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Reply-To: news@njcul.org
To: staff@njcul.org
Conversation: The Daily Exchange -- May 15, 2014

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The Collaborative Connection: Free Stuff!

By: Greg Michlig, President/CEO

Sometimes I eat an apple without washing it. I don't have an umbrella readily accessible. I've seen the fuel range indicator drop to dashes. I wear my Milwaukee Brewers T-shirt in New Jersey. That's right...I live on the edge. And that's why I'm going to address the age-old question; what do I get for my dues?

This is not an all-inclusive list, as I don't think it's possible to produce one. Many of the items are lumped into categorical groups, otherwise there would be too much redundancy with subsets and sister offerings across the various disciplines we attend to...[More](#)

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Fryzel Assures RBC Plan will See Changes, 11 Comment Letters Sent from N.J.

WASHINGTON – NCUA board member Michael Fryzel, responding to a letter from CUNA, said that he is confident that significant changes will be made to the agency's current risk-based capital (RBC) proposal for credit unions before it is finalized, reflecting a message that the agency chair and other board member have also stated.

However, Fryzel parted ways with his fellow regulators in his letter to CUNA when he said that if the question of extending the comment deadline on the proposal—as CUNA has recommended—came before the board for a vote, he would vote for an extension. That opinion, however, puts him in a two-to-one minority as the others on the three-person board have told CUNA that they believe the current May 28 deadline is sufficient for comment gathering.

Fryzel was responding to a joint request by CUNA and the National Association of Federal Credit Unions for the comment extensions.

7/11/14 RIGHTS WITH CUNA,
Won't Reduce Fannie,
Freddie Loan Limits
) Free Webinar with
MemberClose on May 29th
) 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. 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 Mahal in Atlantic City, N.J.

Credit unions have until Wednesday, May 28th to file comment letters on the RBC proposal.

Eleven comment letters have been filed from New Jersey, including one filed by the League. The League would like to thank the following credit unions for making their voices heard on this issue:

- Anheuser-Busch EFCU
- Healthcare Employees FCU
- Merck EFCU
- MidState FCU
- North Jersey FCU (2 letters filed)
- Picatinny FCU
- Pinnacle FCU
- Proponent FCU (2 letters filed)

These comment letters are available on the league Web site at www.njcul.org/comment-calls.aspx.

CUNA and the state leagues are encouraging all credit unions to file comment letters on the proposed RBC rule before the May 28 deadline. A free RBC Webinar and other resources are available on the League's home page [here](#).

RBC Tools, including a draft comment letter, are available to NJCUL member credit unions at www.njcul.org/RBCtools.aspx.

Assistance with comment letters is available from NJCUL Director of Compliance Nicola Foggie at 800-792-8861, ext. 112 or nfoggie@njcul.org. Once filed, please contact Foggie and share your comment letter to be included.

Countdown to Comment Deadline
13
Days Left

Comments from New Jersey
11
Comments

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Bay Atlantic FCU Celebrates 75 Years of Service, Milestone Noted in the *Daily Journal*

VINELAND, N.J. – For 75 years, Vineland locals have counted on Bay Atlantic Federal Credit Union for help with their financial goals, watching as partial shareholders while the organization grew

Upcoming Events:

June 4, 2014

Full-Day: Management 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](#)

June 4, 2014

Webinar: ACH Specialist Series: How to Legally Recover Unauthorized ACH Withdrawals

3:00 pm to 4:30 pm

[More Information Click Here](#)

June 5, 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](#)

Contact Us:

Address

299 Ward Street
Hightstown, NJ 08520
Driving directions

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Fax

609.448.3499

throughout the decades.



Bay Atlantic FCU Chairman Jim Goldsborough (left) and President/CEO Gail Marino (right) accept a 75th Anniversary plaque from NJCUL Business Consultant John Hendery.

On Wednesday, the member-owned nonprofit recognized its place in the community at its annual membership meeting, held at Merighi's Savoy Inn in East Vineland.

The celebration, open to the public, touched on the history of the credit union and its role in the community.



Left to right: President/CEO Gail Marino, Vice President Administration Janet Duffield, and Loan Manager Janet Layton are honored for 25 years of service at the credit union.

"Our history proves that our institution is based on the principle of people helping people," Bay Atlantic FCU President/CEO Gail Marino told the *Daily Journal*, a local paper that noted the credit union's milestone in an article this week. "All are invited to come learn more about the credit union's past and planned accomplishments as we continue our mission to better serve the financial needs of our members."

One aspect that Marino and the organization's nine-member board of directors discussed is how far the credit union has come

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directors discussed is how far the credit union has come.



Bay Atlantic FCU member Bill Armstrong, who joined the credit union in 1946, is honored for his 68 years of membership.

In reviewing its history, the organization ultimately traces its lineage back to 1939, when nine co-workers from the former Kimble Glass Co. sought to serve the financial needs of their families and co-workers. The group created Kimble Federal Credit Union, which originally was administered from an office space inside the glass plant.

In 1972, the organization moved its operations to a building across the street from the Crystal Avenue factory. A merger 17 years later saw Progresso Federal Credit Union joining the organization to expand its assets and membership.

The organization renamed itself Bay Atlantic Federal Credit Union in 2002 to reflect its growing, diverse membership. A year later, it opened another branch — which is now its main office — on Elmer Road, then following that up with another on 2nd Street in Millville.

Today, the organization serves 172 select employee and association groups, which include churches, local businesses and a few North Jersey companies, according to Marino. It serves about 8,400 members and boasts more than \$51 million in assets.

“We’ve seen a steady growth over the years,” Marino said. “I think people are more aware of credit unions today.”

The Daily Journal article is available in its entirety [here](#).

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NJCUL Welcomes Back PS Burlington EFCU

HIGHTSTOWN, N.J. – The New Jersey Credit Union League welcomes back PS Burlington Employees FCU, based in Burlington, N.J., who has re-established its affiliation with the League. PS Burlington EFCU re-joins the League for the first time since 2001.

“We are pleased to have PS Burlington EFCU as a member of the

we are pleased to have PS Burlington EFCU as a member of the League," said Greg Michlig, NJCUL president/CEO. "As we move forward and work to continually increase value for our member credit unions, I am happy that PS Burlington EFCU has recognized this and decided to rejoin our organization. We are proud to call them one of our member credit unions."

PS Burlington EFCU has \$1,210,652 million in assets and serves 289 members.

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Sen. Franken Pens RBC Letter to NCUA at CUNA's Urging

WASHINGTON – At CUNA's request, Sen. Al Franken (D-MN) sent a letter Wednesday to NCUA Chair Debbie Matz urging her to consider the input of Minnesota's credit unions as the agency considers its risk-based capital (RBC) proposal.

Franken added his voice to a growing chorus of lawmakers who are urging the federal regulatory agency to heed credit union concerns that the RBC plan, as written, could adversely affect small businesses and credit union members. A bipartisan collection of more than 320 House lawmakers, including six members of New Jersey's delegation, joined Reps Peter King (R-NY) and Gregory Meeks (D-NY) this week to urge NCUA to be judicious as it works to finalize a RBC rule.

In his separate letter Franken wrote, "Minnesota credit unions have contacted me with a number of concerns regarding the proposed rule. Capital rules must be tailored to the circumstances of credit unions and their customers."

NCUA's proposal would replace existing risk-based net worth requirements with new risk-weighted asset and capital requirements. The rule would apply to federally-insured "natural person" credit unions with more than \$50 million in assets.

Under the proposed rule, an adequately capitalized credit union would need to maintain a net worth ratio of 6% and an RBC ratio of 8% of equity to risk assets, while a well-capitalized credit union would need 7% and a higher RBC ratio of 10.5%, meaning the RBC ratio for well-capitalized credit unions exceeds that for adequately capitalized credit unions. This violates the Federal Credit Union Act, CUNA says.

The act directs the NCUA to set any risk-based component for the well-capitalized threshold no higher than the component for the adequately capitalized level.

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

RBC Tools, including a draft comment letter, are available to NJCUL member credit unions at www.njcul.org/RBCtools.aspx.

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

Additional information on CUNA's and the NJCUL's legislative and regulatory advocacy efforts are available through CUNA's weekly [The Cheney Report](#), [Legislative Update](#), [Regulatory Advocacy Reports](#), and monthly [Legislative Affairs Webcast](#), as well as reported in various NJCUL publications such as the *Daily Exchange*.

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CMG's May 2014 Credit Union Trends Report Available

CUNA Mutual Group released its May 2014 Credit Union Trends Report this week.

Highlights of the report, based on March 2014 data, include:

- 1,031,000 – CU membership added in Q1 2014
- -261 – Year-over-year market consolidation slows, but will rise by the end of 2014
- 17 – Number of months regular share draft deposit yields have remain under 0.25%

For more highlights and the full report, please click [here](#).

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Robbery Prevention, Apprehension and Recovery the Subject of June 10th Webinar with Troy Evans

The New Jersey Credit Union in conjunction with Troy Evans, President of The Evans Group, is pleased to announce that his most comprehensive training program in Robbery Prevention, Apprehension and Recovery is available via a Live Webinar on June 10th, 2014! Start time is 2:00 p.m. Eastern.

For further information and/or to register for the *"From Desperation to Dedication: Robber Proofing your Credit Union"* Webinar, please visit The Evans Group [Web site](#).

When registering please remember to enter NJCUL when prompted to share how you heard about this presentation; this way you are assured of this special pricing through your membership!

Historically, financial institution robberies are on the rise. When combined with our current economy, the high unemployment rate, our countries preoccupation with drugs and the ease in which gambling can be accessed, we find ourselves in



a time where "Robber Proofing" your credit union has never been more important. When it comes to Robbery Prevention, Apprehension and Recovery, no one can provide you greater insight than Troy Evans.

Today he is a speaker and consultant, sharing his story of endurance and personal transformation with audiences around the world. For over a decade now, he has provided financial institutions with real-life insight surrounding robbery prevention, apprehension and recovery. He did not go to bank-robbing school nor read a manual or serve an apprenticeship. Like many of his peers, he was simply a natural at finding the path of least resistance. Having met and interviewed over 300 bank and credit union robbers, he is able to give you a "look into the mind of the enemy".

In addition to this 60-minute live Webinar, The Evans Group will also make available the popular DVD/CD ROM "Deterring and Responding to Robberies". There are three pricing options to cover the needs of your Financial Institution: the live Webinar, the physical product or both at a reduced rate!

And, as an added bonus all attendees will receive a copy of both the audio and web portion of the presentation via email thus assuring your credit union will have the latest standard in Robbery Prevention, Apprehension and Recovery for years to come!

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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LICUs Eligible for \$1.2M in Second Round of CDRLF Grants

ALEXANDRIA, Va. – NCUA will invest an additional \$1.2 million in low-income credit unions (LICUs) through its second round of 2014 Community Development Revolving Loan Fund (CDRLF) grants.

The agency will accept applications from June 2 through June 30. Each applicant may apply in any of four grant categories, but a credit union may only receive funding in one category.

The grants are used by credit unions to improve their service by adding new products, modernizing technology, and expanding staff training, as well as to expand their community outreach efforts.

The grant categories are:

- Community Development Financial Institution (CDFI)
Certification: The NCUA said it anticipates awarding 60 credit

unions \$2,500 each to cover the cost of applying for CDFI certification. This certification makes a credit union eligible for funding to help service low-income members and communities that lack adequate access to affordable financial services products.

- **New Product and Service Development:** This is for credit unions that want to offer members new electronic services, which include first-time websites, home banking, mobile banking, bill pay, remote deposit capture, online loan and member applications, electronic or digital signatures, and debit, credit or prepaid cards. There is a maximum award of \$7,500 for each successful applicant.
- **Collaboration:** The NCUA will award four collaboration grants of up to \$50,000 each for a total of \$200,000. The grants may be used to establish collaborative relationships for cost-saving projects such as back-office operations, vendor due diligence, and secondary capital investment pools. A minimum of three credit unions must apply for a single collaboration grant, with the lead credit union having its low-income designation. Collaborations may include leagues, credit union service organization or vendors.
- **Training:** Grants of up to \$3,000 each will be available to pay for training in compliance, collections and lending, and governance. The total allocation for training grants is \$198,000.

In announcing the new round of grants, NCUA Chairman Debbie Matz said, "Because NCUA's grants to low-income credit unions can improve service and support local economies, I encourage all qualified credit unions to apply."

Funding for NCUA's grant initiatives is provided by the Community Development Revolving Loan Fund, a fund created by the U.S. Congress to support credit unions that serve low-income communities. NCUA's Office of Small Credit Union Initiatives administers the fund.

Additional information and the on-line grant application is available [here](#).

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What is 'Member Centric' Service?

HIGHTSTOWN, N.J. – Credit union professionals gathered live in Hightstown and via video conferencing at Atlantic FCU in Kenilworth to dig deep into this very topic led by seasoned credit union veteran John Vardallas.





John Vardallas speaking Wednesday to credit union management on being "member centric".

On Wednesday, Vardallas led a thought provoking session that discussed service from a strategic focus for management along with concrete examples of how to demonstrate the credit union difference to members. He shared how consumers buy and why as credit unions we should not be selling for sake of sales but really meeting member needs. His discussion included why we "credit unions" do what we do "for the members" and what this really means.

Vardallas shared everything from communication, access, branding, image, trust, and the effect of all touch points with members. To be a member centric credit union, all team members need to feel the synergy and be supportive of each other, and that includes back office departments. All credit union employees ultimately impact service delivered to members.

Vardallas closed the session with a reminder of why credit unions are different, the value we bring to members, and how it is different than banks. He asked what is the key brand of the credit union in our communities—is it People vs. People? Is it something else?

This program offered many tools and suggestions that attendees were able to take back to the credit union.

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FHFA Aligns with CUNA, Won't Reduce Fannie, Freddie Loan Limits

WASHINGTON – The Federal Housing Finance Agency (FHFA) will not reduce loan limits and will continue allowing Fannie Mae and Freddie Mac to purchase loans when the borrower has a debt-to-income (DTI) ratio of higher than 43% but also has other compensating strengths, Director Mel Watt said in a speech Tuesday.

The FHFA also released a strategic plan today for the future of the government-sponsored enterprises (GSEs)—one in which the agency will not involve itself in policy decisions on housing reform.

"The announcement about loan and DTI limits is welcome news for borrowers and credit unions alike. CUNA has repeatedly urged that loan limits not be reduced and we are gratified that this position has been accepted," noted Eric Richard, CUNA general counsel, who added, "The health of the housing finance market requires that the current system be kept viable as long as possible until Congress acts on reforms and we are pleased that the agency is taking steps to help ensure that outcome."

ensure that outcome.

CUNA has also urged that the FHFA make it clear that creditors will be able to continue selling to the GSEs mortgage loans involving a borrower's DTI that is higher than 43%, the threshold for a "qualified mortgage" under the CFPB's "Ability to Repay" rule, when the borrower has the capacity to repay the loan.

CUNA President/CEO Bill Cheney and senior CUNA staff met with Watt and members of his team in April.

"Our task is to continue to fulfill our statutory mandates, to execute our Strategic Plan and to manage the present status of Fannie Mae and Freddie Mac," Watt said in prepared remarks at the Brookings Institution.

"This means, first and foremost, that we must ensure that Fannie Mae and Freddie Mac operate in a safe and sound manner. It means that we'll work to preserve and conserve Fannie Mae and Freddie Mac's assets," he said, adding, "It means that we'll work to ensure a liquid and efficient national housing finance market."

Because it is not part of the agency's statutory mandate, the FHFA will not take on housing finance reform legislation. He also announced the agency will be working to stabilize communities hardest hit by foreclosures with a Neighborhood Stabilization Initiative with Fannie Mae, Freddie Mac and the National Community Stabilization Trust, and eligibility parameters for the Home Affordable Refinance Program will not be extended, but the agency is retargeting its outreach efforts.

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Free Webinar with MemberClose on May 29th

[MemberClose](#), a preferred vendor of NJCUL, is a cost effective settlement services program being used by over 170 credit unions nationally including a number of New Jersey credit unions! The MemberClose program is easy to use and simple to get started. **There are no sign up or implementation fees or monthly minimums.**

Learn about all MemberClose has to offer at a free Webinar hosted by NJCUL.

Webinar Agenda Topics:

- Explanation of how MemberClose saves on the time & the money it costs to process all home equity loan types.
- How MemberClose employs a **single-point dashboard** that brings nationally recognized vendors & service providers into one easy-to-use solution
- With one user name & password, credit unions can securely order Credit Reports, Flood Certifications, Automated Valuation Models (AVMs), Gap Appraisals, Full Appraisals, Title Reports, Title Insurance, Compliant Loan Documents, Closing Services, e-Recording Services, and much more.

- Learn about the new MemberClose Loan Guarantee Program (LGP) which allows credit unions to lend up to 100% Loan-to-Value with no additional risk.

Date: Thursday, May 29, 2014

Time: 10:00 a.m. – 11:30 a.m.

To register, send an email to memberclose@cucenter.org. Instructions to join the Webinar will be sent to you prior to the date of the Webinar.

NJCUL contact for questions/information: John Hendery, jhendery@njcul.org; 800-792-8861 ext. 108.



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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

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 7 -- [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 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 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](#)

June 24 -- [NJ READ Meeting](#)

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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