

# THE EXAMINER

Issue 1



## FROM THE DIVISION

Welcome to the NCCUD's quarterly newsletter, The Examiner. We hope you find this communication helpful and informative, especially for upcoming regulatory issues and changes.

This year means many changes for all of us. NCCUD transitioned from AIRES to MERIT, a new examination platform. On April 1, 2022, we will begin adding an 'S' to CAMEL ratings and further evaluating our credit unions' Asset-Liability Management (ALM) related risks going forward. Other important regulatory items to note are updates to the FFIEC Bank Secrecy Act (BSA)/Anti-Money Laundering (AML) Examination Manual, anticipated changes in response to the AML Act

of 2020, and upcoming changes to the March 31, 2022, Call Report filings. Additionally, we are planning to continue offsite examinations, but will evaluate the need to visit credit unions on an individual basis.

### IMPORTANT DATES

- April 1, 2022, Commission Meeting
- April 1, 2022, "S" Component Added
- April 15, 2022, NCCUD Closed for Good Friday
- April 30, 2022, 1<sup>st</sup> Quarter Call Report Submissions Due

### Modern Examination & Risk Identification Tool (MERIT)

NCCUD has incorporated a new web-based examination platform that replaces our old examination application, AIRES. For all of our examinations performed this year, we will be using MERIT. We appreciate your patience as we all become more familiar with the updated features. This change should not significantly affect your examination.

### Adding an S to CAMEL

NCCUD will begin using the CAMEL component "S" rating for examinations beginning April 1, 2022, and thereafter. The "S" CAMEL component rating stands for "Sensitivity to Market Risk" (interest rate risk). The Division will breakout the current "L" component rating into two separate component ratings of "L" for liquidity risk and "S" for interest rate risk.

### AML Act of 2020

Credit unions should start considering how to incorporate the AML and Countering the Financing of Terrorism National Priorities into their risk-based AML/CFT programs, as appropriate, as they will be a measure for evaluating BSA compliance. NCCUD will not examine the incorporation of the priorities until implementing regulations have been promulgated. There are no new requirements yet; however, we encourage our state-chartered credit unions to stay up-to-date on potential upcoming changes.

### March 31, 2022, Call Report Changes

The changes will impact the structure of the Call Report, eliminate obsolete reporting items, and build out current reporting to accommodate the enhanced risk-based capital ratio. See more information on [Call Report Changes](#).

**In accordance with the Federal DOTGOV Online Trust in Government Act of 2020, the NC Credit Union Division has converted our email addresses from @nccud.org to @nccud.nc.gov. Please verify your address books have our new domains.**

**CHECK OUT OUR UPDATED WEBSITE AT**  
[HTTPS://CUD.NC.GOV/](https://cud.nc.gov/)

# THE EXAMINER

Issue 2



## FROM THE DIVISION

Welcome to the NCCUD's quarterly newsletter, The Examiner.

We hope everyone is enjoying the summer months. The year is flying by, the temperature is rising, and summer is in full swing in North Carolina. Along with the increased temperatures, we're also seeing an increase in interest rates. Please make sure your management team and Board review your credit union's interest rate risk model and understand how the increase in rates may impact your

### IMPORTANT DATES

- September 5, 2022, NCCUD Closed for Labor Day
- September 30, 2022, Commission Meeting
- October 19, 2022, North Carolina Executive Forum
- October 30, 2022, Call Reports Due

balance sheet and income statement. Over the coming months, the Division will host the fall Commission Meeting and will co-host, along with NASCUS and the Carolinas Credit Union League, the North Carolina Executive Forum. We hope a representative from your credit union can attend. We would also like to remind you that CECL will be implemented January 1, 2023.

### Sensitivity to Market Risk

Interest rates are at a four-decade high and Sensitivity to Market Risk is changing for financial institutions as we enter a rising rate environment. Management and Board of Directors are reminded to review their systems for measuring and managing interest rate risk and ensuring the assumptions used in the model are reasonable.

### North Carolina Executive Forum

Credit union board members, committee members, and management should not miss the North Carolina Executive Forum. We are excited to invite you to participate in this one-day session customized for North and South Carolina credit unions. Be sure to take advantage of this excellent training opportunity for directors and staff. [Click this link to register!](#)

### Commission Meeting

The next Commission Meeting will be held on September 30, 2022. Please mark your calendars, and we hope your representatives will attend. Additional information will be sent via email within the next few days.

### CECL

The implementation of the [Financial Accounting Standards Board's \(FASB\) release of Accounting Standards Update \(ASU\) 2016-13](#), Financial Instruments—Credit Losses (Topic 326), will impact the way financial institutions estimate and provide for credit losses. NCCUD is encouraging our state-chartered credit unions' Board and management teams to familiarize themselves with CECL and prepare for the January 1, 2023, implementation.

### We're Hiring

NCCUD recently posted for two Examiner positions. We are excited to soon welcome new employees to NCCUD.

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Issue 3

## FROM THE DIVISION

Happy Holidays! The past quarter was busy for the Division, and we were excited to see many of you at the North Carolina Executive Forum. Thank you to those that were able to attend - it was great seeing you in person!



### IMPORTANT DATES

- December 23, 26, and 27, 2022 – NCCUD closed for Christmas
- January 2, 2023 – NCCUD closed for New Year's Day
- January 16, 2023 – NCCUD closed for Martin Luther King Day
- January 30, 2023 – December 31, 2022, Call Report submission deadline

### NEW EXAMINER

You may notice an unfamiliar face on your next examination. Travis Faircloth joined NCCUD as an examiner in September 2022. Mr. Faircloth comes to the Division with over a decade of financial institution regulatory experience.

### CURRENT EXPECTED CREDIT LOSSES (CECL)

The implementation of the [Financial Accounting Standards Board's \(FASB\) release of Accounting Standards Update \(ASU\) 2016-13](#), Financial Instruments—Credit Losses (Topic 326), will impact the way financial institutions estimate and provide for credit losses. CECL becomes effective January 1, 2023, for

credit unions with assets of at least \$10 million. Be sure to reflect this change on your March 31, 2023, Call Reports.

### DIVIDEND APPROVAL

In accordance with North Carolina General Statutes § 54-109.54, dividends cannot be declared or paid when the cost would exceed available earnings without prior written approval of the Administrator. If your credit union is in this position, please send your dividend request, along with the most recent financial statements, proposed rates, and delinquency report to Assistant Administrator Kristina Ray at [kristina.ray@nccud.nc.gov](mailto:kristina.ray@nccud.nc.gov). Requests must be received by the 20<sup>th</sup> of the month in which you are scheduled to post the dividends.

### BOARD RESPONSIBILITIES FOR FIDELITY BOND AND INSURANCE COVERAGES

The board of directors of each credit union is required to do the following:

- Review annually fidelity, faithful performance, and other insurance coverages to ensure adequacy in relation to potential risks and minimum coverage requirements
- Review all applications for purchase, renewal, and/or change (increase/decrease) of coverages
- Pass a resolution approving the purchase, renewal, and/or change of coverages and document in the board minutes
- Delegate a non-employee member of the board to sign the agreement and attachments for the purchase, renewal, and/or change of coverages
- Rotate the delegated non-employee member of the board so that no director is a signatory on consecutive purchase, renewal, and/or change agreements for the same policies

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## FROM THE DIVISION

Welcome 2023! What a first quarter it has been. The recent bank failures and economic conditions were unexpected and troubling; however, our state-charter credit unions system remains strong. We want to assure you that if you have concerns or issues, NCCUD is here to provide support in any way that we can.



### IMPORTANT DATES

- April 30, 2023 – March 31, 2023, Call Report submission deadline
- May 29, 2023 – Division closed for Memorial Day
- July 4, 2023 – Division closed for Independence Day

### SUPERVISORY PRIORITIES

NCCUD's supervisory priorities for 2023 include interest rate risk, liquidity risk, credit risk, information security, CECL implementation, fraud prevention, BSA, and succession planning. You will be provided with a Questionnaire Workbook during your examination that now includes a Management Questionnaire for senior management to complete. Please ensure the entire workbook is completed and returned to NCCUD as instructed in examination notification email.

### CURRENT EXPECTED CREDIT LOSSES

The implementation of the [Financial Accounting Standards Board's \(FASB\) release of Accounting Standards Update \(ASU\) 2016-13](#), Financial Instruments—Credit Losses (Topic 326), will impact the way financial institutions estimate and provide for credit losses. CECL became effective January 1, 2023, for credit unions with assets of at least \$10 million. Be sure to reflect this change on your March 31, 2023, Call Reports.

### LIQUIDITY RESERVE

04 NCAC 06C .1301 Liquidity Reserves requires credit unions with asset of two million or more and credit union that offer share draft accounts maintain a liquidity reserve equal to a minimum of five percent of the total dollar value amount of the credit unions liability base. This calculation should be completed monthly, no later than then the tenth day of each month. Please notify NCCUD immediately if your liquidity reserves fall below five percent. At the spring meeting, the Commission approved to move forward with exploring amendments to this rule. Credit unions will have opportunities for comment.

### HOUSE BILL 410 – CREDIT UNION UPDATE

A draft of House Bill 410, Credit Union Update, was filed on March 16, 2023, and passed the 1<sup>st</sup> reading on March 20, 2023. A copy of the draft bill is located [here](#) and you can follow the legislative actions on the Bill at <https://www.ncleg.gov/BillLookup/2023/H410>.

### COMMUNITY DEVELOPMENT REVOLVING LOAN FUND GRANTS

The NCUA will administer approximately \$3.5 million in CDRLF grants. The grant round opens May 1 and credit unions with a low-income designation, or a minority depository institution can apply. To learn more about applying for these grants [click here](#).



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## FROM THE ADMINISTRATOR

I am honored and humbled to serve as the Administrator of Credit Unions. NCCUD will continue to provide quality supervision to our state-chartered credit unions. I look forward to promoting the importance of the the dual-chartering system and the benefits of being a North Carolina state-chartered credit union. All my best, Kristina Ray

### IMPORTANT DATES

- September 29, 2023 – Fall Commission Meeting
- October 30, 2023 – September 30, 2023, Call Report submission deadline
- November 10, 2023 – NCCUD Office closed for Veterans Day
- November 23-24, 2023 – NCCUD Office closed for Thanksgiving
- December 25-27, 2023 – NCCUD Office closed for Christmas

### NEW EXAMINER

You may notice an unfamiliar face on your next examination. Trey Taylor joined NCCUD as an examiner in July 2023. Mr. Taylor has prior Bank Secrecy Act/Anti-Money Laundering (BSA/AML) compliance and financial institution experience.

### CYBER INCIDENT NOTIFICATION

On September 1, 2023, 12 CFR § 748.1, Cyber Incident Notification Requirements for Federally Insured Credit Unions, became effective. All federally insured credit unions are required to notify the NCUA as soon as possible, and no later than 72 hours, after experiencing a reportable cyber incident or receiving notification from a third-party regarding a reportable cyber incident. Refer to [this link](#) for NCUA's Cyber Incident Notification Requirements.

### UPDATES TO THE BSA/AML EXAMINATION MANUAL

On August 2, 2023, the Federal Financial Institutions Examination Council released updates to the following sections of the BSA/AML Examination Manual. The updated sections do not establish new requirements. Details are available at <https://bsaaml.ffiec.gov/>.

### GUIDANCE ON LIQUIDITY RISKS AND CONTINGENCY PLANNING

Federal financial institution regulatory agencies recently updated existing guidance on liquidity risk and contingency planning. The guidance encourages depository institutions to incorporate the discount window as part of their contingency funding plans. Federal and State-chartered credit unions can access the Central Liquidity Facility as a contingent federal liquidity source. Credit unions with assets greater than \$250 million must, among other things, establish and document access to at least one contingent federal liquidity source.

At its March 31, 2023, meeting, the Credit Union Commission approved for the Division to review 04 NCAC 06C .1301 Liquidity Reserves. Any proposed revision to the Rule will be sent to credit union managers for comments. Remember, credit unions are required to compute the liquidity reserve monthly, no later than the tenth day of each month. In the event the liquidity reserve falls below five percent, the Administrator must be notified.

### COMMERCIAL REAL ESTATE LOAN ACCOMMODATIONS AND WORKOUTS

In June 2023, federal financial institution regulatory agencies issued a Policy Statement on Prudent Commercial Real Estate Loan Accommodations and Workouts and can be found [here](#).

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As 2023 comes to an end, the NCCUD staff would like to wish everyone a wonderful holiday season and a happy New Year. This issue of our newsletter has information regarding rules, late call report filings, and new beneficial ownership requirements. We look forward to seeing you again in 2024!



## VACATION TIME RULE

04 NCAC 06c .0302 (28) states, "Annual vacations of at least five consecutive working days (during periods when proofs of subsidiary ledgers are being made) shall be taken by each employee having access to cash and the general ledger. During the vacation, the employees shall remain absent." Examiners will be reviewing credit union policies and practices to ensure compliance with the vacation time rule. The purpose of the rule is to strengthen internal controls relating to cash and transaction risk.

## IMPORTANT DATES

- December 25-27, 2023 – NCCUD Office closed for Christmas
- January 1, 2024 – NCCUD Office closed for New Year's Day
- January 15, 2024 – NCCUD Office closed for Dr. Martin Luther King, Jr. Day
- January 30, 2024 – 4<sup>th</sup> Quarter 5300 Call Report is due no later than 11:59:59 p.m.
- March 29, 2024 – NCCUD Office closed for Good Friday

## DECENNIAL RULES REVIEW

Speaking of rules, 2024 will be a busy year for the Division as we review all active rules codified in 04 NCAC 06. This is required for covered state agencies every 10 years to determine whether each rule is necessary or unnecessary. For more information on this process, please visit <https://www.oah.nc.gov/rules-division/periodic-review-and-expiration-existing-rules>.

## NCUA REINSTATES CIVIL MONEY PENALTIES (CMP) – LATE CALL REPORT FILINGS

On November 28, 2023, NCUA announced it would reinstate CMP assessments for late 5300 Call Reports. The effective date of the reinstatement is January 1, 2024, and the first reporting cycle affected will be the December 31, 2023, Call Report due by 11:59:59 p.m. on January 30, 2024. NCUA will send a reminder to credit unions with outstanding reports one week prior to the due date.

## NEW REQUIREMENTS FOR BENEFICIAL OWNERSHIP INFORMATION (BOI)

Effective January 1, 2024, many companies in the United States will be required to report information on beneficial owners – individuals who own or control companies – to FinCEN. This requirement is part of the Corporate Transparency Act and is designed to make it harder for money launderers, terrorists, and other bad actors to hide or benefit from shell companies or other non-transparent structures. Examiners will be reviewing your Bank Secrecy Act and Member Due Diligence programs for compliance with FinCEN requirements. For more information, visit the following: <https://www.fincen.gov/boi> and <https://www.fincen.gov/boi-faqs>.



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2024 is proving to be an active year with the Division's Periodic Rules Review as well as other regulatory and statutory functions of the agency. Several actions require approval from the Administrator, and we are highlighting a couple in this newsletter as a reminder – core system conversions and dividend payments. Please visit our website at <https://cud.nc.gov/> for more information on approvals or contact us at (984) 275-6730. Other issues we are addressing are interest rate limitations for certain types of credit and the end of a source of liquidity. Enjoy the Spring!



## PERIODIC RULES REVIEW – COMMENT PERIOD

**Beginning on March 25 and continuing through May 24, 2024**, the public will be invited to comment on all active rules codified in 04 NCAC 06. The Report with Initial Determinations can be found at <https://cud.nc.gov/Laws-Regulations/Periodic-Review-of-Existing-Rules>. Caroline Warren is the rulemaking coordinator, and you may contact her with comments at [rules@nccud.nc.gov](mailto:rules@nccud.nc.gov) or by mail at 205 West Millbrook Road, Suite 105, Raleigh, NC 27609.

### IMPORTANT DATES

- March 25 – May 24, 2024 – Comment period for Periodic Rules Review
- March 29, 2024 – NCCUD Office closed for Good Friday
- April 9, 2024 – Credit Union Commission meeting
- April 30, 2024 – 1<sup>st</sup> Quarter 5300 Call Report is due no later than 11:59:59 p.m.
- May 27, 2024 – NCCUD Office closed for Memorial Day

### CORE CONVERSIONS

04 NCAC 06C .0301 (c) requires credit union management to submit a copy of the proposed contract and a description of the core system to the Administrator for review and approval **at least 60 days prior to conversion**. The contract/agreement must include several items listed in the rule. These requirements can be found on our website at <https://cud.nc.gov/Laws-Regulations>.

### DIVIDEND PAYMENTS

For credit unions reporting negative year-to-date earnings, your Bylaws require you to obtain the written approval from the Administrator **prior** to declaring or paying dividends to members. Please refer to Article XVI, Section 2 of your Bylaws for more information.

### MAXIMUM INTEREST RATES

NCGS §24-1.1 sets the maximum interest rate on closed end consumer credit with principal balances of \$25,000 or less at the greater of 16% or a rate announced monthly by the Office of the Commissioner of Banks. Please review your loan products for compliance with the statutory limitations.

## BANK TERM FUNDING PROGRAM (BTFFP) ENDS

The Federal Reserve Board authorized the 12 Reserve Banks to establish the BTFFP as another source of liquidity to depository institutions, including credit unions. This program offered advances of up to one year; however, the BTFFP ceased extending new loans on March 11, 2024. We encourage all our credit unions to evaluate liquidity options to safely meet member/depositor and institutional needs.



# THE EXAMINER

Issue 8



The Division will look a little different this year as two of our more-tenured examiners retire and new people join our agency (stay tuned for more information about new staff). Also, the Credit Union Commission gained two new members recently. An area that we are seeing more complaint activity in is elder financial exploitation and FinCEN recently issued additional guidance on this topic. Stay vigilant! As a reminder, call report financials and supervisory fees will soon be due. Happy Call Reporting!

## RETIREMENT NEWS

Kellie Daniel and Mark Ledford will soon be retiring after many years of dedicated service to North Carolina state-chartered credit unions, the Division, and the citizens of the State of North Carolina. Kellie started her career at the Division in December 1991 and Mark joined us in 2005. Both of them have generously shared their knowledge and experience with countless credit union industry professionals. Kellie's official retirement date is October 1, 2024, and Mark's is September 1, 2024. We wish them wonderful adventures and fulfilling futures!

## NEW COMMISSIONERS

In June, Governor Cooper appointed Debbie Trotter, President/CEO of Charlotte Fire Department Credit Union in Charlotte, and Michael Conlon, President/CEO of Affordable Communities Group in Cary, as the credit union management member and the public member, respectively to the Credit Union Commission. Mrs. Trotter has over 40 years of experience in the credit union industry, and Mr. Conlon is a real estate and investment entrepreneur and author. Welcome to the Credit Union Commission!

### IMPORTANT DATES

- July 4, 2024 – NCCUD Office closed for Independence Day
- July 30, 2024 – 2<sup>nd</sup> Quarter 5300 Call Report is due no later than 11:59:59 p.m.
- August 15, 2024 – Supervisory fees & schedules due
- September 2, 2024 – NCCUD Office closed for Labor Day

## ELDER FINANCIAL EXPLOITATION (EFE) AWARENESS

FinCEN issued a press release in June stating that 155,415 suspicious activity reports (SARs) were filed between June 2022 and June 2023 for approximately \$27 billion in EFE related activity. In addition to filing SARs, FinCEN recommends institutions refer affected customers/members to the Department of Justice's National Elder Fraud Hotline at 833-FRAUD-11 or 833-372-8311. EFE victims should also file reports with the FBI's Internet Crime Complaint Center (IC3) at <https://www.ic3.gov/Home/ComplaintChoice> and the Federal Trade Commission at <https://reportfraud.ftc.gov/>. The CFPB has helpful resources available for consumers, caregivers/service providers, and financial institutions at <https://www.consumerfinance.gov/consumer-tools/educator-tools/resources-for-older-adults/protecting-against-fraud/>.

## CALL REPORT FINANCIALS & SUPERVISORY FEES

Remember to email your financial statements to [support@nccud.nc.gov](mailto:support@nccud.nc.gov) when you submit your quarterly call reports. Supervisory fees are based on June 30 and December 31 call report total assets. We will email supervisory fee schedules to each credit union around the end of July. Please mail your completed schedule along with your check by August 15.





# THE EXAMINER

Issue 9

Autumn is a season of change – new faces, updated applications, new laws – and a time for friendly reminders regarding effective and enhanced governance and cybersecurity programs. Enjoy your Fall!



## NEW EXAMINER

Byron Roberson joined the Division in July 2024 and has over 11 years of industry experience with State Employees' Credit Union (SECU). While at SECU, Byron worked in member services, loan servicing, and mortgages. Bryan is a native of Raleigh, graduated Cum Laude from Winston-Salem State University in Physical Education/Recreation with a minor in Psychology, and completed his MBA with a concentration in Finance at UNC Pembroke. Welcome to the team, Byron!

## UPDATED NCCUD APPLICATIONS

We are in the process of updating applications for approval requests. If you are requesting to open a branch, expand your field of membership, or merge a credit union, please use updated forms on our [website](#) to expedite the review and approval process.

## NEW NC MONEY LAUNDERING LAW

[NCGS §14-118.8](#), enacted on June 28, 2024, and **effective December 1, 2024**, criminalizes money laundering if a person or organization knowingly and willfully commits one of seven identified actions that alone or aggregated exceed \$10,000. Refer to the new law and consider how this affects your BSA/AML/OFAC compliance programs.

### IMPORTANT DATES

- October 9, 2024 – Credit Union Commission meeting
- October 30, 2024 – 3rd Quarter 5300 Call Report is due no later than 11:59:59 p.m.
- November 11, 2024 – NCCUD Office closed for Veterans Day
- November 28 & 29, 2024 – NCCUD Office closed for Thanksgiving
- December 24-26, 2024 – NCCUD Office closed for Christmas

### CREDIT UNION GOVERNANCE

Strong governance is critical to a functionally, financially, and operationally sound credit union. The board of directors is fiduciarily responsible for the strategic direction, succession/continuity planning, business affairs, funds, and records of the institution. Committee members' duties are specific to the function of the group, such as supervisory oversight, lending, etc. Management is charged with implementing board directives and policies, ensuring accuracy of financial records, and developing and implementing strategic plans and budgets, among other tasks. The key to effective governance is ongoing education and implementation – knowing and following the requirements and expectations consistently, completely, and without conflicts of interest.

## CYBERSECURITY – STAYING VIGILANT

Everyone – including organizations, businesses, institutions, governments, and consumers – is affected by cybersecurity concerns. Data breaches, ransomware threats, DDoS attacks, and even election interference fears are frequently in the news, emphasizing the need for heightened cybersecurity awareness and measures. Strengthening systems, processes, and controls to eliminate or reduce vulnerabilities is a vital component to an effective and responsible cybersecurity program. Refer to the Cybersecurity & Infrastructure Security Agency's (CISA) website at [www.cisa.gov](http://www.cisa.gov) for tips, tricks and alerts.



# THE EXAMINER

Issue 10

With all the busyness at this time of year – holidays and year-end processing – it's also a time for changes and reminders. We wish you all a happy, healthy, and peaceful holiday season!



## NEW EXAMINER

Melissa Kerley joined the Division in December 2024 and has over 22 years' experience within the credit union industry. She began her career at State Employees' Credit Union working in member services, lending, mortgages, insurance services, and investments. Over the past 11 years, she worked within membership development/engagement and impact at Local Government and Civic Federal Credit Unions. Melissa is a native of Dunn and graduated from Campbell University where she participated in the 3/2 program to obtain her bachelor's and master's degrees in business administration. She is passionate about the credit union movement and looks forward to working in a new capacity serving our credit unions.

## UPDATED NCCUD APPLICATIONS

We are in the process of updating applications for approval requests. If you are requesting to open a branch, expand your field of membership, or merge a credit union, please use updated forms on our [website](#) to expedite the review and approval process.

## DIVIDEND REQUESTS

For credit unions reporting negative year-to-date earnings, your Bylaws require you to obtain the written approval from the Administrator **prior** to declaring or paying dividends to members. Please provide the following items for the Administrator's consideration of your request: most current financial statements and delinquency report, a list of proposed rates, and an explanation of the unprofitable condition. Refer to your Bylaws for more information.

## IMPORTANT DATES

- **December 24-26, 2024** – NCCUD Office closed for Christmas
- **January 1, 2025** – NCCUD Office closed for New Year's Day
- **January 20, 2025** – NCCUD Office closed for Dr. Martin Luther King, Jr. Day
- **January 30, 2025** – 4<sup>th</sup> Quarter 5300 Call Report is due no later than 11:59:59 p.m.

## RECOVERY & CONTINUITY

With the devastation brought on by Hurricane Helene, many of our credit unions, members, and communities experienced (and are still experiencing) recovery and restoration efforts. Recent events highlighted how interdependent we all are on each other and other services, including power, the internet, water, passable roads, etc. As many of you saw, even the most comprehensive and well thought out plans are not a guarantee for uninterrupted service. Documenting lessons learned and incorporating those into Disaster Recovery/Business Continuity plans are important to be as prepared as possible. We commend our credit unions for their staff, member, and community support as well as for their resilience in times of adversity!

## CYBERSECURITY – STAYING VIGILANT

Have you heard of ATM jackpotting? Criminal actors gain physical access to an ATM by downloading malware directly onto the machine's hard drive or attaching an already infected hard drive onto the machine to control the ATM cash dispense function, thereby allowing the criminals to take out cash. The attacks are believed to be the work of organized criminal groups and target multiple ATM manufacturers. Ensuring your machines are up to date on current security protocols can help protect you from this cybercrime.

