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The Daily Exchange -- May 28, 2014

New Jersey Credit Union League <news@njcul.org>

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RBC Comment Letter Deadline Today

May 28th, 2014

Today's News:

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Countdown to Comment Deadline

1

Day Left

Comments from New Jersey

41

Comments

WASHINGTON – The comment deadline has arrived. Stakeholders' views on NCUA's risk-based capital (RBC) plan are due to the agency by midnight tonight.

The NCUA already has more than 1,100 letters in hand, including 41 from New Jersey.

The hundreds of comments by credit unions are joined in the NCUA's files by many other voices, including a joint letter representing the views of more than 320 members, including six from N.J., of the House, and individual letters of concern from five senators.

The agency also has heard from agricultural and community groups who warn of the negative impact the proposal could have on consumers if credit union funds are diverted away from serving members. Reflecting concerns of many credit unions, the groups warned that unreasonably high capital requirement to reach a "well-capitalized" designation (10% of assets), and what some say are faulty asset risk weights, could result in too much capital and dramatically limit credit union growth in the long term.

CUNA President/CEO Bill Cheney underscored that the comments

› 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.



Upcoming Events:
June 3, 2014

received by NCUA show a deep level of thought—and of concern—surrounding this proposal.

"An incalculable number of work-hours have been dedicated, within the credit union community and beyond, to detailing changes that are needed to the NCUA plan, if the agency is determined to move forward with a proposal," Cheney said.

"The number of comment letters alone reflects that this is the most significant proposed rulemaking that credit unions will face likely for years to come," he added.

The CUNA leader also urged credit unions to remain involved in this regulatory discussion going forward.

"All three NCUA board members have said they anticipate changes to the plan before it is finalized—and credit unions have to remain engaged in affecting those changes," he said, reminding that the agency is conducting three Listening Sessions on the proposal now that the comment period is drawing to a close.

CUNA and the state leagues continue to encourage all credit unions to file comments letters on the proposed RBC rule by today’s deadline. 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.

NCUA will host three post-comment period listening sessions: June 26 in Los Angeles, July 10 in Chicago and July 17 in Alexandria, Va. CUNA will be attending each of the sessions and will be working with the leagues to ensure credit unions’ concerns are heard by the agency.

The NJCUL will attend the July 17 session in Alexandria and plans to provide transportation for interested members. Listening Session registration is available [here](#).

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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In Memoriam: Manager of HEARD AME FCU Joannette Hall Keyes Passes

LINDEN, N.J. – Joannette Hall Keyes, Manager of HEARD AME FCU, passed away on Friday, May 23, 2014.

Keyes, 76, of Linden, N.J., was a staff accounting manager at N.J. Bell Telephone Co. (Verizon) for 30 years, retiring in 1988. After retiring, she became manager of Pinewood Hall in Roselle, N.J., for 12 years.

**VirtualCorps Webinar:
CDCU's Access to Grant
Funding, Secondary Capital**
3:00 pm to 4:30 pm
[More Information Click Here](#)

**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 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:

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Connect with Us:



A lifelong member of Heard A.M.E. Church, she served in many capacities as secretary of the church's Steward Board, founder and editor of the church's first newsletter "The Heard Herald," founder/CEO of the church's federally chartered credit union HEARD AME FCU, and manager of the Heard A.M.E. Caterers.

Surviving are her sister, Mary McLeod; uncle, Cleveland Sumner (Velma), and a host of nieces, nephews, other relatives and friends.

A celebration of her life service will be Friday, May 30, 2014, at 11 a.m. at Heard A.M.E. Church, 310 E. 8th Avenue, Roselle, N.J. Visitation is Thursday from 7 to 9 p.m. For information or to send condolences, visit ggwoodyfuneralhome.com.

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Second NJ READ Meeting of the Year Set for June 24th

HIGHTSTOWN, N.J. – CEOs and compliance professionals: Join us for the second NJ READ meeting of the year on June 24th at the League from 10 a.m. to 12 p.m.. The group discussion will begin with any results forthcoming from the NCUA proposed rule Prompt Corrective Action - Risk-Based Capital (RBC) and the potential effect on credit union exams as the agency begins to review and weigh the comments it has received.

The group will also revisit NCUA's 2014 [Supervisory Focus](#) and take a look at the Fair Lending exam process and other recent proposed or final regulations, such as the CUSO rules (effective June 30), as well as the CFPB's mortgage rules that have or will shortly become effective and its proposed rule for financial institutions to issue more effective privacy notices along with the challenges compliance brings.

If you have other recommendations for discussion topics for the June 24 or future meetings, please feel free to contact the Director of Compliance, Nicola Foggie, at nfoggie@njcul.org.

CEOs, short of time? Feel free to send your compliance professional to represent your credit union.

Don't miss this opportunity to be a part of exam and regulatory solutions for credit unions!

Contact Mary Zelinsky at mzelinsky@njcul.org or 1-800-792-8861 ext. 100 to register to attend the June 24 NJ READ meeting.



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MBLs at Risk with Proposed RBC Change, Senators Wrote

WASHINGTON – Sens. Mark Udall (D-Colo.) and Tim Scott (R-S.C.) have joined the growing number of Washington lawmakers expressing concerns about NCUA's risk-based capital (RBC) proposal.

A long-time credit union supporter, Udall noted in his Tuesday letter to the NCUA, "It is important for NCUA to carefully consider the appropriateness of risk weights that deviate significantly from analogous regulations administered by other federal financial regulators."

"I have sponsored legislation to permit well-capitalized credit unions with a history of business lending to lend more to small businesses," Udall wrote. "I am concerned that the consequence of a final rule constructed without close attention to input from the credit unions could be a reduction in these institutions' ability and willingness to lend to their small business members."

Last year, Udall sponsored the Credit Union Small Business Lending Enhancement Act, which would increase the credit union member business lending (MBL) cap to 27.5% of assets, from the current 12.25%-of-assets level.

He noted it is critical that regulators focus on parts of the financial system that could "undermine safety and soundness of financial institutions without unnecessarily constraining their ability to lend responsibly."

The RBC plan proposed by the NCUA would make changes to Prompt Corrective Action rules, replacing 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.

Scott chimed in Tuesday with a letter to NCUA as well. Scott was previously a board member for Summerville, S.C.-based Heritage Trust FCU, with \$475 million in assets. In his letter he also expressed concerns with the proposed risk weightings for member business loans.

"I have very significant concerns that a regulatory action could draw \$7 billion of capital out of the economy at this time," Scott wrote. "Because of credit unions' limited avenues for raising capital, it is likely that this proposal would force them to charge higher lending and financial services fees, reduce dividend payments to members, and deter new depositors."

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.

Sens. Bill Nelson (D-Fla.), Heidi Heitkamp (D-N.D.), and Al Franken (D-Minn.) also have submitted comment letters.

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CDCU Federation to Host CDFI Webinar Tomorrow

WASHINGTON – The National Federation for Community Development Credit Unions (Federation) will host a Webinar about Community Development Financial Institution (CDFI) grants from NCUA tomorrow.

Based on the success of the technical assistance grants for CDFI certification awarded earlier this year, the NCUA has announced additional grants for up to 60 credit unions.

The Webinar will take place from 3 to 4 p.m. and is designed to answer questions about this round of funding from the NCUA, as well as the benefits of CDFI certification and an overview of the application process.

Federation staff will be joined by:

- Debra Hickman, director of organizational development, CALCOE FCU, Yakima, Wash., with \$23 million in assets. She is responsible for compliance, vendor management, project management, training and strategic planning and;
- Ikenna Nwankpa, financial analyst and grant administrator, NCUA's Office of Small Credit Union Initiatives. He supports credit unions that primarily serve low-income communities throughout the United States, including assistance on applications for funding through NCUA's Community Development Revolving Loan Fund.

Topics covered will include what the NCUA looks for in a successful application, as well as how CDFI credit unions can serve as a viable business model for community development. There will also be a Q-and-A with all four speakers after the presentation.

[Register here.](#)



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A lifelong member of Heard A.M.E. Church, she served in many capacities as secretary of the church's Steward Board, founder and editor of the church's first newsletter "The Heard Herald," founder/CEO of the church's federally chartered credit union HEARD AME FCU, and manager of the Heard A.M.E. Caterers.

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Don't Miss Tomorrow's Free Webinar on MemberClose

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 tomorrow's 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.

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 start of the Webinar.

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



Successful Member Service Sessions Continue into June—Get Your Entire Staff and Management Team Trained!

Member Service Sessions for Staff & Management June 3-5 at the League

HIGHTSTOWN, N.J. – NJCUL held successful and informative sessions in late May targeted for credit union staff and management that focuses 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](tel:800-792-8861) 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.



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2nd Quarter 2014 NJ CU Foundation Newsletter Now Available

HIGHTSTOWN, N.J. – The 2nd Quarter 2014 New Jersey Credit Union Foundation newsletter is now available for download on the NJCUL Web site.



Included in the newsletter is an update on the Reality Fairs program and newly launched Retirement Fairs program, results of the Foundation's 4th Annual Credit Union Casino Night on April 4th, and an overview of offerings by the National Credit Union Foundation and REAL Solutions.

A message from newly elected Chairman Michael Hou is featured on the cover page, which includes an introduction to Hou as well as a review of the success of the Foundation thus far.

The newsletter can be downloaded by clicking [here](#).

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Latest CUNA Reg Advocacy Report Available

This week's Regulatory Advocacy Report will bring you up to speed on the following issues CUNA is working for on your behalf:

- Credit Unions Weigh In on RBC Proposal
- CUNA Seeks Comments on New International Remittance Transfers Survey Through June 2
- CFPB To Open Board and Council Meetings To the Public
- VA Issues Interim Final Rule on QM
- CFPB Releases Spring 2014 Supervisory Highlights
- Late Filing of Call Reports Triggers Civil Money Penalties
- Massachusetts AG Urges FHFA Policy Changes
- NCUA Issues Notice and Request for Comment – Economic Growth and Regulatory Paperwork Reduction Act Review
- NCUA Releases a Guide To Mergers

Be sure to visit CUNA's new [Risk-Based Capital blog](#) for the latest from CUNA staff and guest bloggers.

Read the full [Regulatory Advocacy Report for May 27](#).

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NCUA Releases a New Guide to Mergers

“Truth in Mergers” Identifies Best Practices for Merging Credit Unions

ALEXANDRIA, Va. – Credit unions considering a merger now have a new resource to assist in navigating that process, a brochure entitled, “Truth in Mergers: A Guide for Merging Credit Unions,” from the NCUA’s Office of Small Credit Union Initiatives. The new brochure is available online [here](#).

NCUA works to ensure that credit unions of all types can continue to thrive and serve their members, but the agency recognizes credit unions in some instances may need to merge. The “Truth in Mergers” brochure provides a framework for credit union managers and directors to begin discussions about the future direction of a credit union.

“Every strategic plan should include contingencies, including when a merger is worth considering,” OSCUI Director William Myers said. “The critical first step is recognizing the early signs that a credit union’s long-term viability may be at risk. A credit union still in sound financial condition has more options when it comes to merger partners and is in a better position to negotiate a contract than a credit union in a deteriorated financial condition.”

“Truth in Mergers” incorporates the lessons learned from a review of more than 430 mergers over an 18-month period. Presented in an easy-to-use format, the brochure is designed to help credit unions considering a merger recognize when that is in the best interest of a credit union and how to negotiate a merger contract that serves members as well as employees.

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CU House Releases 2013 Annual Report

WASHINGTON – Credit Union House released 2013 Annual Report. It is available online at this <http://cuhouse.com/publications.php>.

Throughout 2013, Credit Union House strengthened the credit union presence on Capitol Hill. It welcomed thousands of visitors, and many events hosted there were attended by top Congressional leadership and other VIPs.



Credit Union House also enjoyed steady use by Leagues and credit unions for legislative briefings, Hike-the-Hill receptions, board planning sessions, and staff retreats.

“I hope that while perusing this report, you feel great pride in your DC ‘home away from home,’” says Credit Union House Director Sue

McCue, "which would not exist without the generous support of the Leagues, CUNA, AACUL, and our many contributors."

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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 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](#)

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