Deposit Reclassification

client testimonials

Deposit Reclassification is a retail sweep program, which is a process where a portion of your institution's transaction accounts are classified as savings deposits to reduce your reserve requirement.

Reserve requirements are met with cash or a non-liquid reserve balance with your local Federal Reserve Bank (FRB). Savings deposits are not subject to reserve requirements.

logicpath™'s Deposit Reclassification solution classifies 60-80% of all transaction accounts into savings deposits.

Deposit Reclassification creates a new and permanent stream of revenue.

Increase Earning Assets

NORTHEAST

"Logicpath™ was referred to us by another financial institution in our footprint to help us reclaim our reserve balance. Soon after implementation we had permanent access to $5,000,000 for reinvestment opportunities. The daily Deposit Reclassification process takes only a few minutes and the module is very easy to use. We highly recommend logicpath and Deposit Reclassification to any bank looking to gain a competitive advantage as we move closer to a more positive interest rate environment."

Craig Connolly, AVP-Controller
Needham Bank, Needham, MA
$2.2b assets

"Preparing for our future loan demand, MountainOne Bank sought to recover our $1.7 million Federal Reserve balance. We chose logicpath's Deposit Reclassification to reduce our reserve requirement by reclassifying a portion of our checking accounts to savings. After going live, within a few short weeks, we received our Fed balance back in its entirety; allowing us to reinvest those funds into the communities we serve. We recommend logicpath and their Deposit Reclassification solution to other banks looking to capitalize on low performing assets."

Debra Wooley, SVP/Controller
MountainOne Bank, North Adams, MA
$889m assets

"After losing our deposit reclassification feature due to a core conversion, we were looking to replace this valuable tool which supplied liquidity to fund our community's loan demand at Provident Bank. We had heard of logicpath's Deposit Reclassification solution as an answer to reclaim low-earning assets held in our reserve balance. After implementing Deposit Reclassification, we were able to eliminate our $8.4 million dollar Fed balance to zero. Logicpath's team helped us step by step to ensure compliance with all Board of Governor's requirements and the tasks required by our team members were minimal, taking less than 5 hours."

Denise Gallant, Controller
Provident Bank, Amesbury, MA
$974m assets

"Deposit Reclassification was a great solution for us. Prior to Deposit Reclassification, our non-interest earning reserve balance at our Federal Reserve Bank was close to $3,000,000! We reclaimed this amount within 2 weeks! Our implementation of logicpath's Deposit Reclassification system was seamless and required minimal staff time. We highly recommend it to anyone seeking a permanent increase in earning assets."

Charles Burnett, Chief Financial Officer
Jeff Bank, Jeffersonville, NY
$501m assets

"American Heritage FCU recently restructured its accounts to better serve our membership, and as result, we expect our reserve balance requirement to increase – decreasing the amount of funds available for new investment and revenue stream opportunities. With logicpath's Deposit Reclassification, we can maintain our zero reserve balance and continue to use these assets to invest in the communities we serve."

Brian Schmitt, Chief Financial Officer
American Heritage Federal Credit Union, Philadelphia, PA
$2.4b assets

"Anticipating a rise in their Federal Reserve balance, NorthCountry Federal Credit Union was proactive in our approach and selected logicpath's Deposit Reclassification. Logicpath's staff assisted us by providing all necessary notifications for our Federal Reserve Bank and the exact disclosure language for our members. With our preparation and logicpath's team assistance, we experienced no inquiries from our members and the implementation process went very smoothly. Deposit Reclassification was a good first step in our efforts to minimize our low and non-earning assets, as we plan to significantly reduce our cash inventory levels with their help in the near future."

Lisa Huyer, EVP of Finance
NorthCountry Federal Credit Union, Burlington, VT
$620m assets

"We funded our Federal Reserve account to meet our reserve requirement, when we could have been using those funds to invest in higher yielding assets. By reducing our reserve requirement, we improved our liquidity position and overall efficiencies. The logicpath team was incredibly supportive from the beginning. They have a well-structured implementation plan that keeps the process moving. We were concerned about how our customers would react to the required disclosure letter, but the logicpath team prepared us to address any customer inquiries. They truly wanted to help us succeed. As a result, the implementation was smooth."

Lynn Chase, VP/Controller
Biddeford Savings Bank, Biddeford, ME
$496m assets

NORTH CENTRAL

"The bank is very familiar with Regulation D sweep programs, having utilized a solution for many years. We approached logicpath to transition to their Deposit Reclassification program after we lost support for our solution. We value logicpath's compliance and technical expertise in the field and believe we have found the right partner to work with as regulatory environments continue to change."

James Renn, President/Chief Executive Officer
Lisle Savings Bank, Lisle, IL
$508m assets

"Logicpath's Deposit Reclassification solution enabled us to reclaim our $6 million reserve balance from the Fed, converting these idle funds into liquid assets that we can leverage for more meaningful investment opportunities. Additionally, leveraging logicpath's Deposit Reclassification to reduce our reserve balance better positions our institution to meet our growing loan demand while preparing for a potential increase in borrowing costs."

Maureen Oswald, SVP of Operations
CNB Bank & Trust, Carlinville, IL
$984m assets

"The implementation of logicpath's Deposit Reclassification has been extremely easy, and our installation/support representative has been very responsive and easy to work with. The benefit it will provide our members for not having to monitor their accounts for Reg D violations, coupled with the reduction of our Fed reserve requirements for transactional accounts enables the product to sell itself."

Rick Rasmusson, VP of Finance
RBCU, Richfield, MN
$289m assets

"Logicpath's Deposit Reclassification solution has enabled our bank to transform its low-earning assets and reinvest in the communities we serve, all while generating a higher margin on these funds. By reclaiming almost $40 million in assets that were held at the Federal Reserve Bank, we have a greater opportunity to increase revenue."

Wayne Erdman, Executive VP of Finance
Sunrise Banks, St Paul, MN
$1.1b assets

"Roundbank enlisted logicpath's Deposit Reclassification solution to gain access to our almost $1 million dollar Federal Reserve balance. We were experiencing a healthy loan demand from our customers and sought to free up our low earning assets held in reserves to facilitate their needs. The logicpath team worked closely with us to ensure notification to the Federal Reserve and disclosure was smooth and uneventful. We would recommend Logicpath and Deposit Reclassification to banks looking for a Regulation D retail sweep program."

Vicky Washa, Operations Specialist
Roundbank, Waseca, MN
$308m assets

"We are very pleased with the Deposit Reclassification program that logicpath presented to us. Utilizing their program, we were able to completely eliminate the need to maintain a non-interest bearing balance of almost $8 million with the Federal Reserve. The elimination of this non-earning asset provided us the opportunity to lessen our wholesale funding balances, thereby providing a meaningful positive impact on our earnings. We are most appreciative of logicpath's consultants and their insight and guidance throughout the process."

Charles Christmas, SVP & Chief Financial Officer
Mercantile Bank of Michigan, Grand Rapids, MI
$3.3b assets

"We sought to reduce our reserve requirement without impacting our membership. Logicpath's Deposit Reclassification proved to be an effective tool in this regard, as it enabled us to convert a $27-million-dollar non-earning asset into earning assets Following the implementation of Deposit Reclassification, Advia Credit Union began working with logicpath's sister company Ceto and Associates, a management consulting firm, to further strengthen its profitability through its revenue enhancement solution, Market View."

Jeff Fielder, EVP of Finance
Advia Credit Union, Parchment, MI
$1.7b assets

"UFCU Union wanted to reduce our reserve balance, and expand our lending. More and more members were making deposits and then letting those funds sit and earn interest over time. This flush of deposits resulted in a higher reserve balance, but unfortunately we could not capitalize on these illiquid, Fed-held funds. At first, logicpath's Deposit Reclassification system almost seemed too good to be true, but I am happy to report that was not the case. I was extremely impressed with the logicpath staff and their presentation of Deposit Reclassification – they 100 percent convinced me. It was clear that this solution was the real deal. The entire implementation went incredibly smooth. logicpath did a phenomenal job of providing us with all of the documentation that we would need in a format that was easy to understand. I wish more vendors would go through the implementation process like logicpath. They could not have done a better job. Deposit Reclassification automatically saves us this cost by eliminating our reserve balance, and that is strictly cost savings — we can further increase our revenue by reinvesting these funds in mortgage and consumer loans."

Barb Najacht, Accounting Manager
United Federal Credit Union, Joseph, MI
$2.8b assets

"Central Bank recently acquired seven additional branch locations, which resulted in a significant increase in the bank's reserve requirement. In response, Central Bank implemented logicpath's Deposit Reclassification to free those low-earning, non-liquid funds from the Federal Reserve Bank to fund more lending and higher yield investment opportunities. When we added the new branches, we also absorbed those branches' deposit bases, which had an immediate impact on our Federal Reserve requirement levels. Concurrently, we have been experiencing a high demand for loans, so we needed a way to free up more funds to meet this opportunity, and logicpath's Deposit Reclassification enabled us to do so."

Randy Johnson, VP of Operations
Central Bank, Storm Lake, IA
$871m assets

"American Bank & Trust maintained a $4.1mm reserve balance. We worked with logicpath to deploy their Deposit Reclassification solution in order to gain immediate access to this balance to contribute to our agricultural lending within our community. Our implementation was straight forward and accomplished in 40 days with little impact on our resources. Deposit Reclassification contributed to our banks bottom line immediately post implementation, and the benefits of not keeping a reserve balance enable us to tap into a once idle balance to fund loans within our community."

Craig Cobb, Chief Financial Officer
American Bank & Trust, Wessington Springs, SD
$902m assets

logicpath™

WEST

"We are very pleased to be a client of logicpath for Deposit Reclassification. We have been able to increase our revenue with minimal levels of effort and redeploy a once idle $8m reserve balance into loans for our membership. We implemented the project in less than 60 days and find logicpath to be a partner that easy to work with."

Cindy Leaver, Chief Financial Officer
Numerica Credit Union, Spokane, WA
$2.3b assets

"Valley Republic Bank was keeping several millions of dollars at the Federal Reserve Bank, earning minimal interest as a non-liquid asset and reducing the funds available for new investment and revenue stream opportunities. Logicpath's Deposit Reclassification will enable Valley Republic Bank to increase income on our earning assets and reduce our reserve requirement, which will open up more opportunities to lend to our customers in the Central Valley of California."

Stephen Annis, Executive VP/CFO
Valley Republic Bank, Bakersville, CA
$779m assets

"First National Bank Alaska is quite familiar with Regulation D sweep arrangements and the benefits they provide to our balance sheet by significantly reducing our reserve requirement. The bank through its years of use has been able to redeploy its once idle reserve balances into other revenue producing investments and loan portfolios. When we needed to make a change to our existing program due to lack of support, we made a decision to entrust logicpath and their Deposit Reclassification program. Logicpath's expertise, dedicated support and industry tenure give First National Bank Alaska confidence that we will continue to reap the benefits of this program well into the future."

Michele Schuh, Finance Director
First National Bank Alaska, Anchorage, AK
$3.8b assets

"Bitterroot Valley Bank had a successful relationship with logicpath in the past and approached logicpath to implement Deposit Reclassification to tap into an additional source of liquidity, anticipating a rising interest rate environment. The bank's reserve requirement reduced significantly and it was easily satisfied with vault cash. This has allowed us to redeploy a once idle and minimal earning asset into investment opportunities within our community and investment portfolio."

Patrick Naseem, VP/AFO
TrailWest Bank, Lolo, MT
$572m assets

"Logicpath and their Deposit Reclassification solution exceeded our expectations. Our merger partner brought attention to the benefits of Deposit Reclassification, including their favorable results from the solution and outstanding work with logicpath. Their consultants were extremely helpful and their solution was simple to implement. We have continuously received excellent customer service and support. Deposit Reclassification provides the credit union with a competitive advantage by helping us to minimize our non-earning assets. Logicpath made a promise to us and delivered on that promise."

Greg Hughes, AVP of Finance
California Coast Credit Union, San Diego, CA
$2.5b assets

"Over the years, our holding company has built up an excellent business relationship with logicpath. Our banks are very familiar with the logicpath Deposit Reclassification program which has been implemented in eight of our banks. Implementation is very easy and requires minimal efforts from bank staff. Their consultants are great to work with and they ensure client satisfaction every step of the way. We are pleased to refer other banks to them.

Don McCarthy
Chief Financial Officer
Glacier Bancorp, Kalispell, MT
$11.9b assetsa

SOUTHEAST

"We see the value of Deposit Reclassification as twofold. First, our increased earnings are realized by having a zero reserve requirement at Fed and second, our operations staff no longer has to move money periodically to satisfy reserve requirements. In anticipation of a normalized rate environment, Deposit Reclassification makes great sense. We recommend this solution to any financial institution seeking a permanent increase in earning assets."

Chris Bond, Chief Financial Officer
Morris Bank, Dublin, GA
$750m assets

"Essex Bank used Deposit Reclassification with logicpath in the past. We deactivated that solution during the early phase of the current low rate environment when we had excess liquidity on our balance sheet. Since that time, our reserve balance has grown to more than $10 million. With inevitable interest rate increases looming, coupled with our continued loan demand, we reengaged Deposit Reclassification. Based on our past experiences, it was a very easy decision to choose logicpath a second time to reduce our reserve balance to near zero."

Bruce Thomas, EVP/CFO
Essex Bank, Richmond, VA
$1.4b assets

"Logicpath and their Deposit Reclassification solution exceeded our expectations. Implementation was very smooth and required very little time of our people. The daily process takes less than five minutes per day. Minimizing our non-earning assets with Deposit Reclassification and putting them to work for our members was our primary focus and utilizing Deposit Reclassification we have accomplished our goal."

Missy Preston, VP of Accounting and Card Services
Summit Credit Union, Greensboro, NC
$260m assets

SOUTH CENTRAL

"We previously relied on a retail sweep solution for several years, but we no longer need it when rates dropped. With interest rates expected to rise and $7 million tied up at the Federal Reserve, we wanted to be proactive and uncover those funds to support our agriculture and consumer loan portfolios. Deposit Reclassification has strengthened our liquidity position to better prepare us to fuel future loan demand when interest rates do increase."

Diana Fisher, Chief Operations Officer
Girard National Bank, Girard, KS
$641m assets

"Amoco Credit Union approached logicpath on referral from a peer credit union due to their expertise and experience with Deposit Reclassification. The credit union restructured its accounts to better serve our membership, and as a result, we anticipated our reserve requirement and balance to increase exponentially. A rise in our reserve balance would limit our credit unions opportunities to fund loans for our membership. By implementing Deposit Reclassification we were able to dramatically reduce our reserve position as well as better serve our members. Our project was professionally managed and our expectations were met."

Fran Spencer, Accounting Manager
Amoco Federal Credit Union, Texas City, TX
$882m assets

"We are very pleased to be a client of logicpath's Deposit Reclassification software. Our Federal Reserve Bank required reserve balance is now zero, which has not only saved us money, but also time calculating the bi-weekly settlement. The reclaimed funds from the Deposit Reclassification software are being used to fund loan growth at our new branch."

Dan Neff
Executive Vice President
First National Bank
Albany, TX
$597m assets