step further in branch design by incorporating gamification and interactive experiences. These elements engage members with a range of interactive quizzes, challenges, and virtual reality simulations. Making learning fun and interactive can capture members' attention and encourage them to actively participate. Credit unions can also use their online banking platforms to further their educational initiatives with interactive modules and tutorials that help enhance their members' financial literacy.

Education-Focused Branch Design

As credit union branches advance into centers of financial learning and guidance, the benefit of member education will contribute to long-term sustainability in the digital age. A strategic education-focused branch design will promote financial enablement and connection with members. Through these educational resources, credit unions can prepare their members and their communities with the knowledge to navigate today's financial landscape. 

*Source of study: <https://www.cunastrategicservices.com/content/cuna/css/about/news/ivy-league-students-score-an-f-in-financial-literacy-assessment.html>



As a partner at PhaseOne, Jeff Taylor's expertise is understanding the technology needs of the financial institution of the future. His involvement begins with the early planning and consulting stages of planning and continues through construction to final completion. Contact him at jtaylor@phaseonebuilders.com.

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Money laundering can erode public trust, distort economic activity, and ultimately impact the well-being of entire communities.

Back to Basics:

Mitigating Money Laundering Risk in Credit Unions



Monica Villines
*AVP Risk Management and Compliance Consulting
Cornerstone Resources*

The financial system plays a vital role in our society, and credit unions have a significant responsibility in maintaining its integrity. One critical threat to this integrity is money laundering, the process of disguising the illegal origins of funds. To understand money laundering, credit unions need to understand the devastating consequences and key strategies to mitigate risk.

Understanding Money Laundering: A Threat to Financial Stability

The Financial Crimes Enforcement Network (FinCEN) defines money laundering as “disguising financial assets so they can be used without

detection of the illegal activity that produced them.” In simpler terms, criminals take money earned through illegal activities like drug trafficking, terrorism, or fraud and attempt to make it appear legitimate. This allows them to use the funds freely without raising suspicion.

The consequences of money laundering are far-reaching. It fuels the operations of criminal organizations, undermines legitimate businesses, and weakens the stability of the financial system. Money laundering can erode public trust, distort economic activity, and ultimately impact the well-being of entire communities.

The Three Stages of Money Laundering

Money laundering unfolds in three distinct stages:



1. **Placement:** This is the initial step where “dirty” money enters the financial system. Criminals often break down large cash deposits into smaller amounts to avoid reporting thresholds, utilize cash-intensive businesses like laundromats or car washes to mix illicit funds with legitimate income, or structure deposits to evade anti-money laundering (AML) regulations.



2. **Layering:** Here, the focus is on obfuscating the origin of the funds. This involves complex financial transactions—using shell companies, wire transfers across borders, or buying and selling high-value assets like art, jewelry, or vehicles. Layering creates a convoluted trail of transactions, making it difficult to trace the origin of the money.



3. **Integration:** In this final stage, the laundered money is reintroduced into the financial system as seemingly legitimate funds. Criminals might invest in real estate, businesses, or luxury goods, giving the illusion of legitimate wealth.

By implementing enhanced due diligence measures, institutions can effectively identify and report suspicious activity.

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Cornerstone Resources' Professional Recruiting services help you find the right candidates with a knowledgeable staff, who bring relevant credit union experience. This consultative service helps your credit union prepare for interviews, provides digital introductions on the candidates, and specializes in the credit union industry.

WHY CHOOSE US? WHAT MAKES US DIFFERENT?

By choosing our services, you'll

- Gain a dedicated staff who focuses only on credit unions;
- Hire professionals who fit with your credit union's culture; and
- Have confidence in your decision, knowing the candidate has passed a thorough vetting process.

LET US SOURCE YOUR ENTIRE ORGANIZATION WITH TOP TALENT.

Combating Money Laundering: A Multi-Pronged Approach for Credit Unions


Credit unions play a crucial role in safeguarding the financial system from money laundering. Here are some key strategies they can employ to mitigate this risk:

1. **Customer Due Diligence:** The bedrock of AML compliance is customer due diligence, which involves verifying the identity of new members by collecting and analyzing information like name, address, date of birth, and government-issued identification. This helps identify high-risk individuals or businesses and prevents them from using credit union services for illicit purposes. By implementing enhanced due diligence (EDD) measures, institutions can effectively identify and report suspicious activity, a cornerstone of the Bank Secrecy Act (BSA) in combating money laundering and other financial crimes.
2. **Examples of Red Flags:** Be aware of common money-laundering red flags.
 - **Structuring:** Dividing large cash deposits into smaller amounts to avoid reporting requirements.
 - **Money Mules:** Individuals who unknowingly or wittingly receive and move money on behalf of criminals.
 - **Cash-Intensive Businesses:** Criminals may use business like convenience stores or restaurants to intermingle illicit funds with legitimate income.
3. **Transaction Monitoring:** Continuously monitor member accounts for unusual activity, such as large or frequent cash deposits/withdrawals, wire transfers with no apparent purpose, or transactions inconsistent with a member's financial profile. These discrepancies could be indicative of money laundering attempts.
4. **Risk Assessment:** Performing a risk assessment is a critical step for credit unions to proactively identify and manage exposure to money laundering, terrorist financing, and Office of Foreign Assets Control (OFAC) sanction violations. The risk assessment considers factors such as the size and location of the credit union, membership base, and product and service offerings. This helps tailor the efforts based

on the specific risk profile identified in the risk assessment. Identified high-risk members or activities require more rigorous monitoring.

5. **Training:** Train employees and board members regularly on AML compliance procedures. Training programs should be tailored to each position and emphasize key areas including customer due diligence, recordkeeping, reporting suspicious activity, and understanding OFAC sanctions (restrictions on transactions with certain countries and individuals). Effective training empowers employees to identify and report suspicious activity.
6. **Technology:** Use technological tools like automated transaction monitoring systems and identification verification software to streamline compliance efforts. Technology can automate manual tasks, enhance efficiency, and improve the effectiveness of detecting and reporting suspicious activity.

Conclusion: A Collaborative Effort

Mitigating money laundering risk requires a collaborative effort. When credit unions stay vigilant and constantly adapt their AML programs, they ensure their services are not misused for illicit purposes. By implementing the strategies outlined above, credit unions can play a vital role in safeguarding a strong, secure financial system. 

For more information, refer to the FFIEC BSA/AML Examination Manual and Procedures.



How to Obtain a Risk Management Assessment

Exposure to risk is just part of doing business, but unless you're an expert in risk management, taming the threat of those risks can be a full-time job. A strategic partnership with the Risk Management and Compliance Consulting experts at Cornerstone Resources can save you money, fines, time, and headaches and give you peace of mind.

Visit our [website](#) for more information, or [contact us](#) to chat about how a risk management assessment can benefit your credit union.

INTRODUCING

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Giving: The Heart of Credit Union Culture

Cornerstone Foundation's Courtney Moran Talks Servant-Leadership and the Impact of Giving



Miguel Gonzalez
Communications Writer
Cornerstone League

Giving back to the community is more than just a noble cause; it's a vital aspect of personal and societal growth. In this article, Cornerstone Foundation Executive Director Courtney Moran shares her insights on the significance of community service and volunteerism, emphasizing how these acts of kindness shape individuals and strengthen communities. Because of her upbringing and professional experiences, she offers a compelling perspective on how giving back is crucial for everyone, especially those in the credit union movement.

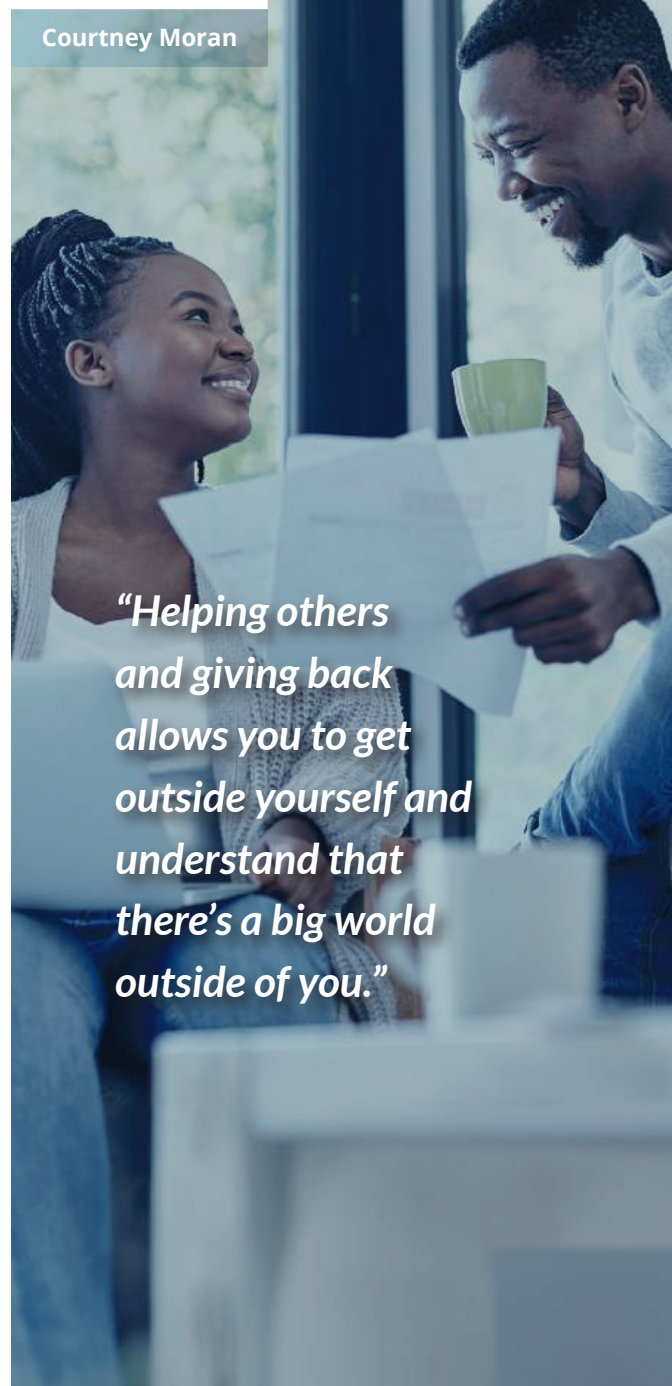
The Value of Early Lessons in Giving

Moran's attitude on giving back is deeply ingrained in her upbringing. Raised in a home that promoted servant-leadership, she learned early on the importance of helping others.

"Helping others and giving back allows you to get outside yourself and understand that there's a big world outside of you," she said. She now passes on this perspective to her six-year-old daughter, who attends a leadership school where giving is intertwined with the curriculum.



Courtney Moran



"Helping others and giving back allows you to get outside yourself and understand that there's a big world outside of you."

Moran shares a poignant story about her daughter's experience with giving. "Once, she came to me and expressed frustration over a friendship. She explained, 'I always make gifts for my friend, but he never does that for me.'" Eager to seize the teachable moment, Moran used the situation to discuss the essence of giving. "I asked her, 'Why do you feel drawn to make those gifts for your friend?' She said, 'I do it because he's my friend, and I know it would make him happy.'"

This conversation highlights the pure motivations behind giving. Moran believes giving should come from the heart and be free of expectations.

"The reasons for giving change when you do it with the expectation of something in return," she noted. This lesson, imparted to her daughter, addresses the importance of understanding why we give and ensuring our motives are genuine.

Credit Unions and the Spirit of Community Support

The "people helping people" philosophy is deeply embedded in credit union culture. As cooperative financial institutions, credit unions extend beyond providing financial services to engaging in community volunteerism and support. So, it follows that the Cornerstone Foundation's mission is to empower credit unions to empower their communities.

Moran explains how their mission creates a symbiotic relationship that benefits credit unions and the Foundation.

"Credit unions are generally hands-on through community volunteerism and more," she said. "Their actions help close the gap between the Foundation and credit unions, as we're both 'in the trenches,' so to speak, giving us insight into their needs and how we can provide them with the best assistance and resources."

The Foundation's commitment to assistance is achieved through various initiatives, including community development grants that enable credit unions to partner with nonprofits or community organizations to address critical issues. This alliance fosters a collaborative approach to community development.

Driving Positive Impact

The Foundation's empowering community development grant program addresses 12 development issues:

- Credit
- Diversity and Equity
- Education
- Employment
- Environment
- Health
- Housing
- Hunger
- Inclusion
- Savings
- Technology
- Transportation



"Our mission is to empower credit unions to empower their communities, so this grant works to serve that purpose directly," said Moran. The program helps establish beneficial partnerships between credit unions and their communities, creating a ripple effect of positive change.

Moran emphasizes that while financial donations are valuable, the connections formed through volunteerism have the potential to yield even greater benefits over time.

"It's not uncommon to see even more dividends through connections formed with community volunteers," she said. "These relationships address immediate needs and foster long-term collaboration and support."

Moran emphasizes that while financial donations are valuable, the connections formed through volunteerism have the potential to yield even greater benefits over time.

Collaborative Efforts for Greater Impact


The Foundation also strives to provide opportunities for credit unions to network with each other and other credit union professionals. Initiatives like the Development Educators (DE) and Credit Union Cooperators (CUC) Dig In webinars offer collaborative learning and problem-solving platforms. These resources also allow members to tackle the 12 development issues impacting their communities and capitalize on their collective problem-solving wisdom.

“The more we can work together on these issues, the more progress we can achieve,” Moran said. “By sharing knowledge and resources, credit unions can enhance their impact and drive meaningful change in their communities.”

The Lasting Impact of Giving

Giving back to the community is not just an act of kindness; it’s a fundamental aspect of creating a more inclusive, supportive, and resilient society. Moran’s insights underscore the importance of genuine, motive-free giving and highlight the significant role credit unions play in community support.

Through initiatives like community development grants and collaborative platforms, the Cornerstone Foundation empowers credit unions to be agents of change. The spirit of giving back, as championed by leaders like Moran, remains crucial in building stronger, more connected communities.

By instilling these values in the next generation and fostering more collaborative efforts, we can ensure that the philosophy of “people helping people” continues to thrive and benefit individuals and communities alike. 



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90 YEARS

OF MILESTONES & PROGRESS



St. Mary's Cooperative Credit Association, the first U.S. credit union, opens on April 6, 1909, in Manchester, N.H., with assistance from Alphonse Desjardins.

1909

1913



Texas becomes one of the earliest states to pass a credit union act.

The Arkansas, Kansas, Oklahoma, and Texas Credit Union Leagues are organized.

1935

1934

1934

1941



The Oklahoma State Credit Union Act is signed into law.



The Missouri Credit Union League is organized.

The first federal charter in the United States is issued to Morris Sheppard FCU in Texarkana, Texas, and the credit union is still operating today.



1962

1967

1995

The Texas Credit Union League [TCUL] Educational Foundation is created.

The Texas Credit Union League [TCUL] Data Systems is created.

The TCUL Educational Foundation becomes Texas Credit Union Foundation.



2023

Cornerstone and Heartland Credit Union Association merge.



Cornerstone Credit Union League rebrands.

2020

2016



Kansas and Missouri leagues merge to form Heartland Credit Union Association.

2024





The Missouri Credit Union Act is amended to facilitate the chartering of new credit unions.

1927



First Missouri Credit Union becomes the first credit union chartered in Missouri.



The Kansas Credit Union Act is amended to facilitate the chartering of new credit unions.

1929



Topeka Federal Employees' Credit Union becomes the first credit union chartered in Kansas.



The Texas Credit Union Act is amended to facilitate the chartering of new credit unions.

1929



The leagues in the United States meet in Estes Park, Colo., and form the Credit Union National Association.



The Little Rock Postal Credit Union, now named TruService Community FCU, becomes the first credit union chartered in Arkansas.

1929



Wichita Falls Postal Credit Union, now named PosTel Family Credit Union, becomes the first credit union chartered in Texas.



1934



On May 10, the U.S. Senate adopts a bill drafted by Sen. Morris Sheppard (Texas) and Roy F. Bergengren (Texas) to allow the chartering of federal credit unions. Rep. Wright Patman (Texas) introduces a similar bill in the House of Representatives. It passed in the final minutes of the 73rd Congress, and was signed by President Franklin Delano Roosevelt.

1934

1933

McAlester Credit Union becomes the first credit union chartered in Oklahoma.



1998



The Credit Union Membership Access Act of 1998, HR 1151, is signed into law by President Bill Clinton on Aug. 7, 1998. This Act authorizes multiple group chartering for federal credit unions.

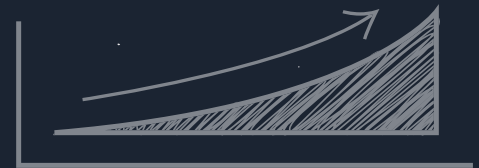
2002

TCUL Data Systems becomes Credit Union Resources, Inc.



2012

Credit union assets exceed \$1 trillion for the first time.



2014

Membership in United States credit unions exceeds 100 million for the first time.



2013



Member credit unions in Arkansas, Oklahoma, and Texas vote to organize the Cornerstone Credit Union League.



**CORNERSTONE
LEAGUE**

MORE THAN 1,000 LEADERS HAVE JOINED A COUNCIL OR COMMUNITY. HAVE YOU?

Cornerstone councils and communities offer opportunities to build your network, share ideas, and learn best practices with staff and volunteers in the Cornerstone region.



CORNERSTONE LEAGUE

The Councils

Covering just about every aspect of credit union operations, our council program is **FREE** for credit union staff and volunteers. Join one or all!

- » Accounting & Finance
- » Compliance & Audit
- » Diversity & Belonging
- » Financial Wellness
- » Fraud
- » Human Resources & Training
- » Lending & Collections
- » Marketing & Business Development
- » Payments & Operations
- » Member Business Services
- » Technology
- » Volunteers

COUNCIL MEMBERSHIP BENEFITS

- Networking and collaboration
- Council-only webinars and calls
- Access to Connect, the online council community
- Leadership opportunities



CORNERSTONE LEAGUE

Young
Professionals

For credit union leaders under the age of 40, register as a Young Professional to gain access to a YP Community, networking opportunities, and events exclusively for young leaders. This program is **FREE** for Cornerstone member credit unions.



For more information, scan the QR code using the camera on your phone or visit our website at <https://bit.ly/30wv4Ay>



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