

Subject: The Daily Exchange -- May 22, 2014
Date: Thursday, May 22, 2014 11:07 AM
From: New Jersey Credit Union League <news@njcul.org>
Reply-To: news@njcul.org
To: staff@njcul.org
Conversation: The Daily Exchange -- May 22, 2014

Unsubscribe

To ensure that you continue receiving our emails, please add us to your address book or safe list.



May 22nd, 2014

Today's News:

- › CUNA Lays-Out RBC Concerns as May 28 Comment Deadline Nears
- › NJCUL Wants to Recognize Those with 25+ Years of Services to the N.J. Credit Union Movement
- › CUs Below \$50M Threshold Also Need to Comment on RBC Proposal, Four Business Days to Deadline
- › Ann South Highlights NJ CU Foundation's Financial Literacy Initiatives on PBS' 'Life and Living', Segment Airs this Saturday!
- › Young Members Deposited \$20.5M During April's National Youth Saving Challenge
- › Successful Member Service Sessions Continue into June
- › CFPB Director Describes Ripple-Effect of Student Loan Debt
- › Still Time to Register for Tomorrow's Free Webinar

CUNA Lays-Out RBC Concerns as May 28 Comment Deadline Nears

Countdown to Comment Deadline	Comments from New Jersey
7	15
Days Left	Comments

WASHINGTON – With the May 28 deadline for stakeholders to comment on NCUA's risk-based capital (RBC) proposal fast approaching, CUNA shares several key points to assist credit unions, credit union leagues, and other stakeholders in finalizing their own comments. CUNA will be circulating its detailed letter to association leaders prior to the comment deadline.

CUNA believes the financial health of the credit union system now and during the financial crisis demonstrates that the NCUA proposal is not justified.

CUNA also believes that while the current RBC rules are serving credit unions adequately, they understand that NCUA is determined to move forward with a proposal. In light of that, CUNA will urge a number of key changes for any new proposal.

CUNA is opposing the proposal's 10.5% requirement for a well-capitalized credit union, stating that this number is unnecessary and will result in too much capital and dramatically limit credit union growth in the long term. This will affect credit unions' ability to serve their members and communities.

with CRIF Select
› Maintain CDFIF Funding Level, CUNA Writes to Senate Appropriations Committee
› Credit Unions, Mark Your Calendars



BANKING YOU CAN TRUST

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

CUNA also believes that the economic impact of the proposal will be more detrimental than the NCUA has indicated.

Approximately 1,000 credit unions would be affected, based on a conservative estimate, requiring them to raise between \$3 billion and \$4 billion in new capital and collectively, credit unions’ buffers or margins above being well capitalized would decline by \$7.6 billion.

CUNA believes that there is no reason for credit unions to feel comfortable with the reduction in their buffers.

While CUNA does not support the proposal, given strong support for RBC at the agency, CUNA does not believe it is in its members’ best interests to simply demand the proposal be withdrawn and will be recommending a comprehensive set of recommendations to dramatically improve the proposal, help identify the relatively few credit unions that may need to hold more capital without unduly burdening all other credit unions and condemning them to stagnation by overcapitalization.

It’s important that every credit union understand this proposal, how they might be affected by it and file a comment letter based on their consideration of the proposal, according to CUNA.

A free RBC Webinar and other resources are available [here](#).

RBC Tools, including a draft comment letter, and comment letters filed thus far from New Jersey, are available to NJCUL member credit unions at www.njcul.org/RBCtools.aspx. Assistance with comments 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*.

[\[BACK TO TOP \]](#)

NJCUL Wants to Recognize Those with 25+ Years of Service to the N.J. Credit Union Movement

At this year’s Convention, the League would like to recognize those with 25+ years of service at their respective credit unions on a meter board, as we’ve done in previous years.

We are not using list from previous years list. If not provided, names will not be listed.

If you have over 25 years of service, or know of someone at your credit union, please let the League know by contacting Yvette Segarra at ysegarra@njcul.org with the following information: name, credit union, and number of years of service at the credit union.

In order to be included, names must be received no later than **August**

Upcoming Events:

June 10, 2014
Executive Leadership Series Session: Credit Union Differentiation Strategies
Location: NJCUL
10:00 am to 2:00 pm
[More Information Click Here](#)

June 10, 2014
VirtualCorps Webinar: Emerging Leadership: Public Speaking & Presentation Skills Fundamentals
3:00 pm to 4:30 pm
[More Information Click Here](#)

June 11, 2014
Webinar: Implementing the CTR Report Line by Line
3:00 pm to 4:30 pm
[More Information Click Here](#)

Contact Us:

Address
299 Ward Street
Hightstown, NJ 08520
Driving directions

Phone
800.792.8861
609.448.2426

Fax
609.448.3499

E-mail
info@njcul.org

15th.

Any questions, please contact Yvette Segarra.

[\[BACK TO TOP \]](#)

CU's Below \$50M Threshold Also Need to Comment on RBC Proposal, Four Business Days to Deadline

WASHINGTON – With just four business days remaining before the comment deadline, CUNA and the state leagues across the country urge credit unions—even those under a \$50 million-in-assets threshold—to read NCUA’s risk-based capital (RBC) proposal to determine the extent to which they could be impacted in the future, and get their comments in to the federal regulator.

The comment period ends May 28. A total of 950 comment letters have already been sent, according to NCUA.

The RBC plan proposed by the NCUA would make changes to Prompt Corrective Action (PCA) rules, replacing existing risk-based net worth requirements with new risk-weighted asset and capital requirements for federally insured "natural person" credit unions with more than \$50 million in assets.

CUNA believes that the rule's requirement that a well-capitalized credit union would need 7% and a RBC ratio of 10.5% that is higher than the proposed requirement for adequately capitalized credit unions is in violation of the Federal Credit Union Act. The act does not authorize NCUA to set a RBC ratio for well-capitalized credit unions that would exceed the RBC component for adequately capitalized credit unions.

It's important that every credit union understand this proposal, how they might be affected by it and file a comment letter based on their consideration of the proposal, according to CUNA.

A free RBC Webinar and other resources are available [here](#).

RBC Tools, including a draft comment letter, and comment letters filed thus far from New Jersey, are available to NJCUL member credit unions at www.njcul.org/RBCtools.aspx. Assistance with comments 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*.

[\[BACK TO TOP \]](#)

Ann South Highlights NJ CU Foundation's Financial Literacy Initiatives on PBS' 'Life and Living' Segment to Air this Saturday

Connect with Us:



and Living , Segment to Air this Saturday:

Novartis FCU President/CEO and outgoing New Jersey Credit Union Foundation Chairman Ann South recently appeared on an episode of the PBS program “Life & Living” with host Joanna Gaggis. South spoke about the NJ CU Foundation’s dedication to financial literacy in New Jersey, highlighting the popular Reality Fair program supported by the Foundation as well as the Foundation’s partnership with the New Jersey Coalition for Financial Education (NJCFE).



“Life & Living” host Joanna Gaggis with Novartis FCU President/CEO Ann South on set.

“Life & Living” highlights the lifestyle and culture of New Jersey’s citizens and showcases the great destinations that make New Jersey unique. The half-hour, magazine-style program “sets the record straight” about who and what New Jersey is really all about.

The segment will air this Saturday, May 24th at 2:00 p.m. on NJTV. Be sure to tune in!

[\[BACK TO TOP \]](#)

Young Members Deposited \$20.5M During April’s National Youth Saving Challenge

Three N.J. CUs “Caught the Save Wave”

During April, a combined 94,466 youth “caught the save wave” at a credit union. Young savers—drawn in by tropical treats and activities galore—deposited a collective \$20.5 million with the 238 credit unions participating in this year’s National Youth Saving Challenge—an average of \$217 per child.

In 2009, the Saving Challenge expanded beyond National Credit Union Youth Week to run the entire month of April. This year, more than two-thirds (70%) of the participating credit unions ran the Challenge for the entire month—giving them more time to open 8,844 new youth accounts.

As part of the challenge, CUNA awarded \$100 prizes to 25 young savers. The randomly selected winners selected included one lucky youngster from New Jersey: Thomas, age 6, of Princeton, N.J., from Princeton FCU.

Princeton FCU along with M & C Menlo Park FCU and Raritan Bay FCU, participated in the Saving Challenge this year.

Next year, National Credit Union Youth Week will be held April 19-25, 2015, and CUNA will once again run the Saving Challenge the entire month of April.

[\[BACK TO TOP \]](#)

Successful Member Service Session Continue into June

Sessions for Staff & Management Being Held June 3-5 at the League and via Video Conference

HIGHTSTOWN, N.J. – NJCUL held successful and informative sessions in late May targeted for credit union staff and management that focused on how your credit union can become a “World Class ‘Member Centric’ Service Credit Union”.

NJCUL is holding three more sessions (one for management and two for staff) the first week of June. Register today!

The full-day sessions are led by John Vardallas, a 2013 Convention speaker and crowd favorite. Vardallas will provide insights into the key methods of how credit unions can provide quality world class member centric service utilizing a variety of retail high touch/high tech cross sales and service techniques. In addition, how to “wow” members with memorable personal service will be highlighted, all from a credit union staff perspective.

Click on a date below for more information and to register.

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](#)

The cost to attend is \$209 per person for credit unions over \$150 million in assets, \$149 per person for credit unions \$50-\$150 million in assets, and \$69 per person for credit unions below \$50 million in assets. There is also a 50% **discount** for credit unions below \$10

million in assets. Contact Mary Zelinsky at mzelinsky@njcul.org or 800-792-8861 ext. 100 for more information.

All three sessions are being held "live" at the League and via video conference to Atlantic FCU in Kenilworth and Members 1st of NJ FCU in Vineland. Join us at whatever location is most convenient for you!

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.



• Education • Development • Growth • Essentials •

[\[BACK TO TOP \]](#)

CFPB Director Describes Ripple-Effect of Student Loan Debt

BOULDER, Colo. – CFPB Director Richard Cordray spoke at the 2014 Boulder Summer Conference on Consumer Financial Decision Making Monday, addressing the many ways in which student loan debt can have a ripple effect on other areas of the economy.

He recalled numerous instances of the CFPB hearing from consumers that student debt prevented them from buying a house, opening a small business, or starting a family. Referring to the \$1.2 trillion in student loan debt in America, Cordray said "we are now standing at a precipice" when it comes to the current economy.

"This is not debt that can be quickly erased—it can take many years to pay it back, which means that it may prevent borrowers from achieving other financial milestones for at least that long," he said. "A recent Pew study found that about 40% of younger households—those headed by someone under the age of 40—have student loan debt, and we can see no reason why this percentage will not continue to grow."

According to the CFPB, more than seven million Americans are in default of a student loan. Those who are in default at a young age can see their credit score affected negatively, which can have an effect on everything from employment background checks to the home-buying process.

A recent Pew research survey said that more than one-third of people age 18 to 31 are living with their parents, which is 18% higher than it was at the start of the recession. This leads to fewer households being created, which Cordray said is a key driver of economic growth.

He quoted another study that said student loan debt can cost more than \$200,000 in net assets, including nearly \$135,000 in net retirement savings over the course of a career.

Cordray said the CFPB plans to combat these trends by:

- Using supervisory authority over financial institutions to send examination teams into firms to assess compliance with the law;
- Working with regulators to incentivize student loan servicers to provide more loan modification and refinancing options; and
- Created the "Financial Aid Shopping Sheet," which gives college-bound students hard numbers in a common-sense format in partnership with the Department of Education. This has been adopted by more than 2,000 schools.

CFPB Director Cordray's remarks are available [here](#).

[\[BACK TO TOP \]](#)

Still Time to Register for Tomorrow's Free Webinar with CRIF Select

Meet NJCUL's newest business partner, CRIF Select who specializes in the indirect and merchant lending market. CRIF connects lenders to local auto dealerships and merchants through state-of-the-art technology and loan processing services. Credit unions continue to play a significant role in the auto finance industry and account for close to 30% of all U.S. auto loans. Find out how your credit union can take advantage of this growing market or improve your current program by attending this complimentary Webinar.

Date: May 23, 2014

Time: 10:00 a.m. – 11:00 a.m. (EST)

To Register: E-mail Mary Zelinsky at mzelinsky@njcul.org

Instructions to join the Webinar will be sent to you prior to the date of the Webinar.

Takeaways

This Webinar is ideal for credit unions looking to improve or add an indirect auto lending program without draining significant personnel resources. Agenda items include:

- Credit Unions Role in the Auto Lending Market
- Starting/Improving your Auto Indirect Program
- Technology Portals & Decision Automation
- Outsourcing Options

Who Should Attend

- Credit union executives and lending decision makers for institutions with more than \$50 million in assets.
- Industry executives looking for opportunities to significantly improve Auto Lending Growth

Presenter: Ted Dozier, Regional Sales Manager, CRIF Lending Solutions

Questions? Contact John Hendon at jhendon@njcul.org or 800

Questions? Contact John Hendery at jhendery@njcul.org or 800-792-8861 ext. 108.



[\[BACK TO TOP \]](#)

Maintain CDFIF Funding Level, CUNA Writes to Senate Appropriations Committee

WASHINGTON – In a letter to the Senate Appropriations' Subcommittee on Financial Services, CUNA encouraged the committee to maintain the current level of funding to the Community Development Financial Institutions Fund (CDFIF).

The CDFIF makes capital grants, equity investments, and awards for technical assistance to community development financial institutions (CDFIs), such as community development credit unions.

"CDFI-funded credit unions offer alternatives to predatory payday lenders and check-cashing services. They also promote economic revitalization and community development in distressed communities," the letter reads.

Funded institutions supply low-income, distressed communities with traditional banking services such as savings accounts and personal loans.

The Consolidated Appropriations Act for fiscal year 2014 funded the CDFIF at \$226 million. This year's draft, for the fiscal year ending Sept. 30, 2015, does not yet have a CDFIF amount in the language. The bill was passed by the house May 1, and will next go to the Senate for consideration.

CUNA's letter is available [here](#).

[\[BACK TO TOP \]](#)

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 3 -- [VirtualCorps Webinar: CDCU's Access to Grant Funding.](#)

Secondary Capital

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 10 -- [VirtualCorps Webinar: Emerging Leadership: Public Speaking & Presentation Skills Fundamentals](#)

June 20 -- [2014 Compliance Conference: Plan Your Next Move!](#)

Industry Events

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](#)

[\[BACK TO TOP \]](#)

This message was sent to staff@njcul.org from:
New Jersey Credit Union League | 299 Ward Street | Hightstown, NJ 08520



[Manage Your Subscription](#) | [Forward To a Friend](#)