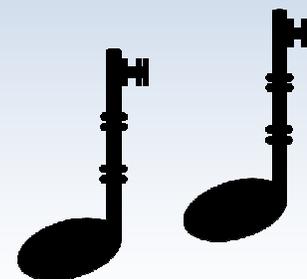


# KeyNotes



## A Double-Digit Milestone

The first quarter of 2013 saw a pair of successful credit union conversions, and with them a milestone was reached: there are now ten credit unions operating on the KeyStone platform. The ten credit unions mean the system is now supporting over \$1.7 billion in client assets and over 182,000 members spread over six states in four time zones. Corelation is proud to have begun our partnerships with Plus4 CU in Houston, TX and Miramar FCU in San Diego, CA.

The conversion of Plus4 (\$90 million assets; 18,200 members) took place in early February, with their first day live on KeyStone on Monday, February 4. While their beloved Texans didn't make the game, the credit union staff felt like they'd won the Super Bowl as they discovered the many ways the new system would save them time in their daily tasks. KeyStone eliminated repetitive responsibilities – checking the same OFAC results every week, printing multiple copies of every form, etc – and streamlined one-off tasks like issuing cards, now completed in ten seconds or less.

“Our teller line picked up the new system very quickly – which was a must since the whole population of Houston came to visit in our first week,” quipped Chief Operating Officer Patricia Fendley. “As our staff has gotten more used to the new layout and processes, we’ve seen improved member service since all the member data is right there in front of you.”

As each new partner has converted to KeyStone, the system has grown to meet their needs, and Plus4 was no exception. A number of new features were added to accommodate their processing requirements, such as support for FASB 91 amortization of loan fees and dealer reserves, the creation of a new “Paper Grade” table for tracking and reporting (of special help when a credit union’s grade range shifts over time), as well as some new fee posting logic for special

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## A Note From the Editor

In the past few issues of KeyNotes, we've placed an emphasis on the culture and the individuals who have driven our growth, so in this issue we focused a little more on the product and the state of the industry. These are, after all, exhilarating times for us as KeyStone continues to mature and as the marketplace has experienced such a shakeup.

However, those who know me personally know that I'm a softie, and it's difficult for me to reflect on Corelation in the last quarter without mention of the outstanding individuals with whom I work. This time, however, I'm off the hook, as that topic has been covered adroitly by the trade publication *Credit Union Times* in a piece published on March 20, 2013. Copy the full URL below into your web browser to view the article:

<http://www.cutimes.com/2013/03/20/creating-core-systems-the-right-way>

Obviously I'm a little biased, but I found the Op-Ed to be inspiring, and I hope you'll feel the same. It is a privilege to be able to work in the kind of environment that Corelation has engendered, and it is heartening to know that this environment will continue to be fostered as we press on. The results to date have been nothing short of spectacular, and our future holds such tremendous promise.

I hope you've enjoyed this issue of our newsletter, and as always I want to thank you for your support of Corelation as we grow and continue to develop KeyStone. If you have any questions or comments, please feel free to reach me at [rlandis@corelationinc.com](mailto:rlandis@corelationinc.com).

- Rob Landis  
Director of Client Services and  
Education

*(Continued from above)*

circumstances. KeyStone certainly wouldn't be the robust platform it is today without the input of partners like Plus4.

That tenet certainly held true for the conversion of Miramar FCU (\$175 million assets; 7,800 members) as well. Not only did this conversion prompt the creation of a new conversion program like Plus4 before it (as it represented the first client to convert to KeyStone from their given former platform), but it spurred the development of a number of items that will serve Miramar and other clients well in the future. KeyStone expanded its cash management support to include cash recyclers, and to allow their use in Shared Branch transactions as well. It evolved its card printing capabilities to include the issue of a new PIN on-site, even if the member doesn't have their existing PIN available. HSA tax-deferred accounts have long been supported, but their functionality was expanded to accommodate unique setup requirements and overdraft capabilities. The system also now offers more parameters and flexibility in the tracking of front office custom notes.

While Miramar has only been live on KeyStone since Monday, March 25, they are quickly taking to the system's capabilities and advantages. In the first few days on the new system the credit union has made great use of the new cash recycler functionality, and they've been able to immediately resolve issues that have arisen as a result of the data mapping and other third party vendor turnover inherent in a conversion.

In addition, Miramar's back office processing time has been reduced significantly since their switch to KeyStone, with nightly processing taking less than half the time as on their prior platform. Posting of ACH and Share Drafts has been smooth, and the training materials provided during every KeyStone conversion have helped ease that transition considerably.

*"We've seen improved member service since all the member data is right there in front of you."  
– Patricia Fendley, COO of Plus4 CU*

With Plus4 and Miramar fully on board, Corelation has established a strong foundation in the core processing world. It's clear that this company and its flagship system are only beginning to make an impact on the industry and on what direction credit unions will be able to take in the next decades. This year will mark a crucial juncture as KeyStone development continues and expands its reach in order to keep up with the needs of our current and future clients. The most exhilarating moment amongst all this growth and development is the realization that all the progress so far still only marks the beginning of what is to come.

## Corelation Unlocks Mysteries of Time Travel

OK, so KeyStone doesn't actually allow a user to travel through time. However, the development staff at Corelation has certainly introduced a feature that is almost as impressive, and it's been affectionately named "Flashback". The new Flashback feature allows a user to view a point-in-time snapshot of a share or loan as of the moment immediately before and the moment immediately after any transaction in history. Curious why overdraft kicked in? Flashback. Not sure if a check hold had been released before the member bought groceries? Flashback. The opportunities for research are endless, and the convenience to the front office is tremendous.

The inquiry presented when a user takes advantage of this new feature is remarkably thorough, ensuring there is no doubt as to what took place at that point in time. Flashback shows the basics, such as ledger balance, available balance, and any product-specific limits (such as a minimum required balance or a credit limit). It also shows other detailed circumstances that can have a large effect on the transaction, such as all holds in effect at that moment – including the hold category, description, amount, placement time, and expiration time. Flashback reports on whether a share is opted in for courtesy pay, and if so for how much. It tracks the Reg D count for any share with those limits in place, in case the six-per-month total has an impact on the transaction. And best yet, for any share with overdraft protection, the system produces all the above information for every share or loan that could be utilized for overdraft transfer.

One of the best aspects of the Flashback feature is its ease-of-use. There is no need for special training, no access to a dedicated work area, no barriers of any sort to taking advantage of this powerful new tool. If you have the security clearance to search a share or loan's history, then you have access to search it thoroughly, as all the information described above can be accessed simply by clicking on the share or loan's historical balance. There isn't a limit to how far back in history KeyStone can bring up the inquiry data either, so there's no loss of functionality over time. And finally, the information is organized into user-friendly tabbed sections: the status before the transaction, the status after the transaction, and a record of everything the transaction itself affected, including monetary, file maintenance, and general ledger postings.

KeyStone already represents a remarkably feature-rich core platform, providing a wide array of services in its standard offering and eschewing plug-in modules and their associated costs and integration headaches. Corelation developers make strides each day to improve the system in new ways, leveraging client feedback, industry experience, and a passion for innovation. Flashback is just the latest result of these efforts, though it is one of the most useful and impressive to date. Now if only it could tell me what my balance will be *tomorrow*...



### About Corelation, Inc.

Based in San Diego, CA, Corelation is the innovative new core processor for today's credit union. This solution is a person-centric system that empowers credit unions to offer the best member service possible, enhancing their value for member attraction and retention. In terms of industry experience, Corelation's staff have dedicated their careers to creating core systems and providing unparalleled client service.

Corelation got its start when principal architect John Landis attempted to retire from the industry after 25 years. However, his passion for the creation of efficient software never left him, and the emergence of new technologies that would allow ever more elegant solutions to be designed represented an irresistible challenge. Over years of research and development, KeyStone was molded and enhanced into its current form, and the Corelation team was assembled from some of the finest minds in the industry.

For more information on Corelation, Inc, please visit our website at [www.corelationinc.com](http://www.corelationinc.com).

## Vendor Spotlight

We are proud to bring these vendors into our partnerships with our credit union clients. The companies listed herein are truly exceptional and provide capable solutions to key aspects of our clients' operations.



**TeleVoice Corporate Info:** TeleVoice IVRs currently serve members in hundreds of CUs across the US. The standard packaged IVR application is attractively priced, proven in numerous live installations, and includes the information and services that most members want while not cluttering the IVR menus with things that most members now do through other channels. As Corelation's chosen IVR partner, TeleVoice has had the opportunity to tightly integrate the IVR software with the Corelation KeyStone core processing solution and continues to work closely with Corelation as new capabilities are implemented on both sides. Caller information is delivered in both English and Spanish, standard.

**TeleVoice Product Info:** TeleVoice values the input of users, actively seeks their guidance, and uses their vision to help drive the feature set of the IVR application. Enhancements to the standard packaged application are generally available to all users of the standard package, and most enhancements with broad appeal are made available without charge. Depending on the need, the IVR base hardware can be a server-class machine running WIN 2008 or a tower/rack workstation running WIN 7. A wide variety of hardware configurations are available to match your environment. The IVR can be installed behind the internal phone system (PBX) to facilitate caller transfers from the IVR to other internal extensions (like Member Services, for instance) or installed directly to the public phone network via analog, digital T1, or standard SIP (VoIP) interfaces.



**Cash Flow Manager Corporate Info:** Teller Cash Automation (teller cash recyclers and dispensers) have greatly impacted and empowered the financial market experience. As a result, tellers have more ability to focus on customers; transactions are more efficient and faster, with fewer errors and improved reporting. But in reality, is that what you are getting? In response to the market need, CFM created an enterprise based interface that accommodates total integration between the core processing system and the cash recycler. This solution offers superior analytics giving a complete overview of all teller cash automation machines, their functionality and how they operate within the branch.

**Cash Flow Manager Product Info:** CFM is agnostic allowing for any make or model of Teller Cash Dispenser (TCD) or Teller Cash Recycler (TCR) to be used throughout the branch network. The impact of this flexibility enables financial institutions to make the best purchasing decisions available to them. In addition, CFM offers oversight on how and where all machines are deployed and whether or not they are being used and used optimally. Pima FCU saved over \$160,000 in new purchases as a result of using CFM's analytics tool, iQ. Gary Angeles from Pima FCU stated "We had planned to replace six devices, but we had no real data behind it. After we added the software [CFM], we saw that the devices weren't really the problem. It gave us a truer picture of what was going on."

CFM was founded in 2007 by a collection of programmers, cash automation technicians, cash automation manufactures, and end users, and is the next evolutionary step in cash automation and financial transaction efficiency. For further information, call 1-855-333-4CFM or visit our website at [www.cfms4.com](http://www.cfms4.com).

## A Note From the President

As we all know, the first quarter of 2013 has seen a major shakeup in the credit union core processing industry. With the continued consolidation of the marketplace, credit unions have been painted into a tighter and tighter corner. Between the ever-increasing compliance demands by the NCUA, the threat to key revenue streams, and the continued historically-low rate indexes, it is more difficult for credit unions to remain healthy and serve their members than ever before. In fact, these challenges only serve as the entry stakes before these institutions get to engage other endemic issues, such as the rising average age of credit union membership and the lack of credit union awareness by the Millennial Generation. As a result, we are seeing the number of credit unions consistently reduced as those in trouble are merged with those that can provide relief.

Corelation is working to help assuage these burdens on our client partners. To focus our efforts, we recently hosted the first meeting of our Advisory Board - a group of CEOs from our client base who can apply their own experiences to provide direction to our company in our efforts to meet their current and future needs. In our discussions, I found that we were considering the most successful credit unions and what they do to achieve their success, and then trying to find ways that Corelation can expedite those models. The meeting yielded some interesting perspectives on what is now required to provide the best credit union services to another generation.

First and foremost, the most vital credit unions are efficient. They take advantage of technology to do the jobs that don't require human interaction or judgment, freeing up their human resources to provide a higher level of direct member service. We've worked to encourage such economy of effort by building our system with these efficiencies in mind. KeyStone boasts a robust loan decision engine, an intuitive teller platform, a person-centric model that brings every piece of member information to a user in one place, and unparalleled back office processing speed.

Successful credit unions also insist on being nimble and progressive, attracting the next generation of borrowers by introducing new channels of access, but never sacrificing their service or bottom line. KeyStone's open architecture and Corelation's willingness to work with any third party vendor gives our partners that ability to find the very best in a particular field and to respond to the needs of their membership.

I know there is no panacea for our industry, and in fact I'm not entirely convinced that its reduction in size doesn't correlate to an eventual strengthening of our movement. But I do know that our client partners are striving each day to serve their members and their communities, and that Corelation is in a position to help.

The present state of the movement is filled with challenges that cannot be met without vision, efficiency, and a willingness to accept risk. What we work to provide our client partners is a tool that can support that vision, provide that efficiency, and mitigate those risks. And beyond even the KeyStone system itself, we believe Corelation can provide the industry a luxury growing more precious by the day: choice. Thank you all for your continued support of our efforts.

Sincerely,



Theresa Benavidez,  
President, Corelation Inc.



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