



Washington State Department of Financial Institutions

## Division of Credit Unions

### 2024 Year In Review

Washington’s 48 state-chartered credit unions remain largely in sound condition, despite increasing delinquencies in consumer loan and credit card portfolios. The rising housing costs combined with high mortgage rates have driven down mortgage loan originations. The industry faces increased deposit costs as credit union members seek higher interest rates on their deposit accounts. The industry is also facing retirements in key leadership roles, which increases strategic risk. All these factors will continue given the instability of financial market conditions. DFI continues to emphasize to credit union leadership the importance of sound corporate governance, risk management, and flexibility in 2025.

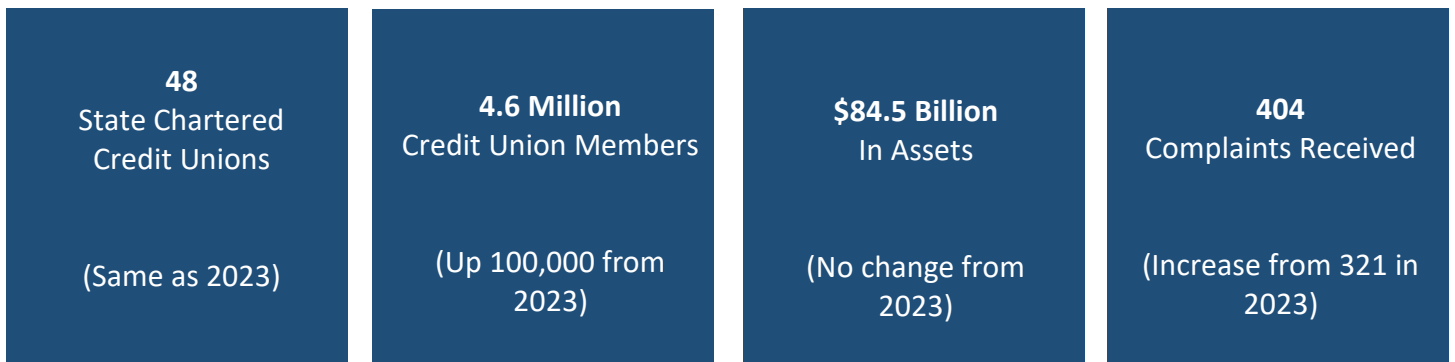
### BULLETINS WE ISSUED – CONTINUED FOCUS ON CYBERSECURITY

In January 2025, we issued Bulletin [B-25-02](#). This annual bulletin provided credit unions a “heads up” on the primary financial risk areas the division will focus on during exams in 2025.

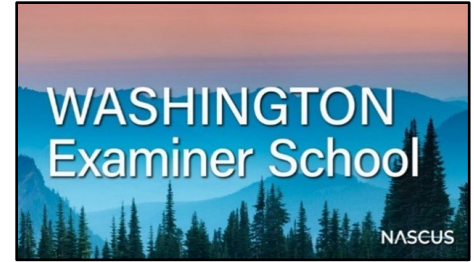
In January, we also issued Bulletin [B-25-01](#). This bulletin notified credit unions that we will resume issuing a separate Information and Security (IS&T) rating as part of our examination process. The ratings range between 1 and 5, with a 1 rating indicating sound IS&T practices and a 5 rating indicating several concerns with a credit union’s IS&T practices. The IS&T rating provides credit union management with a clearer measure of the overall level of risk in the credit union’s IS&T program and helps them prioritize controls to protect member information.

Focusing on cybersecurity is consistent with Bulletin [B-24-03](#), which we issued in 2024, providing Guidance on Reporting Cyber Incidents and Data Security Breaches. This bulletin summarizes state and federal notification requirements when a credit union has a cyber incident and/or unauthorized access to sensitive information.

### CREDIT UNION NUMBERS AS OF DEC. 31, 2024



## DFI Hosted the National Association of State Credit Union Supervisors (NASCUS) Washington Examiner School



In May 2024, DFI was able to host the NASCUS Examiner School for two days. Offering examiner schools to states is one of the many services NASCUS provides to its members. Topics discussed on the first day included: An Economic Update, presented by Tom Siems, Chief Economist, CSBS; Current Expected Credit Loss (CECL), by Jonathan Mauney, Manager Customer Success, nCino; Payment Systems, by Jordan Bennett, AAP, APRP, Senior Director, Network Risk Management Nacha (Virtual Presentation); and National Issues, by John Kolhoff, SVP, Policy and Supervision, NASCUS. That same day, the division welcome Washington State Assistant Attorney General Suzanne Becker to provide the division with Loudermill Hearing due process training.

On the second day of training, topics discussed included: Top 10 Cybersecurity Risks and Ransomware, by Damian Walters, Member, Senior IT Auditor and Assessor, Damian Walters & Associates, LLC ; Balance Sheet Trends, Risk and Liquidity Management and Rate Risk Management, by Mike McGinnis Senior Vice President, Chief Investment Officer Catalyst Corporate Federal Credit Union; and Navigating the Evolution of Risk Measurement: Lessons from 3 Decades , by Jim Craven, Vice President and Senior Consultant, McQueen Financials.

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## National Association of State Credit Union Supervisors State System Summit



*Pictured left to right: Shane McKinnie, Cheryl Gilbert, Amy Hunter, and Lael Byington*

In October 2024, Division Director Amy Hunter, Program Manager Lael Byington and Financial Examiner Supervisors Shane McKinnie and Cheryl Gilbert attended the National Association of State Credit Union Supervisors (NASCUS) State System Summit in Colorado Springs, CO. This is an annual event that brings together state regulators, credit union leaders, and industry stakeholders in an immersive, collaborative networking environment.

This year's summit offered a deep dive into the evolution, challenges, and opportunities of digital assets in the marketplace, the continuing rise of fintech, the future of credit union powers, and balancing regulation. Amy also attended the NASCUS joint leadership board meeting and was elected as the vice chair for next year. Pictured left to right: Shane McKinnie, Cheryl Gilbert, Amy Hunter, and Lael Byington.