A Tale of Two Audits: 1st Northern California Credit Union Improves Relationship with NCUA by Outsourcing

Symitar®

"The costs are more controllable now than when we were operating in-house."

- DAVID GREEN
PRESIDENT AND CEO OF 1ST NORTHERN CALIFORNIA CREDIT UNION

"To be blunt, an NCUA examiner beat us up during an IT audit," begins David Green, President and CEO of 1st Northern California Credit Union. "He wrote 14 pages' worth of notes and recommendations. Ninety-five percent of what he was asking of us was too much for our small IT department to handle."

"We knew it would be impossible for us to follow all of the guidelines with our current staff; and it took about two minutes to realize we couldn't afford an Information Security Officer or to hire upwards of five additional IT experts," continues Green. "What we needed was a quick, effective, low-cost option."

"That's when we started the conversation about outsourcing," Green sums up.

1st Northern California Credit Union (1st Nor Cal) has spent the better part of a century dedicated to its members – helping them achieve their financial goals by offering a wide variety of products and services and by committing to the credit union philosophy of people-helping-people. That commitment has never been more relevant, with many of today's consumers stressed over finances, technological changes in the market, and data breaches that seem to happen daily.

"We knew we needed to make sure our members' data was safe and secure, and quite frankly, we couldn't do that as an in-house client. The examiner was right," says Green. "Looking back, I can now see that we were more confident in the safety our members' data than what the reality was. We had in our minds that we were safer in terms of security than we actually were. Our security system was on the bottom floor, and we were sitting at sea level. We had a couple of close calls when it came to flooding, and we're nothing short of lucky that we got out unscathed."

Symitar®
A DIVISION OF JACK HENRY

INSTITUTION
1st Northern California
Credit Union

LOCATION
1111 Pine St.
Martinez, California 94533

TELEPHONE
(888) 387-8632

WEBSITE
1stnorcalcu.org

ASSETS
$696 million

BRANCHES
5

FOUNDED
1949

When credit unions choose to outsource, they shift the burden of compliance to Symitar®
while securing powerful, disaster recovery, business continuity, and security resources.

"At the suggestion of the examiner, we ultimately decided to outsource," explains Green.
"We migrated our hardware first, then our core."

"The same NCUA examiner came
back the week before Christmas for a
follow-up, at which time we were just
wrapping up our contracts," says Green.
"Six months later, after the migration,
he visited again. He called Symitar to
talk to some of the engineers and was
very satisfied with the compliance and
information security, and our follow-up
monitoring."

> "We haven't seen an NCUA
> examiner since, so the decision
> to outsource obviously made
> them comfortable enough that
> they don't feel the need to
> check up on us."
>
> **- DAVID GREEN**

"The examiner was incredibly pleased.
He said he didn't think we would do it – especially not this fast – then shook my hand
and left," recalls Green. "We haven't seen an NCUA examiner since, so the decision to
outsource obviously made them comfortable enough that they don't feel the need to
check up on us."

In addition to resolving the credit union's security and compliance concerns, with
outsourcing, 1st Nor Cal has been able to eliminate both capital expenditures required for
in-house installations and the need for on-staff resources to operate and manage in-house
hardware and software.

"The costs are more controllable now than when we were operating in-house," says
Green. "Before, we couldn't forecast what our maintenance cost for the year would
be, plus we had to take into consideration line items like buying servers and getting
maintenance on those servers – things that weren't included in our annual maintenance
fee that really added up."

"We've also been able to reallocate our staff. Since they don't have to plug into the patch
panel to make sure the machines are working properly, our IT staff are now spending their
time monitoring and making sure our system isn't getting hacked," explains Green. "On
top of that, our Vice President of IT no longer has to get up on a Sunday morning to put
on a release."

"All in all, migrating from in-house to outsourced has lowered our maintenance costs,
improved compliance and security, and saved us hours and hours of time," Green
concludes.

For more information about Symitar®,
call **888-796-4827** or visit **symitar.com**.

Symitar®
A DIVISION OF JACK HENRY