

People in Focus

Larry Middleman, President/CEO of CU Business Group



Larry started the CU Business Group CUSO in 2002, and has helped guide it to become the largest business services provider in the credit union industry, serving 525 credit unions in 46 states. CU Business Group is jointly owned by Alloya Corporate FCU, providing business lending, deposit and consulting services to credit unions nationwide. We recently caught up with Larry to discuss business lending, regulations and the importance of having business deposit products.



Average monthly volumes

- 60 Loans Underwritten
- 75 Completed Annual Reviews
- 50 Review Appraisals
- 150 Sets of Loan Documents Prepared

For more information on CU Business Group, please visit www.cubusinessgroup.com.

What prompted you to create the CUSO?

Coming from 30 years in the finance/banking industry, I saw the opportunity for credit unions to help their members that own businesses. As the CFO of Northwest Corporate Credit Union, we were in the perfect position to create a CUSO from which credit unions could buy services as needed. We created a center of expertise to help credit unions put together the policies, procedures and infrastructure needed for a quality business services program.

What types of business loans and other business products should a credit union consider offering?

CU Business Group (CUBG) recommends credit unions develop a full program to serve business members, including both lending and deposit products. Many credit unions today have solid MBL programs, mainly focused on commercial real estate, which makes sense. The challenge is building out the deposit program and offering loans for business operations, including lines of credit and working capital loans. Systems and technology needed for the business deposit services are advancing, but often require a major investment as well as staffing and operational challenges.

What regulations need to be considered before starting a program?

Fortunately for credit unions, the NCUA has completely revamped Regulation 723 to allow credit unions to set their own risk parameters for business lending. However, this does put more of a burden on senior management and the board of directors to set the direction and boundaries of the business lending program. Many credit unions are looking to CUSOs...

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Consumer Loan Participations

Looking to take control of the balance sheet? Whether you need to manage your liquidity (sellers) or diversify your assets (buyers), we can help you achieve your goal – just let us do the work!

In response to interest in liquidity management solutions, a new Loan Participation microsite has been developed by Alloya at www.alloyacorp.org/loanparticipations.

The microsite contains:

- Uses and Benefits of Loan Participations
- Key Features of the Program
- Frequently Asked Questions

If you are interested in monitoring new offerings posted on the Loan Participation marketplace, sign up to receive notifications from Alloya by visiting www.alloyacorp.org/form_loanparticipations

Don't Write Off Checks

Introducing TranzCapture, the Credit Union Solution to Support Check Deposit Services

TranzCapture, LLC, a new credit union service organization delivers a next-generation suite of remote deposit services and provides an alternative to aging solutions established a decade ago in response to the Check Clearing for the 21st Century Act.

What does TranzCapture – the “next generation Check 21” offer?

- ATM Capture
- Branch Capture
- Business (Merchant) Capture
- Interactive Teller Machine (ITM) Capture
- Mobile Capture (exclusive of user interface)

For a short teaser video on TranzCapture’s five key features – and for additional features and benefits, visit www.alloyacorp.org/video_tranzcapture_5keyfeatures.

To learn more about this exciting service or to get started, please consult with your Senior Business Consultant.



BALANCE SHEET SOLUTIONS

an alloya company

Using ALM as Your Crystal Ball

Everyone would love to see into the future: Where will I be in one year? Where will the markets be? How will my credit union be performing 12 months from now? One of the greatest resources available to see into the future of your credit union is your Asset Liability Modeling (ALM) reports. These reports project the income and risk profile of your institution, even if the rate environment changes. Too often, however, we see credit unions run their reports for the sole purpose of sharing with the regulators. While the reports are necessary for regulation, their benefits go far beyond and should also be used to help plan your future.

To read this article in its entirety and to discover how utilizing parallel interest rate shocks and what if analysis can help you prepare for the future, please visit www.balancesheetsolutions.org/ALM_CrystalBall.pdf



FREE WEBINAR Connection

Working with Your Board to Understand ALM

January 12, 2017, 2:00 pm ET

More information and registration will be available at www.balancesheetsolutions.org/learn_webinars

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or third parties like CUBG for help on policy development, as well as for quality control reviews to ensure solid lending practices and credit quality.

How can credit unions increase deposit profitability?

To be the primary financial institution for businesses, it is critical that credit unions have a full suite of business deposit products to complement the lending side. Setting effective pricing and product parameters that are competitive is integral to profitability. It is also very important to understand the true incremental costs of the deposit products, which allows the credit union to set pricing at the appropriate profit margin.

When not at work – what do you like to do for fun?

I spend a lot of time outdoors playing golf, hiking and mountain biking. I recently completed my first triathlon and I'm not sure there will be a second!