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**To:** staff@njcul.org  
**Conversation:** The Daily Exchange -- May 8, 2014

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May 8th, 2014

Today's News:

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- › Bill Hampel Named Interim President/CEO of CUNA, Effective June 11
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## New Jersey Credit Union Foundation Now Offering Retirement Fairs to New Jersey Credit Unions

***New Financial Literacy Program is a Great SEG Development Tool***

HIGHTSTOWN, N.J. – According to the latest research of investors aged between 21 and 50 years, only 39% are confident they will have enough money for retirement. And of those that are confident, two thirds have yet to develop an actual retirement plan.

The National Credit Union Foundation's REAL Solutions Program in cooperation with CUNA Mutual Group have developed a new Retirement Fair to assist credit unions in helping their members better prepare for retirement. The Fair is an experiential learning experience, similar to the popular Financial Reality Fair program offered through the New Jersey Credit Union Foundation. The program is designed to get members of all ages, not just those nearing retirement, to think more carefully about the type of lifestyle they would like to pursue in retirement and then link it to their financial plan.



At the start of the year, the New Jersey Credit Union Foundation hosted an informational session on the program and now, based on credit union interest, will be offering the program to New Jersey credit unions at no cost.

To participate in the program, each credit union will need to sign a Memorandum of Understanding outlining the details of participation and responsibilities of the credit union as well as the Foundation

7/14/12, 1:00 am  
'Unheralded Success Story'  
> Housing Finance Reform  
Votes to Resume Next  
Week, Committee Chair  
Tells Politico  
> Credit Unions, Mark Your  
Calendars



## NJCUL is Collecting 80 Examples of "Banking You Can Trust" in Honor of its 80th Anniversary!

We're asking our member credit unions to provide us with examples of how they have provided "Banking You Can Trust" this year.

Send your credit union's examples of "Banking You Can Trust" to the League at [news@njcul.org](mailto:news@njcul.org). Photos are strongly encouraged! We'll be featuring all of these great stories and photos at our 80th Annual Meeting and Convention September 21-23, 2014 at the Trump Taj

and responsibilities of the credit union as well as the Foundation.

For more information or to sign up to participate, please contact New Jersey Credit Union Foundation Executive Director Candice Nigro at [cnigro@njcul.org](mailto:cnigro@njcul.org) or 609-448-2426 ext. 110.

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## Bill Hampel Named Interim President/CEO of CUNA, Effective June 11

WASHINGTON – Current CUNA Chief Economist Bill Hampel will be interim president/CEO of the trade association, effective June 11, the same day that Bill Cheney, the current president/CEO, returns to California to become president/CEO of Santa Ana-based SchoolsFirst FCU, the largest credit union in that state.

Hampel, a senior member of CUNA's credit union advocacy team in Washington, is one of the longest-tenured executives of CUNA, having joined the association as an economist in 1978, promoted to vice president in 1985, and to senior vice president and chief economist in 1992.

An expert on the economy and credit union issues, he is regularly interviewed by major national television, radio, and print media. He has also testified numerous times before Congress and is a registered lobbyist, advocating on behalf of credit unions on a wide variety of issues.

"Bill has deep and broad knowledge and understanding of CUNA's top advocacy issues and operations of the organization. He has demonstrated an ability to bring that background to bear in making decisions in the best interests of our members," said CUNA Chairman Dennis Pierce, president/CEO of CommunityAmerica CU, Lenexa, Kan. "During this interim period between CEOs, I expect CUNA and its members will have a steady hand at the helm."

Cheney noted Hampel's nearly four decades of experience in credit union policy issues and with Congress, regulators, state associations, credit unions, and the press. "I've worked with Bill on a host of issues affecting the credit union system at large and policy issues specifically," Cheney said, adding, "Bill understands intuitively what credit unions need and want; I fully endorse his selection to oversee CUNA's efforts during the interim period."

Prior to joining CUNA, Hampel was an assistant professor of economics at the University of Montana-Missoula. Before that he was an instructor of economics at Iowa State University at Ames.

CUNA's search for a permanent CEO will continue throughout the summer; the CUNA Board hopes to make a hire by this fall.

Meanwhile, CUNA Vice President of Economics and Statistics Mike Schenk has been named acting chief economist for the association.

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## 'Ability to Repay' Rule Passes Committee, Other Votes Pushed Back

Mahal in Atlantic City, N.J.

## Upcoming Events:

May 14, 2014

**Full-Day: Management Session: Becoming a World Class 'Member Centric' Service Credit Union**

**Location: NJCUL and via Video Conference**

[More Information Click Here](#)

May 15, 2014

**Full-Day: Staff Session: Becoming a World Class 'Member Centric' Service Credit Union**

**Location: NJCUL and via Video Conference**

**10:00 am to 3:00 pm**

[More Information Click Here](#)

May 20, 2014

**Webinar: Implementing the New ACH Security Framework Requirements**

**3:00 pm to 4:30 pm**

[More Information Click Here](#)

## Contact Us:

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## Other votes Pushed Back

WASHINGTON – Legislation that addresses some credit union concerns regarding points and fee definitions in the CFPB's amended final "Ability to Repay" rule was passed, and votes on other financial services bills were delayed, during a Wednesday House Financial Services Committee mark-up.

Lead sponsor Bill Huizenga (R-Mich.) said his Mortgage Choice Act of 2013 (H.R. 3211) aims to "help low- and middle-income borrowers as well as prospective first-time homeowners realize a portion of the American Dream: owning their own home."

The bill, Huizenga said, is "narrowly focused to promote access to affordable mortgage credit without overturning the important consumer protections and sound underwriting required under Dodd-Frank's 'ability to repay' provisions."

Huizenga said he hopes his bipartisan bill will receive a vote "in a timely manner."

Votes were postponed on three other CUNA-supported bills:

- The Portfolio Lending and Mortgage Access Act (H.R. 2673), which would treat mortgages held in portfolio at credit unions and other mortgage lenders as qualified mortgages for purposes of the CFPB mortgage lending rules;
- The Financial Regulatory Clarity Act (H.R. 4466), which would fight duplicative federal rules; and
- The Community Institution Mortgage Relief Act (H.R. 4521), which would exempt credit unions under \$10 billion in assets from a Dodd-Frank Act requirement that mortgage lenders must hold an escrow account for five years for higher-priced, first-lien mortgages secured by borrower's principal dwelling.

CUNA has stated its support for these bills, which would help chip away at the regulatory burden that confronts credit unions on a daily basis.

A vote on these and other bills is expected to be held after the upcoming House District Work Period.

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## Garden Savings FCU Announces Merger with Essex Division Telephone FCU

### *EDT FCU's Members Vote to Approve Merger*

PARSIPPANY, N.J. – Garden Savings Federal Credit Union, headquartered in Parsippany, New Jersey, and Essex Division Telephone Federal Credit Union of Maplewood, New Jersey, announced plans to merge effective May 31, 2014. The credit unions will continue to operate under the name of Garden Savings Federal Credit Union and operate full service branches in six different New Jersey locations, including Parsippany and Maplewood.

Connect with Us:



Garden Savings FCU, established in 1968, enters the merger with over \$292 million in assets and more than 24,000 members from over 100 different select employer groups including Alcatel-Lucent and Honeywell. Essex Division Telephone, established in 1964, brings an additional \$8.5 million in assets from nearly 2,000 members into Garden Savings FCU. The merger was approved by the Essex Division Telephone Federal Credit Union membership on Tuesday, April 29, 2014.

"We believe that this merger will be a great benefit to the members of Essex Division Telephone FCU," said Frank Maniscalco, President and CEO of EDT FCU. "Garden Savings has a diverse product and service menu, numerous locations, a great electronic presence, and access to thousands of surcharge-free ATMs and shared branches. Our members will be delighted with the added convenience now available to them."

"We are excited to welcome the members of Essex Division Telephone into the Garden Savings community," said Lou Vetere, President and CEO of Garden Savings. "EDT has been in business for a great many years and now sees tremendous value in expanding their footprint by becoming part of a larger, technologically progressive credit union. Together we become a stronger credit union built to succeed for many years to come. In addition, the Maplewood area will help us expand our overall presence in northern N.J., and provides yet another access facility for our existing members. This merger will benefit the members of both credit unions a great deal."

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## New Radio Ad Touts Consumer Benefits of CU Membership

WASHINGTON – With attacks on the credit union tax status increasing, CUNA developed a new radio advertisement designed to show the credit union difference when it comes to member benefits.

The new 30-second ad, which is intended to be used as a resource, reminds current and potential credit union members that "credit union services are based on members' needs, not profit margins."

"Highlighting the ways credit unions serve their members is a key part of our advocacy efforts," said Richard Gose, CUNA senior vice president of political affairs. "And a critical part of those efforts is incorporating that message into our ads."

As not-for-profit, member-owned financial institutions, credit union earnings are returned to members through services such as surcharge-free ATMs, better rates, and lower fees. With banks, those earnings go to outside investors through dividends.

While credit unions pay state, payroll, and sales taxes, they are exempt from federal income taxes. This was established in 1937, and upheld in 1951 and 1998, through the Credit Union Membership Access Act.

"Credit unions, unlike many other participants in the financial services market, are exempt from Federal and most State taxes because credit

unions are member-owned, democratically operated, not-for-profit organizations generally managed by volunteer boards of directors and because they have the specified mission of meeting the credit and savings needs of consumers, especially persons of modest means," reads the act.

CUNA's award-winning grassroots advocacy campaign [#DontTaxMyCU](#) encourages credit unions to contact state and federal lawmakers with the unified message of "Don't Tax My Credit Union." In February, more than 5.3 million users of Twitter and Facebook were exposed to the hashtag #DontTaxMyCU. CUNA and state leagues spearheaded two similar events in July and September 2013.

This radio ad as well as past CUNA ads are available [here](#).

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## Hear from Convention Favorite John Vardallas at Next Week's Service Culture Sessions!

The facilitator for our Service Culture sessions being held next Wednesday and Thursday for management and staff was a **BIG** hit at the 2013 NJCUL Convention.

Just hear what an attendee had to say about his presentation: "John Vardallas **extremely excellent**-must have him back next year. One of the **best presenters** I've heard."



Vardallas is dedicated to helping credit union organizations increase productivity, profitability and performance to reach their potential in order to prosper in the world of tomorrow. As Founder/CEO of

TheAmericanBoomer.com, he leads a Consulting/Speaking Business and Internet Enterprise

dedicated primarily to enhancing the quality of work and lifestyles of CU leaders, their people, their organizations, and members.

Hear from this dynamic crowd favorite at our "Becoming a World Class" Member Centric" Service Credit Union" sessions.

Click the links below for more information on these sessions and to register. We are also offering these [sessions](#) the first week of June. Please register for next week's session by end of business tomorrow.

- [05/14/14 - Full-Day: Management Session: Becoming a World Class "Member Centric" Service Credit Union](#)
- [05/15/14 - Full-Day: Staff Session: Becoming a World Class "Member Centric" Service Credit Union](#)

*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:*



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## CFPB Floats Plan to Promote Effective Privacy Disclosures

WASHINGTON – The Consumer Financial Protection Bureau (CFPB) Tuesday [proposed a rule](#) aimed at promoting more effective privacy disclosures from financial institutions to their members or customers. The rule would allow companies that limit their consumer data-sharing and meet other requirements to post their annual privacy notices online rather than delivering them individually in paper form.

"Consumers need clear information about how their personal information is being used by financial institutions," said CFPB Director Richard Cordray. "This proposal would make it easier for consumers to find and access privacy policies, while also making it cheaper for industry to provide disclosures."

Under the Gramm-Leach-Bliley Act (GLBA), financial institutions are required to send annual notices to consumers, describing the conditions by which and how the financial institution shares members' personal information.

The CFPB proposal would allow institutions to post privacy notices online if they satisfy certain conditions, such as using a [model disclosure form](#) developed by federal regulatory agencies in 2009. The rule would apply both to financial institutions and those nonbanks that are within the CFPB's jurisdiction under the GLBA.

Under the proposal, if an institution qualified for and wants to rely on the online disclosure method, it would have to inform consumers annually about the availability of the disclosures. Those alerts, however, could be included as part of other routine mailings. Currently institutions must send consumers a separate annual communication about privacy disclosures.

If an institution chooses not to meet the requirements for the online disclosure method, it would be required to continue to deliver annual privacy notices to its customers.

Benefits of the proposed rule include constant access to privacy policies for consumers, limited data sharing with third parties, and a potential savings of \$17 million across the industry if institutions were to choose the online disclosure method.

In addition, the model disclosure form designed by federal regulators would allow consumers to easily comparison shop before deciding which financial institution to use. It would allow customers to better educate themselves about different types of privacy policies.

The CFPB will accept comments on the proposed rule for 30 days after its publication in the *Federal Register*.

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## Nigro Named NJ CU Foundation Executive Director

HIGHTSTOWN, N.J. – During the New Jersey Credit Union Foundation’s first quarterly board meeting of 2014, the Board named Candice Nigro the organization’s executive director.

Nigro had been staff liaison to the Foundation since 2008. In addition, she is the director of marketing and communications for the New Jersey Credit Union League and will continue in that capacity as well.



“My work on the Foundation has been incredibly rewarding and I look forward to continuing to work on all of our current projects like Reality Fairs and our NJCFE partnership, as well as new endeavors like the Retirement Fair program and Financial Counselor training through REAL Solutions,” said Nigro of her appointment.

The New Jersey Credit Union Foundation is a 501(c)3 organization focused on financial literacy education for New Jersey residents and technical assistance to small credit unions. For more information visit [www.njcul.org/foundation.aspx](http://www.njcul.org/foundation.aspx).

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## Matz: FSOC an 'Unheralded Success Story'

ALEXANDRIA, Va. – NCUA Board Chairman Debbie Matz made the following statement following the release of the Financial Stability Oversight Council’s (FSOC) 2014 annual report:

“I want to join the other members in expressing my thanks to the FSOC staff and the staffs of the member agencies for their hard work on this report. As the longest-tenured member of FSOC, I feel I have gained some important perspective on the Council and its work.

“FSOC is an unheralded success story...The report writing process is a valuable exercise for me and for NCUA in our role as supervisor and insurer of the credit union system. It is important for us to be continually reconsidering and evaluating risks to the credit union system.”

Matz urged members of the credit union system to read the report and briefly highlighted some risks and recommendations in this year’s annual report that are particularly critical to the credit union sector:

- “The Council recommends that agencies continue to promote forward-looking capital and liquidity planning.

- “The Council also identifies the risk of increased interest rate volatility. Over the last several years, many credit unions increased their exposure to fixed rate real estate and more recently have dramatically lengthened the tenor of their investments. These changes have exacerbated exposure to interest rate movements.
- “The report notes, ‘the financial system has undergone significant changes resulting from technology, competitive forces and new regulations.’ This is certainly true in the credit union system, and we will continue to embrace the recommendation to ‘remain attentive to the potential implications for financial stability that may arise from developments in financial products, business practices, and migration of activities.’
- “Finally operational risks, including cyber-security risks, are an emerging and rapidly changing threat. Credit unions are not immune to this threat, and this will be an area of continued emphasis and guidance.

The 2014 FSOC annual report is available on the [Council's Web site](#). Matz is one of 10 voting members of the Council.

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## Housing Finance Reform Votes to Resume Next Week, Committee Chair Tells *Politico*

WASHINGTON – Senate Banking Committee Chairman Tim Johnson (D-S.D.) said Tuesday that his housing finance reform bill could pass by a 13-9 vote, or better, when the panel resumes its mark-up on the legislation next week, according to a report in *Politico*.

It was already widely anticipated that the Johnson-Crapo reform bill would pass the committee with the support of 12 of the panel's members, including Johnson, the committee's ranking member, Rep. Mike Crapo (R-Idaho), and 10 others who backed similar legislation last year as co-sponsors.

*Politico* reported that Johnson, during a brief interview, declined to identify 13th senator he believes will support the legislation.

When a committee vote on the bill was postponed last month, Johnson said, the delay would aid discussions that would "build a larger coalition supporting the bill."

"While we have the votes to report the bill out today, members of the committee have asked for a brief delay to try to work out additional issues prior to a final vote," he explained.

The legislation is a 425-page plan, known as the Housing Finance Reform and Taxpayer Protection Act of 2014 (S. 1217), which would overhaul the housing finance market and address the issues created by the current government ownership of Fannie Mae and Freddie Mac.

## 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**

- May 13 -- [Full-Day: The Truth About Collections & Bankruptcy](#)
- May 13 -- [VirtualCorps Webinar: Branding the Experience](#)
- May 14 -- [NJ DNA Meeting at Credit Union of New Jersey](#)
- 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](#)
- June 3 -- [Full-Day: Staff Session: Becoming a World Class "Member Centric" Service Credit Union](#)
- June 4 -- [Full-Day: Management Session: Becoming a World Class "Member Centric" Service Credit Union](#)
- June 5 -- [Full-Day: Staff Session: Becoming a World Class "Member Centric" Service Credit Union](#)
- June 6 -- [Small Credit Union Conference: Driving Success – Strategies that Work](#)
- June 10 -- [Executive Leadership Series Session: Credit Union Differentiation Strategies](#)
- June 20 -- [2014 Compliance Conference: Plan Your Next Move!](#)

### **Industry Events**

- May 9 -- [NJCUL's 26th Annual Golf Tournament](#)
- May 12 - 14 -- [Federal Reserve Bank of Philadelphia's Reinventing Older Communities: Bridging Growth & Opportunities](#)
- May 15 -- [North-Central Chapter Meeting: NCUA's Risk Based Capital and Attracting & Retaining TOP Talent at Your Credit Union](#)
- May 16 -- [Reality Fair at Ewing High School](#)
- May 20 -- [Southern Chapter Meeting: Elections to be Held](#)
- May 21 -- [Reality Fair at Shawnee 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](#)

June 6 -- [Credit Union of New Jersey Foundation Coach/Cash Bingo in Support of the Ewing Community Disaster](#)

June 17 -- [South-Central Chapter Meeting: Enterprise Risk Management](#)

July 17 -- [NCUA Chairman Listening Session: Regions I & II in Alexandria, Va.](#)

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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