



# CRYPTOCURRENCY:

## What Credit Unions Need to Know

### What is Cryptocurrency?

Cryptocurrency is a digital currency that is created, managed, and protected by a network of computers that use cryptography on a virtual ledger. Many cryptocurrencies are decentralized networks based on blockchain technology.

### What is Blockchain?

A blockchain is a decentralized, immutable ledger of all transactions across a peer-to-peer network. This essential component of many cryptocurrencies collects information in groups—also known as blocks—that hold sets of information. Blockchain technology is not limited to just financial use, but cryptocurrency is the most famous use of the technology.

### How do Consumers Use Cryptocurrency?

Consumers can use cryptocurrency to purchase and sell goods and services or trade them for profit. Just like consumers can purchase tokens to use goods and services at certain companies, a similar concept applies to cryptocurrency, only in digital form.

### How Can Credit Unions Use Cryptocurrency?

Credit unions can use cryptocurrency in a variety of ways:

- ▶ Purchase and provide custody services for a digital asset on behalf of customers and directly from their accounts
- ▶ Accept cryptocurrencies as assets
- ▶ Offer crypto-based debit/credit card rewards
- ▶ Offer interest-bearing crypto accounts



Watch Cornerstone's communications channels for more information on cryptocurrency basics and credit union use cases.