



The Collective Academy
by BankSocial®



National Council of
Firefighter Credit Unions
NCOFCU

AN EXECUTIVE SESSION ROADMAP

Blockchain, Crypto, Stablecoin, DeFi and the Future of Finance

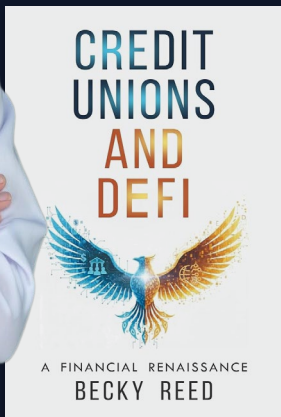
THE COLLECTIVE ACADEMY



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Who is Becky Reed?

Leadership & Experience

Former Credit Union CEO with 30 years in CUs. CUSO co-founder of PureIT CUSO and previous NACUSO Chair.

Future - Forward Strategy

CUSO Creator, Innovation Catalyst, Digital Payments Futurist, Speaker, and Educator.

Currently serving as COO at BankSocial CUSO.



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It's time for a Financial Renaissance

Financial Renaissance

Financial renaissances begin when technology helps us reconnect
systems with people and purpose



Who is Satoshi and Why should You care?

Who is Satoshi Nakamoto?

The pseudonymous creator of Bitcoin

Published the Bitcoin white paper in 2008

Intentionally anonymous—focused on ideas, not identity

The Problem Being Solved

financial systems had become opaque and fragile

Trust depended on centralized intermediaries

The 2008 crisis exposed structural weaknesses

Core insight:

Trust should come from transparent rules and shared participation, not blind reliance on institutions.

Why Credit Unions Should Care

This wasn't an attack on community finance

It was a response to finance that lost sight of people

The principles align closely with the cooperative model:

- People over profit

- Shared ownership

- Transparency

- Fewer unnecessary intermediaries

Satoshi didn't try to eliminate trusted institutions, he challenged systems that no longer served people.

That's exactly where credit unions belong in this conversation.



What is DeFi?

DeFi (Decentralized Finance) is a way of delivering financial services—like payments, lending, trading, and settlement—using shared digital networks where **rules are enforced by software instead of manual intermediaries**.

DeFi uses blockchain-based infrastructure so money and assets can move **directly, transparently, and in real time**, with fewer handoffs and less friction. Ownership is recorded digitally, transactions settle automatically, and anyone with permissioned access can verify what happened.

- **What matters most (especially for credit unions):**
- DeFi is **infrastructure**, not speculation
- It replaces slow, opaque processes, not trusted institutions
- It works best when paired with **governance, compliance, and member stewardship**



DeFi vs TradFi

TradFi (Traditional Finance)

- Institution-owned accounts
- Centralized ledgers
- Multiple intermediaries
- Batch processing
- Manual reconciliation
- Strong governance & regulation
- Trust enforced by institutions

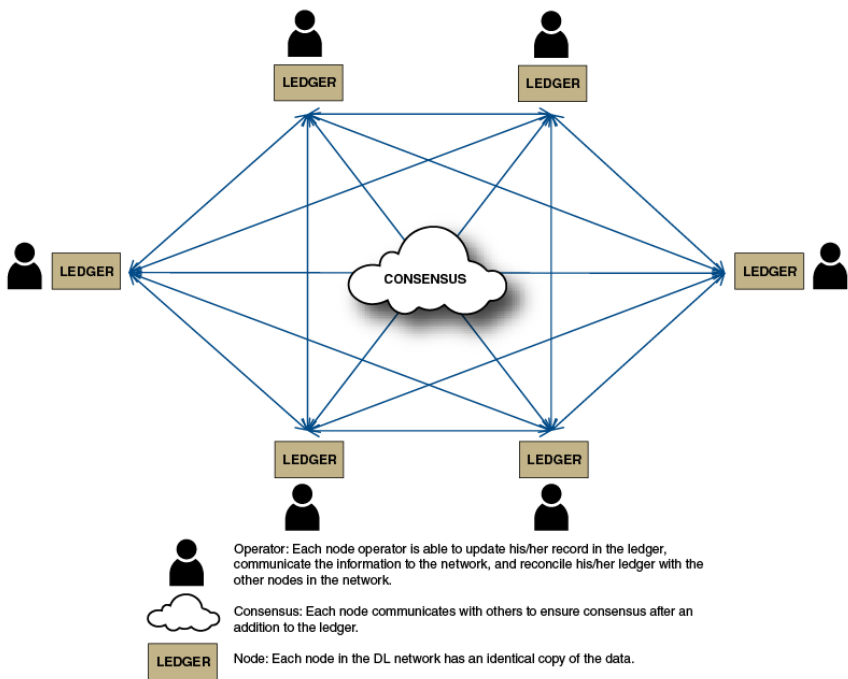
DeFi (Decentralized Finance)

- User-owned wallets
- Shared, distributed ledgers
- Fewer intermediaries
- Real-time or near-real-time settlement
- Automated, programmable settlement
- Strong transparency & automation
- Rules enforced by software



The Problem DeFi is Solving

- Financial infrastructure has grown complex, opaque, and disconnected
- Too many intermediaries, too little clarity
- DeFi didn't create distrust—it revealed it



DeFi in Plain Language

Shared digital financial rails

Rules enforced consistently by software

Faster, more transparent settlement

An infrastructure shift, not a speculative movement



The "Rules of the Game" Analogy

You don't have to trust the people running a blockchain because you trust the rules of the game.

Imagine you are playing a game of Monopoly with a group of strangers.

- **The Traditional Way:** You choose one person to be the Banker. They hold all the cash. You have to *trust* that they won't steal from the bank, slip themselves an extra \$100, or miscount your change. If the Banker is dishonest, the whole game is ruined.
- **The Blockchain Way:** Instead of one Banker, *everyone* at the table gets their own notebook. Every single time someone buys a property or pays rent, everyone writes it down at the exact same time. If one player tries to cheat and says, *"Hey, I have \$5,000,"* everyone else looks at their notebooks and says, *"No, you don't. Our books say you only have \$500."* The cheat is instantly rejected.

On a blockchain, the "people running it" are just computers all over the world holding those matching notebooks. They don't know each other, and they don't need to. The system is designed so that it's mathematically impossible for them to band together and cheat.



What is Cryptocurrency?

Cryptocurrency is digital 'programmable' money that uses cryptographic technology to secure transactions and control the creation of new units.

Unlike traditional currencies issued by governments, cryptocurrencies operate on decentralized networks (typically blockchains) where transactions are verified by a distributed network of computers rather than a central authority like a bank.

Bitcoin, created in 2009, was the first cryptocurrency, and thousands of others now exist.

People can use cryptocurrencies to send money, make purchases, or hold them as investments, though their values tend to be highly volatile.



What is a Stablecoin?

A stablecoin is a type of cryptocurrency designed to maintain a stable value by being pegged to a reference asset, most commonly the US dollar.

Unlike regular cryptocurrencies that can fluctuate wildly in price, stablecoins aim to minimize volatility by backing each coin with reserves of the asset they're pegged to, using algorithmic mechanisms, or being collateralized by other cryptocurrencies.

The most popular stablecoins like USDC and Tether (USDT) are backed by dollar reserves, meaning each coin should theoretically be redeemable for \$1.

Stablecoins serve as a bridge between traditional finance and crypto, allowing people to hold dollar-equivalent value on blockchain networks for trading, payments, or as a stable store of value within the crypto ecosystem.

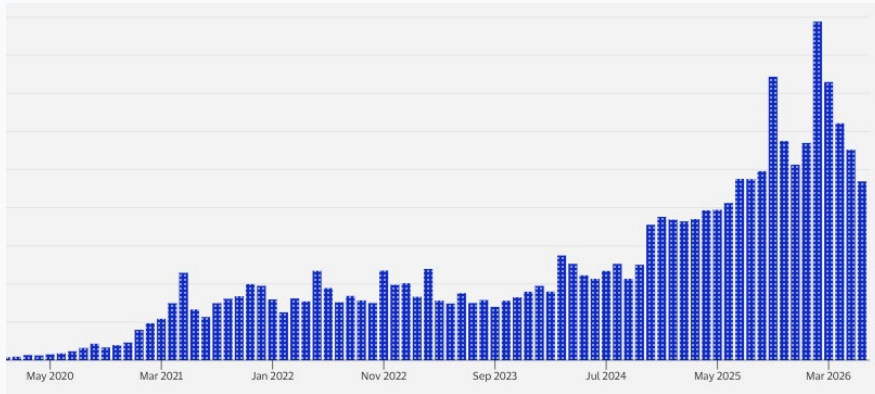


Global Stablecoin Volume

<https://visaonchainalytics.com/transactions>

30 Day Volume: \$24T

Retail Transactions: \$7.2B



All a person needs to acquire a USD stablecoin is

1 The internet

2 Something of value to trade for it





The GENIUS Act

The Genius Act: (signed into law in July 2025) explicitly frames stablecoins as "payment tokens" for everyday consumer use, creating a distinct regulatory track separate from the tokenized deposits the big banks are building. The law aims to take stablecoins out of the wild-west crypto ecosystem and turn them into a mainstream, trusted **cash alternative** for regular people.

1. Consumer Protection: Treating Stablecoins Like Digital Cash

- Before the GENIUS Act, stablecoins operated in a legal gray area. If a private issuer collapsed, consumers had zero legal guarantee they would get their money back. The GENIUS Act structures stablecoins as consumer payment tokens by building in massive safety nets:

2. Public vs. Private Infrastructure

- The biggest reason the GENIUS Act envisions stablecoins for broad consumer use—while banks favor tokenized deposits—comes down to the type of blockchain they use.

3. Fostering Retail Competition

- The act doesn't just let banks issue stablecoins; it creates a specific pathway for **non-bank fintech companies** (like PayPal, Circle, or Block) to get limited federal charters.



What is a Tokenized Deposit?

At its simplest, a **tokenized deposit** is a digital version of the money you already have sitting in your bank account, but it's recorded on a blockchain or distributed ledger instead of the bank's old-school internal database.

It is **not** a new currency, it is **not** cryptocurrency, and it isn't a stablecoin. It is literally your exact same U.S. dollars, just wearing a digital tech "jacket" that lets them move faster and smarter.

The major U.S. banking giants—including **JPMorgan Chase, Bank of America, Citigroup, and Wells Fargo**—are teaming up to build a massive, shared **Tokenized Deposit Network**.

Instead of sitting back and letting private tech companies capture the future of digital payments, the big banks are moving their own core product (traditional bank deposits) onto the blockchain.

The Traditional Way: Right now, your bank balance is just a number in a private digital ledger owned by your bank. When you send money to someone at a different bank, a complex web of clearinghouses and central bank systems have to talk to each other to update their respective databases. This is why transfers can take days, especially internationally, and why they don't settle on weekends.

The Tokenized Way: The bank takes your deposit and issues a digital "token" that represents that exact cash 1-for-1. Because this token lives on a shared blockchain network that multiple banks can see, you can send that token directly to someone else. The ownership of the money changes hands **instantly**, even at 2 AM on a Sunday, because the shared ledger updates in real time.



Why not just use a Stablecoin?

- While stablecoins (like USDC or USDT) also offer instant, 24/7 transfers, they are issued by private tech companies, not banks.
- If a stablecoin issuer goes under, your money could be tied up in bankruptcy court for years. If a bank holding a tokenized deposit faces trouble, the entire weight of the Federal Reserve and banking regulations are there to protect the financial system. For massive corporations moving billions of dollars, that safety net is everything.
- **The Core Difference:** Think of the **GENIUS Act stablecoin** as the digital cash in your physical wallet—you can hand it to anyone, anywhere, to buy a coffee or pay a friend back. **Tokenized deposits**, on the other hand, are the high-security vault transfers moving silently behind the scenes between Wall Street institutions.
- **Stablecoins are a consumer payment rail. Tokenized Deposits are institutional.**



The Invisible Benefit: Fraud Detection & OnChain Monitoring

- Onchain fraud monitoring for stablecoins represents a massive technological leap over traditional, analog banking rails. Here are three reasons why it is superior:
- **Real-Time Global Traceability vs. Intermediary Blind Spots:** Traditional banking networks are a fragmented puzzle of siloed, internal databases; a single cross-border wire moves through multiple "correspondent banks," leaving each institution blind to the money's full journey. Onchain monitoring utilizes a single, shared ledger. Compliance tools can instantly map and trace the exact origin and destination of stablecoin funds across multiple hops and wallets globally, instantly flagging if a transaction has touched a high-risk or sanctioned entity.
- **Proactive Smart Contract Intervention vs. Reactive Batch Processing:** Legacy systems typically detect fraud after the fact using "batch processing"—scanning a day's worth of transactions at midnight and chasing the money after it has already left the building. Because stablecoins run on programmable code, onchain monitoring can be integrated with **smart contracts**. If a transaction triggers an automated risk alert (such as an interaction with a known drainer wallet), the system can mathematically block or freeze the transfer *before* the transaction finishes executing.
- **Behavioral Typology Detection vs. Rigid Static Rules:** Traditional fraud detection heavily relies on static, easily bypassed triggers (like flagging any transfer over \$10,000). Onchain monitoring leverages advanced behavioral analytics that look at the structural nature of the blockchain itself. It can dynamically detect sophisticated criminal patterns in real time—such as "peeling chains" (rapidly breaking down a large sum into tiny transactions) or "consolidation" (funneling funds from hundreds of tiny wallets into one)—no matter how fast the bad actors attempt to shuffle the tokens.



What OnChain Monitoring Looks Like





Have a Plan Now

Payments will be disrupted First

- Consumers will be incentivized to use stablecoins
- Fraud Detection and proactive monitoring provide superior risk mitigation for Fis
- Visa and Mastercard face massive disruption
- For members to use stablecoin as a payment, your credit union must allow them to buy, hold and spend- which means being connected to Blockchain Rails (digital wallet)

5 Year Stablecoin Growth in the US is predicted to grow to \$2T by 2030:

- Over the next five years, stablecoins will stop feeling like a "crypto product." The predictions imply they will become almost entirely invisible to the average consumer—acting simply as the lightning-fast, ultra-cheap digital plumbing beneath standard retail apps, corporate payrolls, and international e-commerce.



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Why the Digital Wallet is the Best Place to Start *(rethinking digital banking)*

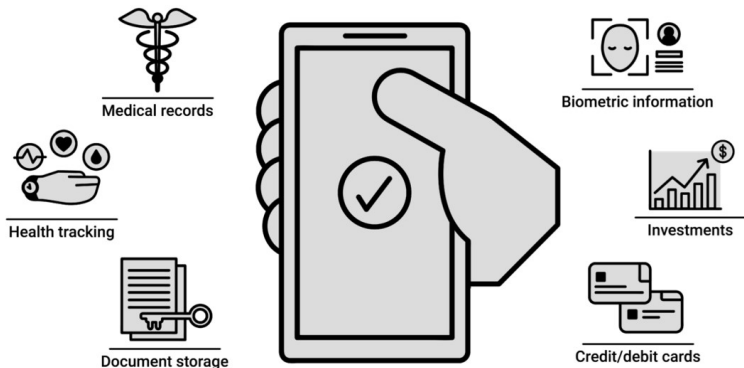
Where Identity, money and access come together

Familiar to members

Introduces DeFi without complexity or hype

Works seamlessly behind existing systems

The mobile wallet of the future





The Member Experience

- Faster payments
- Greater transparency
- More control
- Simpler, more modern financial interactions
- **DeFi becomes invisible,
while value becomes obvious.**





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Emerging Tech Adoption Methodology

PILOT

Real Time Everything:
Incorporating Stablecoin
Rails.

LEAD

Pivoting to decentralized
platform services.

WATCH

Regulatory clarity &
Consumer adoption.

SCALE

Agentic AI for human
augmentation.

Strategy: Integrating AI & Blockchain for long term competitive advantage



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Thank You!

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