

Catalyst Adds Strategic Partnerships to Benefit Members

One of Catalyst Corporate's strategic initiatives is to participate in business partnerships that add value to its members. Over the past few months, Catalyst Corporate has pursued a couple of new partnerships to expand its product line for credit unions and to increase business volumes and operating efficiencies.

Partnership to deliver a streamlined connection to the FedNow Service for Corelation clients

Catalyst Corporate and its fintech Aptys Solutions have partnered with Corelation, a leading credit union core processor, to provide client credit unions streamlined access to instant payments through the Federal Reserve Banks' new FedNow® Service.

That means credit unions on Corelation's KeyStone core processing system can easily connect to the FedNow Service through Catalyst's end-to-end solution for sending, receiving and settlement of FedNow transactions.

"This partnership was a natural extension of Catalyst's existing relationship with Corelation for core-integrated deposit services through our TranzCapture service suite," said Catalyst's Chief Operating Officer Brad Ganey. "Adding the FedNow integration catapults Corelation credit unions to the front of the implementation queue. With Catalyst's holistic instant payment solution, Corelation clients avoid some of the implementation challenges credit unions face when trying to establish connectivity."

Catalyst's strategic acquisition in 2020 of Aptys Solutions, a leading fintech that processes billions of transactions annually for 5,500 financial institutions across the country, solidified Catalyst's role as a faster payments leader and positioned credit unions for future success.

"We are excited to partner with Catalyst and Aptys to bring this new real-time payment option to our credit unions," said Corelation's Director of Vendor Relations Ron Yeshulas. "Beyond the benefit of funds transfer timeliness that many members are expecting of their credit unions today, FedNow's enriched data set and messaging protocols present credit union back offices with a unique opportunity to reduce payment inquiries and expedite receivables posting and reconciliation, among a host of other benefits. We look forward to helping facilitate the growth of this new payment capability."

Partnership to deliver greater volume and affordability for TranzCapture check processing CUs

Catalyst has forged another strategic partnership with Volunteer Corporate FCU (VolCorp) to offer TranzCapture item processing services to its members. With the new partnership, VolCorp will transition its existing check processing, check collection and check imaging services to Catalyst and become a reseller of TranzCapture software services.

VolCorp's decision to transition its item processing and become a reseller expands the network of corporate credit unions represented by TranzCapture LLC to five. The move increases the CUSO's reach and Catalyst's footprint as the largest credit union check processor in the nation.

Shared partnership in the TranzCapture CUSO benefits all participating corporate credit unions and their member credit unions



through greater control over product design, technological enhancements, time-to-market and costs. Pooling transaction volume from multiple corporates' member credit unions helps TranzCapture maintain competitive pricing as check writing continues to decline.

Catalyst established the TranzCapture, LLC software development CUSO in November 2015, responding to a need for deposit capture services built on new technology. The web-based TranzCapture service suite – which currently employs Branch, Teller, ATM/ITM/Intelligent Kiosk, Mobile and Merchant Capture applications – virtually eliminates credit union resources required for product implementation and ongoing updates.

With the addition of VolCorp to the strategic partnership, total market share of the credit union industry is over 75 percent. The partnership will represent more than 3,700 credit unions in 49 states, with approximately 420 million checks processed annually.

For more information on the services within TranzCapture, [contact us](#) today.

SCAN is published quarterly for the member/owners of Catalyst Corporate Federal Credit Union by the Catalyst communications and marketing department. Expanded content and archived issues may be found online at www.catalystcorp.org. For questions or comments on this issue or to submit content ideas for future issues of SCAN, please contact Tuesday DerMargosian at news@catalystcorp.org or 800.442.5763, Ext. 7847.

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4 Ways to Solve Liquidity Challenges

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Liquidity challenges can be a significant hurdle for credit unions. Different strategies can be used to address liquidity issues, depending on your specific situation.

Here are four tips to help you solve liquidity challenges:

1. Identify the root causes

Liquidity challenges can persist if the root cause is not identified and addressed. Challenges can stem from an exodus of “hot money,” excessive lending growth, non-competitive deposit rates or other factors.

However, not all liquidity stresses are created equal. In today’s market, more credit unions are running tight on liquidity than are flush with cash. The key is to identify the source and ensure stresses do not transform into serious safety concerns.

2. Improve cash flow management

When liquidity tightens, focus on cash flow becomes more crucial to ensure sufficient funds are available when needed. A common cash flow/liquidity management practice is creation of a sound investment portfolio structure, such as an investment ladder. The core goal is to ensure your balance sheet (investments and loans) is constructed to provide a steady stream of cash flows into your credit union, even through liquidity stresses.

3. Explore financing options

Every credit union needs ways to secure liquidity when it dries up quickly. Even if financing is needed, positioning your credit union to take care of immediate needs can set yourself up for additional growth later. Term loans or lines of credit are typically the “go-to” source for immediate liquidity needs. When you have a longer window to secure funding, additional options become viable, such as non-member deposits or selling loan participations.

4. Consider interest rate derivatives

Derivative hedging services are a flexible way to manage interest rate risk (IRR) exposure. How do derivatives support liquidity? If your credit union is using term borrowings as an on-balance sheet IRR hedging instrument, transitioning to interest rate derivatives could free up much-needed secondary

funding capacity. While the use of term borrowings is effective in managing IRR exposures, they consume secondary liquidity sources, thereby increasing your total liquidity risk exposure.

Remember, it’s crucial to approach liquidity challenges strategically and with a long-term perspective. This may involve a combination of short-term tactics and more sustainable, long-term solutions. What works best will depend on your unique circumstances and goals.

Catalyst Strategic Solutions Advisory Service can help your credit union solve liquidity challenges. To learn more tactics, [read the full article](#) or contact your [Area Sales Manager](#) today.

Financial Management Webinars: Intel for Your Balance Sheet



In 2024, Catalyst Corporate will conduct a host of financial management training webinars. Those include a new **Quarterly Insights & Outlooks** economic overview and a two-part **Derivatives Symposium**. Experts will explore such topics as inflation, interest rate risk, loan demand, investments, liquidity and more. View the full lineup in [Financial Management Training](#) under Learning Center on our website.