

MEDIA WATCH

Outlet: Nevada Business Journal

Published: December 1, 2019

Topic: Nevada Credit Unions

URL: <https://www.nevadabusiness.com/2019/12/credit-unions/>

Credit Unions - Community Banking

December 1, 2019 By Pat Evans



As banks continue to consolidate and grow as national corporations, credit unions likewise continue to provide financial connections to local communities.

[Clark County Credit Union](#) President and CEO Matt Kershaw said the philosophy of “people helping people” has propelled state-chartered credit unions to be the largest group of locally-owned financial institutions in Nevada.

“Credit unions are healthy and thriving with strong balance sheets,” Kershaw said. “We are owned by our members – the businesses and individuals who we help get the loans they need to buy their dream homes, get the cars they need to get to work and school, plus we even have second-chance programs that help people get on their feet.”

Many of Nevada’s credit unions have long-standing histories, including Clark County Credit Union, which was founded in 1951. Las Vegas-based One Nevada Credit Union was founded a year earlier, while Carson City’s [Greater Nevada Credit Union](#) was founded in 1949.

Clark County Credit Union’s members historically have been government workers, first responders and employees of the medical field – but has grown to include many of Clark County’s other professions like construction and casino workers. Greater Nevada Credit Union serves the northern portion of Nevada.

As credit unions are generally made up of the local communities they're based in, the credit unions do tend to keep an eye on mega-banks, who now control nearly 60 percent of deposits in the U.S., Kershaw said. While there could be animosity between the banks and credit unions, Kershaw said locally-owned community banks play a crucial part in loan participation.

"We know it's important to provide reliable relationships with our members," he said. "That's why we offer great interest rates on deposits, unique loan programs and give our profits back to our

Growing Business

While credit unions have largely focused on individual consumers in the past, they are increasingly focused on the business community.

Kershaw said credit unions are an excellent option for small- and medium-sized businesses, but that Clark County Credit Union is also happy to call several large-scale companies members. The same benefits individuals receive are extended to commercial products, Kershaw said, including eligibility for the annual business dividend each January on business loans and deposit accounts. The 2019 dividends equaled \$3.5 million.

"Our commercial lending team helps many of our members get the needed funds to expand and grow their businesses, adding additional locations, new equipment and updated technology," he said.

New Regulations Coming?

Overall, Murray said the regulatory climate has cooled significantly in the decade since the Great Recession.

"It's improved the last several years. Coming out of the recession, it was understandably hot and heavy," he said. "That regulatory pressure has abated slightly and there's not currently a big movement for new regulations coming down the pipeline."

Politics and nationwide economic events can alter the regulations, of course, he said, but for now, it seems to be steady.

Parrish was in agreement with Murray, as he pointed to the Trump administration's preference to keep the financial sector free. Because of the lack of potential new regulations and even the rolling back of previous rules, credit unions and banks have been able to focus attention elsewhere.

"The current administration has favored 'lightening up' a bit as it relates to additional layers of regulatory burden for all businesses, including those in the financial industry," he said. "As a result, we've been able to concentrate on much more productive endeavors."

There is an area that appears to be of a strong focus where the credit union industry would enjoy some additional assistance. Kershaw said credit unions have combined in recent years in an effort of consumer advocacy, coming together to ask the U.S. Congress to help protect consumer payment information.

At the heart of the movement is the consistency of data breaches.

“Hackers, both domestic and international have increased their activity by breaching the personal financial information of American consumers on a daily basis,” Kershaw said. “The time has come to stop the breaches. Credit unions believe those that do not properly store, and secure consumer information must have the liability when a breach occurs. Far too often, the consumer is unaware that their big box mart or gas station allowed an intruder into their payment processing system.”

Beyond lobbying Congress, Kershaw said Clark County Credit Union has put significant resources behind security efforts to protect member data, but also is doing more currently to educate the members in how to avoid and detect scammers. He said the credit union is doing what it can to prevent both individual hacks and wide-scale data breaches – although the latter is often out of their control.

“It is often a phishing campaign or a fraudster who gets a member to provide account information,” he said. “Data breaches with major retailers are the area of biggest expense as we typically have to reissue credit or debit cards to protect our members’ payment information. We do our part to identify scams for our members so they can avoid being targeted individually.”