

Crypto Craze

What does it really mean for my credit union?



Who am I?

Years in the industry

25+

of cores worked on

Five different ones

2016

Co-Founded Tech CUSO

Positions held

Operations, Lending, PM, IT and twice served as CEO

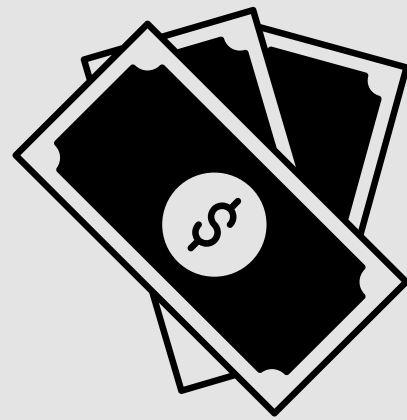
Other cool stuff

**Award winning technology at Lone Star CU
Published author
Crypto enthusiast**



Crypto

What exactly is it?



**Transfer value without
a middleman**

Like a bank or payment processor



Near-instantly

Globally, 24/7 for low fees



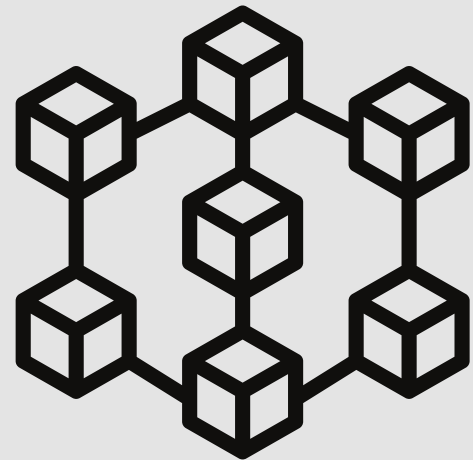
Peer-to-peer

Running free open-source
software



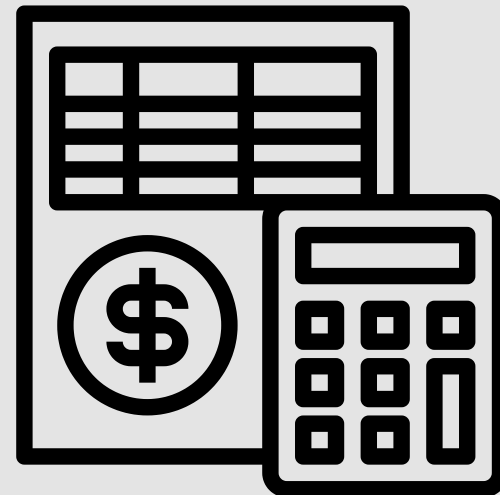
Crypto

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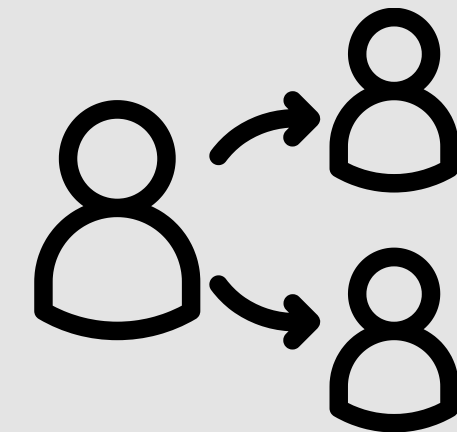
It's secure

All transactions are vetted by a technology called blockchain



Crypto blockchain

Similar to a bank's balance sheet or ledger



Open to anyone

No company, country, or third party can control it.



What's so different about crypto?

Privacy

Security

1	You don't need to provide unnecessary information to the merchant.
2	Your financial information is protected from being shared with third parties like banks, payment services, advertisers, and credit-rating agencies.
3	No sensitive information needs to be sent over the internet.
4	There is very little risk of your financial information being compromised, or your identity being stolen.
1	Almost all cryptocurrencies, including Bitcoin, Ethereum, Tezos, and Bitcoin Cash are secured.
2	Blockchain technology secures your crypto by constantly checking and verifying with a huge amount of computing power.



What's so different about Crypto?

Portability

Since they are not tied to a financial institution or government, they are available to you no matter where you are in the world.

Transparency

Every transaction on the Bitcoin, Ethereum, Tezos, and Bitcoin Cash is published publicly without exception.

Irreversibility

Unlike a credit card, it cannot be reversed. Merchants less likely to be defrauded and has the potential to be cheaper for customers.

Safety

The network powering Bitcoin has never been hacked. The systems are permissionless and the core software is open-source.



What is a Crypto Wallet?



Crypto wallets
come in many
forms

Cold wallet: think USB
stick) stores offline

Hot wallet: Mobile app
that makes buying and
selling very easy.



The wallet stores your
private key, passwords
that give you access to
your cryptocurrencies



Why is Crypto the future of finance?

It's the **first** alternative to the traditional banking system.

Money 2.0

A new kind of cash that is native to the internet, which gives it the potential to be the **fastest, easiest, cheapest, safest** and most universal way to exchange value that the world has ever seen.



Hmmm...sounds a lot like a credit union

Economic Freedom

Facilitates free trade, even in countries with tight government controls over citizen's finances. Crypto can provide an alternative to dysfunctional fiat currencies for savings and payments.

Equality of Opportunity

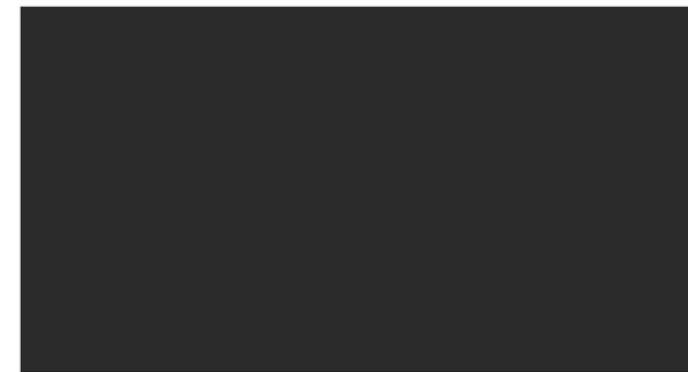
As long as you have a smartphone or another internet-connected device, you have the same crypto access as everyone else.



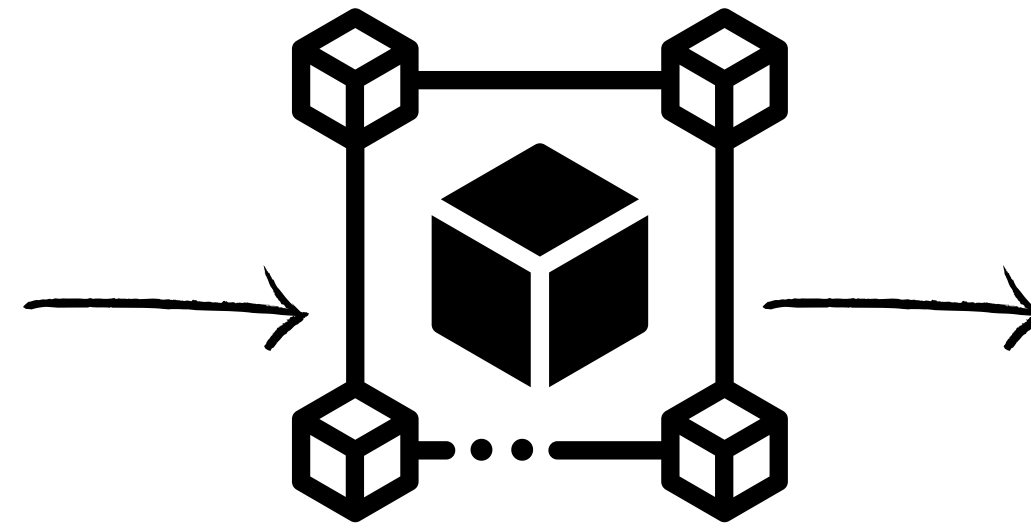
How Blockchain (DLT) works



A transaction is requested



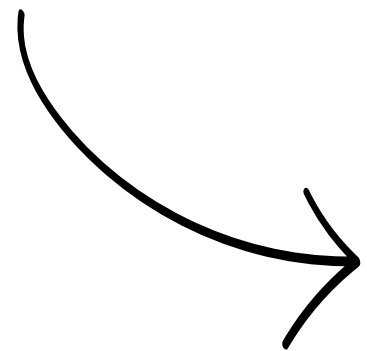
A block that represents the transaction is created



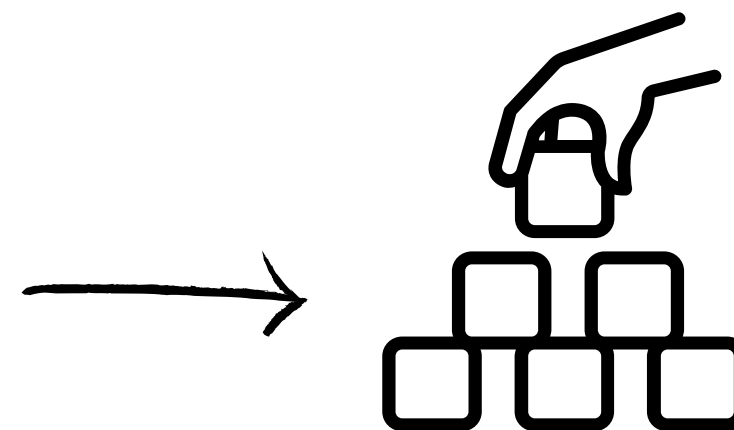
The block is sent to every node in the network



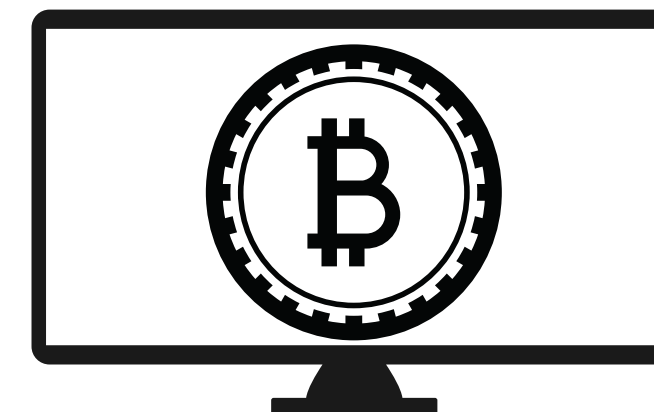
Nodes validate the transaction



Nodes receive a reward for the proof of work



A block is added to the existing Blockchain

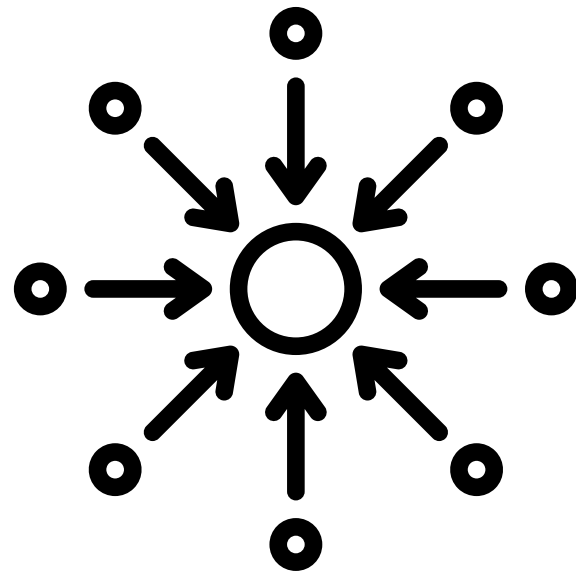


The transaction is complete



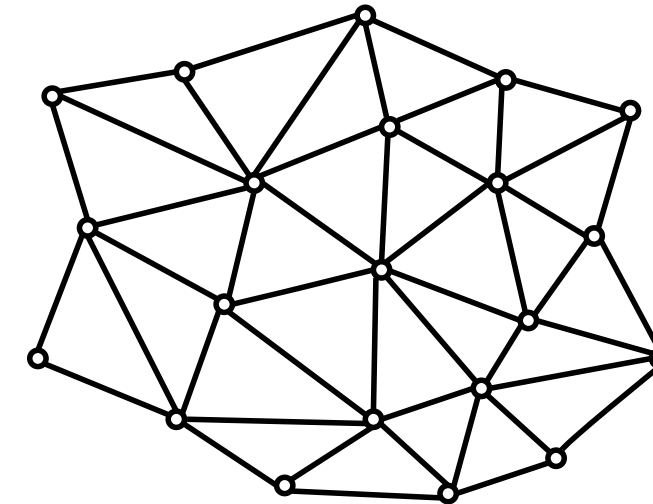
The New Networks

Centralized



Have a core authority that **dictates the truth** to other participants in the network. Only **privileged users** or institutions can access the history

Decentralized

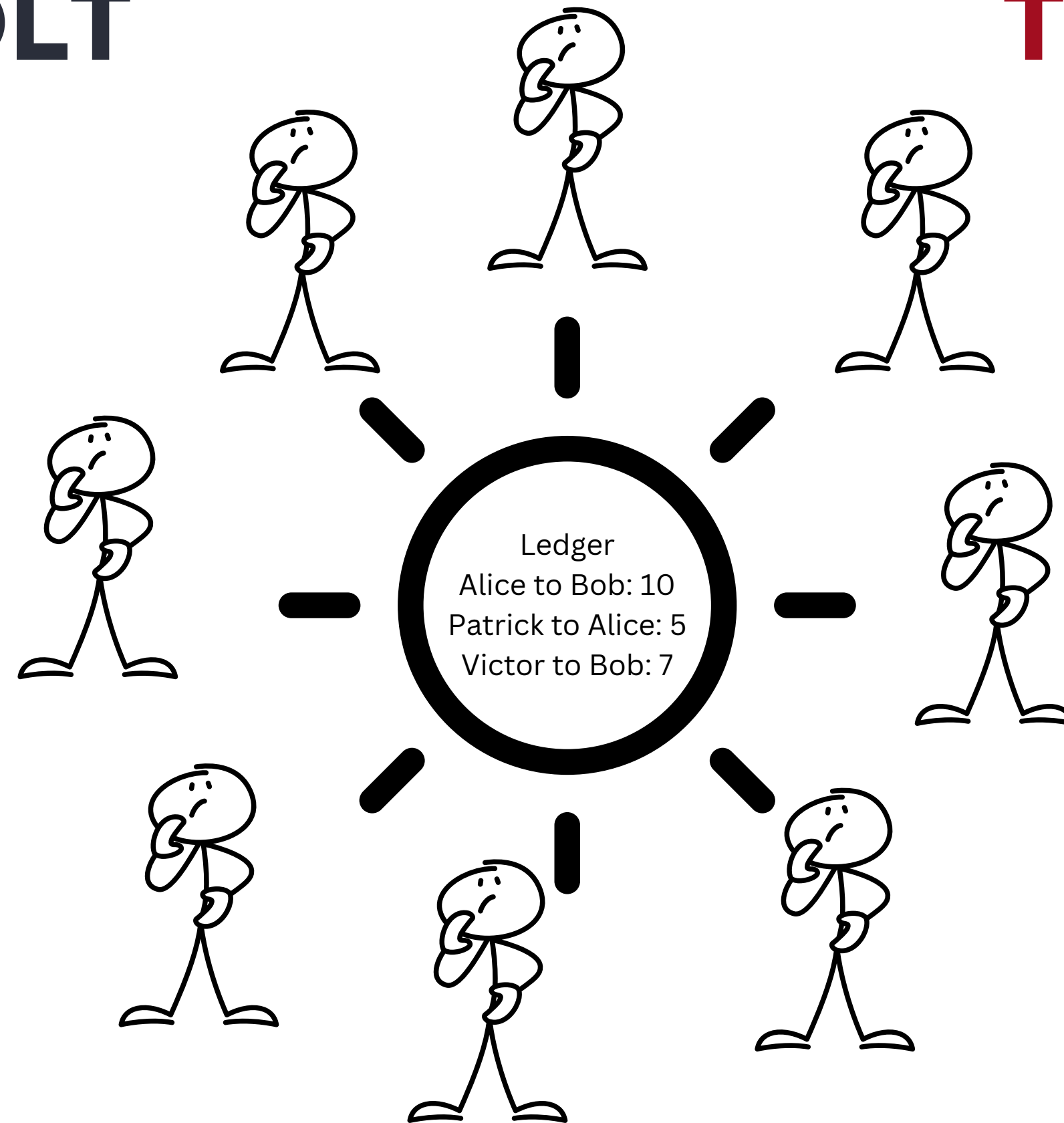


Have **no core authority** to dictate the truth to other participants in the network. **Every participant** can access the history of transactions or confirm new transactions



Bank vs. DLT

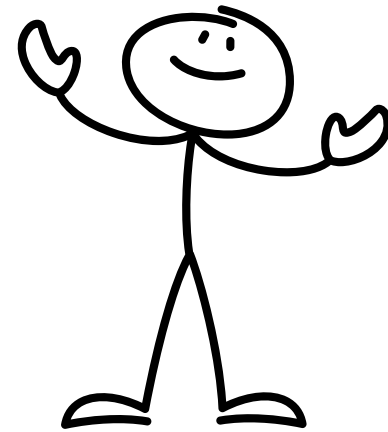
The Bank



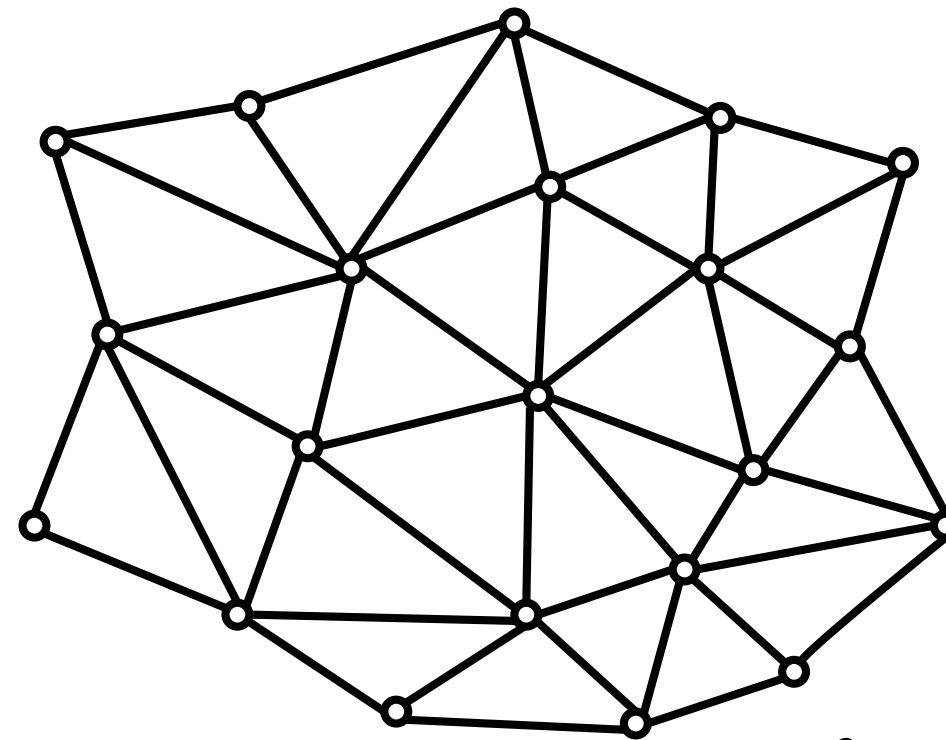
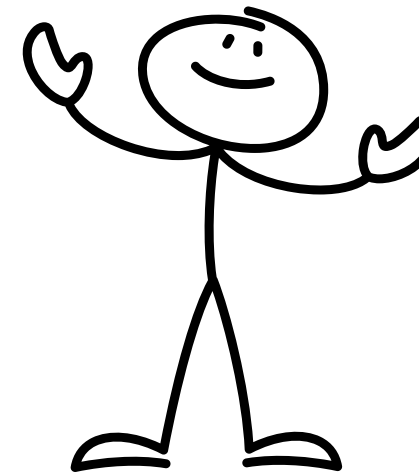
Bank vs. DLT

Blockchain

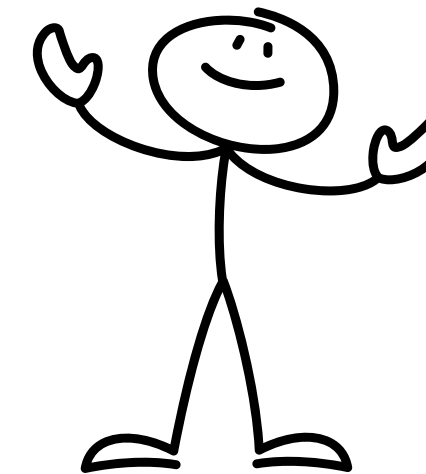
Ledger
Alice to Bob: 10
Patrick to Alice: 5
Victor to Bob: 7



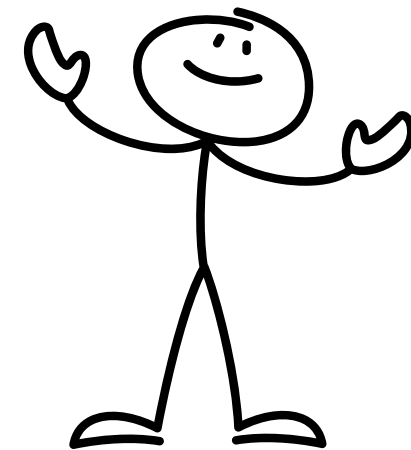
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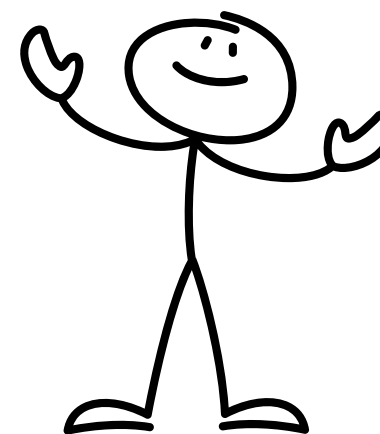
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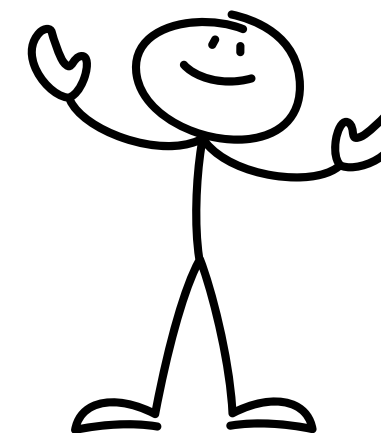
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Blockchain Terminology

- Exchange
- Node
- Mining
- Stable Coin
- Smart Contract
- ▶ • Central Bank Digital Currency - CBDC
- NFT (Non-Fungible Token)
- DeFi (Decentralized Finance)
- DAO (Decentralized Autonomous Organization)
- Dapp (Decentralized App)



> \$1 Trillion

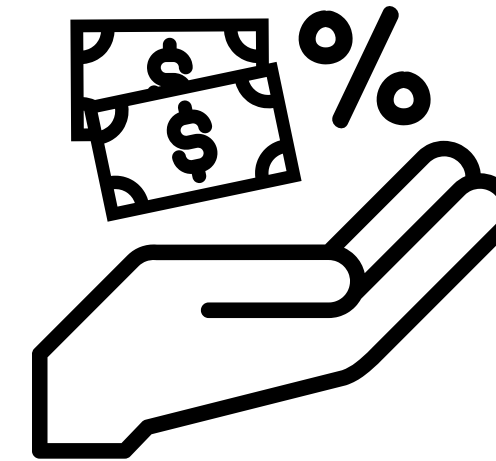


Members are buying and selling crypto already.

Your members want a trusted source to use



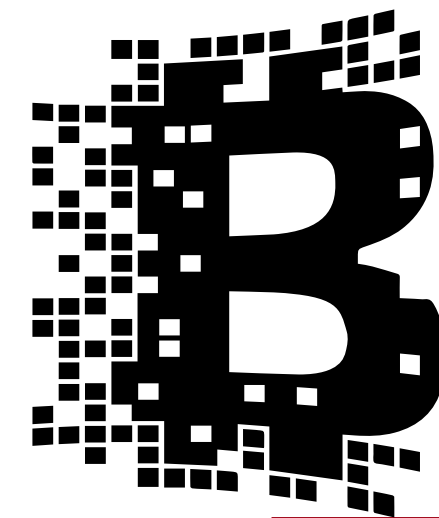
Why should your credit union care?



< \$50,000K

The annual income of 29% of crypto investors

DeFi/Blockchain will replace traditional finance



Where do I start?



- 1 Look at your transaction data: Coinbase, Crypto.com, NYDIG, Uphold, Venmo, Paypal, CashApp
- 2 Educate yourself and your staff
- 3 Don't reinvent the wheel - partner with a CUSO
- 4 It's okay to start small
- 5 Regulation and legislation will follow



Becky's Thoughts

It's not crypto, but **Blockchain or DLT**, that will revolutionize all we do.

Consumers are tired of their data being monetized and their **identity** being **compromised**. **Self Sovereign Portable Digital ID** that lives "on chain" resolves this issue.



Becky's Thoughts

Existing payment technology is **massively inefficient**.

How much time do you spend on:

- ACH
- Share Drafts
- Mobile Deposit
- Credit/Debit?

DLT solves this.

Smart Contracts will replace traditional loan documents for real estate, business lending and consumer lending.



Let's keep in touch!

BlockAdvocates is a Blockchain/Crypto
Grassroots Advocacy 501c3

<https://blockadvocates.org>

BankSocial is a Crypto Exchange specifically
designed for CUs

<https://banksocial.io>

Rivia is a stablecoin with its deposits kept at
credit unions

<https://rivia.finance>



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www.blockadvocates.org