

Subject: The Daily Exchange -- April 7, 2014
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To: staff@njcul.org
Conversation: The Daily Exchange -- April 7, 2014

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The Daily Exchange

April 7th, 2014

Today's News:

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- › Millions Raised for Sick Kids Through CU Run
- › CUNA Backs Financial Literacy Month with \$1-Per-Course Donation to NCUA
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- › Taxi-Medallion Lending Letter Issued by NCUA
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CUNA Seeks Congress' Thorough Examination of NCUA RBC Plan

WASHINGTON – Congress should thoroughly examine NCUA's proposed risk-based capital (RBC) rule and direct the agency to make significant changes to address serious deficiencies in the regulation, CUNA said in a letter to House Financial Services Committee leaders.

The letter was sent to Committee Chairman Jeb Hensarling (R-Texas) and Ranking Member Maxine Waters (D-Calif.) ahead of a planned Tuesday hearing on regulatory red tape. General counsels from federal financial institution regulatory agencies, including NCUA and the CFPB, are expected to speak during that hearing.

Concerns raised in the letter to Congress include:

- The rule is fundamentally flawed. For example, it would increase by \$7.3 billion the amount of capital credit unions would be required to hold to be "well capitalized" through the imposition of asset risk-weightings that are poorly calibrated—and, in some cases, more stringent than what banks face under Basel III;
- Because of the poorly designed risk-weights, the proposed rule would have a significant, adverse impact on credit unions' ability to serve their members, particularly through mortgage lending and small business loans; and
- The time period for implementation is unreasonably short at 18 months.

CUNA in the letter also commented on recent CFPB rules, noting that the agency in every case should target the bad actors in the financial services market, not force out the good actors. Credit unions should be exempted from CFPB rulemakings, unless there is a record of abusive practices by credit unions on the issue being addressed,



Register Today for NJCUL's 26th Annual Golf Tournament on May 9th!

Registration materials for the NJCUL's 26th Annual Golf Tournament are now available! Registration is on a first-come, first-serve basis, so register today!

There are many sponsorship options for vendors to choose from to support the NJCUL's golf tournament and gain exposure among credit union professionals. Click [here](#) to view sponsorship information.

Upcoming Events:

April 8, 2014
VirtualCorps Webinar: Risk-Based Pricing: Using

CUNA has repeatedly emphasized.

CUNA and the state leagues are encouraging all credit unions to file comments letters before the May 28 deadline. A free RBC Webinar and other resources are available [here](#).

Assistance with individual comments letters is available from NJCUL Director of Compliance Nicola Foggie at 800-792-8861, ext. 112 or nfoggie@nicul.org.

<p>Countdown to Comment Deadline</p> <p>52</p> <p>Days Left</p>	<p>Comments from New Jersey</p> <p>1</p> <p>Comment</p>
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Millions Raised for Sick Kids Through CU Run

WASHINGTON – It may have been called the Credit Union “Almost-Cherry Blossom” Run by one announcer, but the late blooming of Washington's glorious Japanese Cherry Trees didn't dampen the enthusiasm of the 15,000 runners who signed on to help raise almost a half-million dollars for Children's Miracle Network Hospitals (CMNH) yesterday.



A record number of members of Congress became honorary race chairs of the event this year—231 representing all 50 states. Capitol Hill staffers also are present among participants in the race, which was awarded most popular D.C. race by readers of *Washingtonian* magazine last year.

Overheard conversations between runners reported near-ideal race conditions. There was just a bit of a headwind in a final leg of the course, which winds its way along national monuments and the landmark Tidal Basin.

Also arriving with much spirit were the many credit union volunteers. They hit the National Mall in chilly pre-dawn hours to back the runners by setting up support stations, and stayed through a beautiful sunrise and during the festive after-race activities.

The volunteers, like CUNA's faithful crew at the baggage check-in tent, helped stow the personal belongings of the racers, helped organize thousands of bananas for post-race distribution, pointed the

Statistically Derived & Validated Risk-Based Loans
3:00 pm to 4:00 pm
[More Information Click Here](#)

April 9, 2014
Webinar: Clarifying Signature Card Confusion - Personal & Business Accounts
3:00 pm to 4:30 pm
[More Information Click Here](#)

April 11, 2014
Digital Marketing Conference: Technology, Trends, Tactics & Tools
Location: NJCUL
3:00 pm to 4:30 pm
[More Information Click Here](#)

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way to the right starting spots at the right time, handed out space blankets to each finisher, and lined up medals and awards to recognize achievements, among other support activities.

Credit Union Miracle Day (CUMD) became the title sponsor group of the now 42-year-old race in 2002 and will remain so through 2016. The effort is a collaboration of 101 credit unions and 48 business partners and credit union service organizations.

CUMD's 2014 donation of \$487,000 will bring the 13-year total of funds donated to Children's Miracle Network Hospitals nationwide to well-over \$6 million. Approximately \$102,000 of the total was raised by runners and their families and friends alone.

Children's Miracle Network Hospitals are an alliance of premier children's hospitals that treat 10 million critically ill children each year, regardless of their ability to pay.

The donations are made under the umbrella of Credit Unions for Kids, one of the top three corporate contributors to Children's' Miracle Network nationwide.

The runners competed for a total of \$81,800 in prize money, the largest amount awarded at the race to date.

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CUNA Backs Financial Literacy Month with \$1-Per-Course Donation to NCUF

MADISON, Wis. – CUNA announced for every print and online CUNA course purchased by credit unions this month, it will donate \$1 to the National Credit Union Foundation (NCUF) to support its financial education efforts in honor of National Financial Literacy Month.

"We're making the most of Financial Literacy Month this April by letting our training give back," said Marlo Foltz, CUNA assistant vice president of blended learning. "We invite credit unions to join us in furthering our guiding purpose of 'People helping people' by taking part in the education opportunities available."

CUNA has pledged to donate up to \$5,000 via course purchases in the month of April. More than 600 courses are available in print or online formats.

CUNA courses are listed at <http://www.cuna.org/courses/>.

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Next NJ DNA Meeting Set for May 14th at CUNJ

Topics will Include Ways to Facilitate Board/CEO Communications Outside the Boardroom & How to Bring Younger People into a CU

EWING, N.J. – Credit union directors and volunteers, join the NJ DNA group for its next meeting on Wednesday, May 14th at Credit Union of

New Jersey (CUNJ) in Ewing, N.J. hosted by CUNJ board members Gary Chizmadia and Paul Bertuccini.

The roundtable topics will include ways to facilitate Board/CEO communications outside the boardroom and how to bring younger people into a credit union.

Networking will take place at 5:15 p.m. followed by a tour of the facility with President/CEO Andy Jaeger at 5:30 and the meeting and dinner at 6 p.m.

As always, there is not cost to attend. Be a champion for change and bring a fellow NJ DNA member to this dinner meeting!

To register, send an email to Mary Zelinsky at mzelinsky@njcul.org.



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Taxi-Medallion Lending Letter Issued by NCUA

ALEXANDRIA, Va. – Credit unions that make taxi-medallion secured loans, participate in those loans, or are contemplating doing so should review new agency guidance on the topic.

NCUA noted in a Letter to Credit Unions (14-CU-06) sent last week that taxi-medallion lending is a valuable form of member business lending when provided by certain credit unions with proper expertise, but warned that it entails some "unique risks."

The medallions are symbols that usually are attached to the hood of city cabs. The medallions are licenses that are regulated by the city and allow drivers to pick up curbside passengers who hail a cab.

The NCUA letter said that market forces have led to an increase in medallion values in several major metropolitan markets. "As a result, credit unions that offer or participate in these loans can be exposed to increased risk," NCUA Chairman Debbie Matz said.

The agency also has released a supervisory letter to ensure examiners take a consistent approach to supervising credit unions engaged in taxi-medallion lending. The guidance also provides information that will help credit unions manage the unique risks associated with the loans.

The NCUA letter is available [here](#).

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Don't Miss Tomorrow's VirtualCorps Webinar on Risk Based Pricing

Tomorrow, Tuesday, April 8th at 3 p.m. EST, Dr. Randy Thompson will lead a fantastic and rich VirtualCorps Webinar on risk based pricing: "Using Statistically Derived and Validated Risk Based Loan Pricing Modeling to Benefit the Credit Union and Members." Dr. Thompson has shared this tool with a variety of examiners and economic development specialists at the regulatory level.

Please join us to learn the following:

Many credit unions have been using Risk Based Lending for a long-time. RBL offers credit unions an opportunity expand lending to more members from low to higher risk.

The key to successful RBL is empirical risk based pricing. Effective and accurate risk based pricing requires the comprehensive calculation of all costs associated with loan function in the credit union. Only with accurate and complete calculations of costs can rates be set that provide an adequate return to the credit union.

This Webinar will discuss how to identify and quantify costs, what is essential to set fair rates and achieving adequate yields. It will also discuss regulatory expectations for risk based loan pricing.

- How Risk Based Loan Pricing benefits the credit union
- How Risk Based Loan Pricing benefits all members
- Applying Risk Based Loan Pricing concepts
- How to maximize yield with managed risk
- How to expand non-prime lending with RBP

To register please go to www.njcul.org/virtualcorps-webinars.aspx.

These Webinars are offered twice per month and are listed on the NJCUL Web site at www.njcul.org/virtualcorps-webinars.aspx.

EDUCATION CANCELLATION POLICY: NJCUL must receive written cancellation in our office seven (7) days prior to the education session in order for you to receive a refund; substitutions only after this date. All cancellations will be subject to a \$25 cancellation fee.



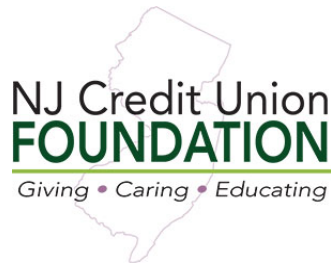
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NJ CU Foundation Accepting Grant Applications for Technical Assistance Related to Discontinuation of Windows XP

HIGHTSTOWN, N.J. – The New Jersey Credit Union Foundation offers

HIGHTSTOWN, N.J. – The New Jersey Credit Union Foundation often provides financial assistance to New Jersey credit unions faced with regulatory changes that affect their technological infrastructure. Most notably the Foundation provided technical assistance grants for



equipment related to remote deposit capture. Many New Jersey credit unions benefited from funds related to this initiative and were able to continue serving members effectively and efficiently.

Credit unions, and many other businesses, are currently faced with the discontinuation of Windows XP.

Many credit unions are operating with an older system that cannot handle the upgrade to Windows 7 or Windows 8. Many will not be able to complete regular member services due to this change.

Due to this change, the New Jersey Credit Union Foundation will now be accepting applications for technical assistance grants as part of its XP Sunset Grant Program. This program looks to help credit unions under \$25 million in assets, in good financial standing, upgrade their equipment in order to continue serving their members. Grant applications will be accepted until April 30, 2014.

Similar to the Foundation's Remote Deposit Capture Grant Program, all grant applications will be reviewed and available dollars will be disbursed evenly to all eligible credit union applicants.

[Grant applications for the program can be found here.](#) Questions and submissions should be sent to Foundation Executive Director Candice Nigro at cnigro@njcul.org or 609-448-2426 ext. 110.

In an effort to provide as many grants as possible to credit unions in New Jersey, the Foundation is also asking for financial support, or donated equipment, from all credit unions. If you would like to contribute in any way, please contact Candice Nigro at the information above.

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Get Your CU's Community Outreach and Philanthropic Initiatives Recognized with CUSocialGood.com

CUSocialGood.com is a Web site that compiles "good news" stories of credit unions across the nation. There you will find stories of credit unions and credit union people being involved in their communities – helping charities, promoting financial literacy, providing scholarships, and supporting people and planet over profit.

You are welcomed and encouraged to contribute stories from your credit union, to comment on stories, and engage in discussion about how credit unions can and do help people and their communities. Stories can be about charitable giving, community outreach, CU4Kids fundraising, financial literacy education, and much more.

Visit www.CUSocialGood.com to check out the site and other credit union stories. To submit your credit union's stories, visit www.cusocialgood.com/your-cu-social-good.

CUSocialGood can also be followed on Twitter at the handle [@CUSocialGood](https://twitter.com/CUSocialGood).



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Credit Unions, Mark Your Calendars

HIGHTSTOWN, N.J. – The New Jersey Credit Union League would like you to mark your calendars for these upcoming events:

NJCUL Education

April 8 -- [VirtualCorps Webinar: Risk Based Pricing: Using Statistically Derived & Validated Risk Based Loans](#)

April 11 -- [Digital Marketing Conference: Technology, Trends, Tactics & Tools](#)

May 6 -- [VirtualCorps Webinar: CafeGive Leveraging Social Media and Community Programs to Increase Your Member Base and Build Brand Preference](#)

May 13 -- [Full-Day: The Truth About Collections & Bankruptcy](#)

May 14 -- [Full-Day: Management Session: Becoming a World Class "Member Centric" Service Credit Union](#)

May 15 -- [Full-Day: Staff Session: Becoming a World Class "Member Centric" Service Credit Union](#)

May 16 -- [NJ DNA Meeting at Credit Union of New Jersey](#)

Industry Events

April 8 -- [Global Woman's Leadership Network Meeting Hosted by Affinity FCU](#)

April 10 -- [Reality Fair at Barringer High School](#)

April 14 -- [Reality Fair at Ocean County County College's Southern Education Center](#)

April 20-26 -- [National Credit Union Youth Week](#)

May 3 -- [Jersey Shore FCU's 5th Annual 5K in May for the Marianne DiNofrio Pancreatic Cancer Research Foundation at Birch Grove Park](#)

May 3 -- [10th Annual Playball for Miracles Softball Tournament Sponsored by Elizabeth NJ Firemen's FCU](#)

May 9 -- [NJCUL's 26th Annual Golf Tournament](#)

May 9 -- [Reality Fair at Shawnee High School](#)

May 16 -- [Reality Fair at Ewing High School](#)

May 22 -- [Greater Alliance Federal Credit Union's 31st Annual Golf Outing](#)

June 2 -- North Jersey FCU Foundation's 5th Annual Above and Beyond Golf Outing at Picatinny Arsenal Golf Course

July 21 -- 4th Annual Garden Savings Federal Credit Union Golf Outing at Fiddler's Elbow Country Club

July 30 - August 1 -- [NYIB Conference](#)

September 15th -- Picatinny Federal Credit Union's 16th Annual Golf Outing to Benefit the Captain Sean P. Grimes Scholarship Fund at the Picatinny Golf Club

September 20 -- [Renaissance Community Development Credit Union's 7th Annual Bike-A-Thon](#)

September 21-23 -- NJCUL's 80th Annual Meeting & Convention at Trump Taj Mahal

October 17 -- [International Credit Union Day](#)

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