



January 2018

After 2 ½ years working to establish the outsource accounting services for a CUSO in Colorado, I will be returning to my independent consulting business in 2018, specializing in CFO in a Box and other executive consulting services. I'm very excited to once again focus on what I enjoy doing most, and making a difference to those credit unions I serve.

Rates Going Up...

The Fed increased rates 25 bps in December. Further increases in 2018 will depend on both GDP growth and inflation. If these two measures remain strong, we can expect four rate hikes during the year, two if these measures weaken. The forecasted Fed Funds target is 2.0 to 2.25 for Q4 2018. This could push the Prime rate, currently at 4.5%, above 5% for the first time since 2008.

2018 will bring change for all of us as we enter a rising rate cycle for the first time in over ten years. While we welcome this transition away from historical low interest margins, it will be painful for many as we adjust our costs and yields. Spreads will most likely shrink before they improve.

Regulatory Update

NCUA Letter to Credit Unions 17-CU-09 communicates the supervisory priorities for 2018. The letter lists seven areas of specific focus. Familiarizing yourself with this information is an excellent way to prepare for your next examination. I recommend you discuss each of these seven areas in detail with your team as well as review the associated policies. At a minimum, click on the FFIEC Cybersecurity Assessment Tool link in the letter and complete the questionnaire. Documenting your review of these topics in Board and staff meeting minutes, revising any outdated policies, and testing procedures to ensure they comply, are all best practices.

The seven areas of supervisory focus in 2018 are:

1. Cybersecurity Assessment
2. Bank Secrecy Act Compliance
3. Internal Controls and Fraud Prevention
4. Interest Rate and Liquidity Risk
5. Automobile Lending (Higher Risk Forms)
6. Commercial Lending
7. Consumer Compliance



Click Here for the Full Version: <https://www.ncua.gov/regulation-supervision/Pages/policy-compliance/communications/letters-to-credit-unions/2017/09.aspx>

Peggy's Philosophies – Pay it Forward

I was fortunate to work for a visionary credit union CEO early in my career, who taught me the importance of ethical leadership, member focus, and value of employees. Her mentorship continued throughout my career until her passing in 2015. Peggy's strategic yet compassionate guidance has been central to my collaboration and service to credit unions. I hope to pay it forward in the work I do. Please contact me or visit my web-site for further information on how I can help you succeed in 2018 and beyond. Happy New Year!



Debra Taylor Templin, CPA
310-963-3374
www.cucfo.com

