

Making the Right Choice: Short-Term vs. Demand Loans



Depending on your credit union's situation, some liquidity options are better than others – and choosing the right vehicle to meet your liquidity needs is sometimes easier said than done. Bill Paton, Alloya's Assistant Vice President of Lending & Participations, breaks down the nuances of demand loans and short-term loans to help you better understand how to leverage these resources to your credit union's full advantage.

Q: In a few words, what is a demand loan?

A: Demand loans are designed to provide credit unions with instantaneous capital, whenever they need it. These loans can be advanced by the credit unions via Premier View at a moment's notice and have a flexible repayment schedule that meets the needs of each credit union.

Q: What are the advantages and disadvantages of demand loans?

A: Demand loans provide flexibility and peace of mind. Credit unions can operate without having to worry about whether their funds are tied up in other balance sheet vehicles. The loans can be paid off or down over the course of the year at the credit union's discretion. While the demand loan is advantageous for its flexibility and ease of use, the rate on the loan is higher than a short-term loan.

Q: What's a short-term loan?

A: Short-term loans are fixed-rate term loans for very short periods of time – whether that's overnight or a month. They are for expected short-term liquidity needs, taken out for a specific amount of cash and a specific amount of time.

Q: What are the advantages and disadvantages of short-term loans?

A: Short-term loans are a lower-rate liquidity vehicle for planned liquidity needs. While the short-term loan is advantageous for providing a better rate, they offer less flexibility than a demand loan.

Regardless of your liquidity situation, Alloya is your one-stop liquidity resource. Alloya's team of lending experts are here to help you evaluate options, compare terms and pricing, and choose the best solution. Get in touch with us today by contacting LendingDepartment@alloyacorp.org.



Be Prepared: Windows 7 to Sunset in January 2020

Microsoft will end support for its Windows 7 operating system on January 14, 2020. This means Microsoft will no longer release updates or patches for Windows 7 after January 14, and while the system may continue to work, without Microsoft's updates and patches **the system will be more vulnerable to emerging viruses and security threats.**

Additionally, TranzCapture will no longer support Windows 7 beginning January 1, 2020. While the service should still function after January 1, it will no longer test new features or troubleshoot service issues on Windows 7. Consequently, scanning and system issues could arise, at which point the machine will need to be upgraded immediately to Windows 10 or higher. Apart from TranzCapture, other Alloya services should not be impacted by continued use of Windows 7 after January 14, as they are web browser-based and not dependent on the operating system. However, should an extension or hardware driver begin to malfunction, Alloya will no longer provide support to troubleshoot issues triggered by continued use of Windows 7 beyond its sunset.

In light of this information, **Alloya strongly recommends you consider switching to Windows 10 prior to January 1, 2020.** This will ensure your credit union continues to receive the highest level of service and security. If you have further questions about the impact of the Windows 7 sunset, please contact memberservices@alloyacorp.org.



Product Spotlight: Wire Transfers

Did You Know: International Wire Transfer Requirements

Did you know that certain currencies and countries require special information when sending wires to an overseas destination? It's important to verify currency requirements when sending a foreign currency wire to the specified beneficiary bank country.



How can you be sure you've included the required information to seamlessly transfer international payments? View the **Payment Formatting Guide** on the *Help* page of Premier View! This guide shows what additional information might be needed to transfer certain currencies into certain geographical regions. Including this information will ensure that your payments will be processed efficiently, while minimizing requests for additional payment processing information.

Have additional questions about international wires? Contact Alloya's Member Services team at memberservices@alloyacorp.org.

Wire Transfer Fraud & Prevention: Be a Crime Stopper!

Take action to help your credit union and your members avoid falling victim to wire transfer fraud. Watch this free, on-demand training from a former "Credit Union Rock Star" to gain a better understanding of the following:



- Red flags of common forms of wire transfer fraud
- Options to mitigate losses
- The fraud recovery process
- Fraud liability under UCC Article 4A

Presenter: Neil Kumar, Assistant Vice President, Compliance, Alloya Corporate FCU
Duration: Less than 35 minutes

Visit www.alloyacorp.org/education-events/online-training-in-person-events to gain access to the on-demand training. Watch it now – or whenever is convenient for you!

Connection Webinar: Q4 Economic Overview and Portfolio Strategy

Thursday, October 10 at 2:00 pm ET

Why have yields declined so dramatically? Will this downward trend continue as we end the year and move into 2020? What part of the yield curve and sectors offer the best relative value?

Balance Sheet Solutions' Gregory Perry will answer these questions and more at our next Connection Webinar on Thursday, October 10 at 2:00 pm ET. Visit www.alloyacorp.org/connection-webinar to register.



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