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**From:** New Jersey Credit Union League <news@njcul.org>  
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**To:** staff@njcul.org  
**Conversation:** The Daily Exchange -- June 3, 2014

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### N.J. CUs Share Best Practices for Board Communication in *COMMERCE Magazine*

PARAMUS, N.J. – Two New Jersey credit union CEOs shared the dividends that good board communication pays in *COMMERCE Magazine's* annual bank/credit union CEO roundtable.

*COMMERCE*, the flagship publication of the Commerce and Industry Association of New Jersey, interviewed two credit union leaders and four bankers for its May 30 best practices article.

The board of \$212 million-asset North Jersey FCU, Totowa, provides direction and responds to changes in the financial services industry, said President/CEO Lourdes Cortez.



"One of the key aspects of their high-performance would be the oversight they provide to the quality of management at North Jersey Federal," she said. "They maintain a governance structure that adds value to the business, and they ensure our values and reputation remain intact as each board member brings fresh perspectives and thoughtfulness to the communities we serve."

Cortez said she keeps the lines of communication open with the board and relies on it for its expertise in solving critical issues.

Compliance and Risk Analyst at First Financial FCU

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- › 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](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

The volunteer aspect of credit union board service was strongly emphasized by Linda McFadden, president/CEO of XCEL FCU, Bloomfield, with \$151 million in assets.

"Since they are volunteers, their only goal is to do what is best for the members," McFadden told *COMMERCE*, adding, "They serve as member advocates."

The board members donate hundreds of hours, making sure that the credit union is moving in the "best direction" for its members, even during a lagging economy.

The "Best Practices in Board Communications: An Annual Bank/Credit Union CEO Roundtable" article is available online [here](#).

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## Learn How ComplySight Can Help Your CU Manage and Track its Compliance

HIGHTSTOWN, N.J. – The League InfoSight Web compliance tool, ComplySight, is now available to New Jersey credit unions through the NJ CU League.

What is ComplySight and how can it help your credit union streamline the lengthy compliance process?

Click [here](#) to view an introductory video.

CU Solutions has also scheduled various Webinars to introduce credit unions to this tool. Click on a date and time below to participate.

### Introduction to ComplySight

[Introduction to ComplySight](#)  
June 3<sup>rd</sup> 3:30 – 4:00 pm (EST)

[Introduction to ComplySight](#)  
June 4<sup>th</sup> 9:30 – 10:00 am (EST)

[Introduction to ComplySight](#)  
June 4<sup>th</sup> 3:30 – 4:00 pm (EST)

[Introduction to ComplySight](#)  
June 10<sup>th</sup> 9:30 – 10:00 am (EST)

[Introduction to ComplySight](#)  
June 10<sup>th</sup> 3:30 – 4:00 pm (EST)

[Introduction to ComplySight](#)  
June 18<sup>th</sup> 9:30 – 10:00 am (EST)

[Introduction to ComplySight](#)  
June 18<sup>th</sup> 3:30 – 4:00 pm (EST)

[Introduction to ComplySight](#)

21-23, 2014 at the Trump Taj Mahal in Atlantic City, N.J.

## Upcoming Events:

**June 7, 2014**  
**Small Credit Union Conference: Driving Success: Strategies that Work**  
Location: NJCUL  
8:30 am to 3:30 pm  
[More Information Click Here](#)

**June 10, 2014**  
**ELS Session: Credit Union Differentiation Strategies**  
Location: NJCUL  
10:00 am to 3:00 pm  
[More Information Click Here](#)

**June 10, 2014**  
**VirtualCorps Webinar: Emerging Leadership: Public Speaking & Presentation Skills Fundamentals**  
3:00 pm to 4:00 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

June 26<sup>th</sup> 9:30 – 10:00 am (EST)

[Introduction to ComplySight](#)  
June 26<sup>th</sup> 3:30 – 4:00 pm (EST)

### ComplySight Training 1.01

[ComplySight Training 1.01](#)  
June 9<sup>th</sup> 9:30 – 10:30 am (EST)

[ComplySight Training 1.01](#)  
June 9<sup>th</sup> 3:30 – 4:30 pm (EST)

[ComplySight Training 1.01](#)  
June 19<sup>th</sup> 9:30 – 10:30 am (EST)

[ComplySight Training 1.01](#)  
June 19<sup>th</sup> 3:30 – 4:30 pm (EST)

### ComplySight Training & Tips

[ComplySight Training & Tips](#)  
June 30<sup>th</sup> 9:30 – 10:30 am (EST)

[ComplySight Training & Tips](#)  
June 30<sup>th</sup> 3:30 – 4:30 pm (EST)

For more information, visit [www.njcul.org/complysight.aspx](http://www.njcul.org/complysight.aspx) or contact League Director of Compliance Nicola Foggie at [nfoggie@njcul.org](mailto:nfoggie@njcul.org).



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## NCUA's Response to King-Meeks Letter Highlights Potential Changes to RBC Plan

WASHINGTON – In a response sent Friday to 324 members of Congress who voiced concerns regarding NCUA's risk-based capital (RBC) proposal, NCUA Chair Debbie Matz indicated some of the areas in which the agency will consider changes.

Matz was responding to a letter sent to the agency on May 15 authored by Peter King (R-N.Y.) and Gregory Meeks (D-Fla.). Most notably the letter questioned the effect the proposal would have on credit unions and their members, as well as the proposed risk-weight calibration and the timeline for compliance.

Matz said in her letter, and the other NCUA board members have mentioned on numerous occasions, that the feedback submitted, which includes more than 2,000 comment letters received, would be taken into account as the agency moves forward to finalize a RBC

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plan.

She noted that risk-weights, implementation time, and the proposal's impact on credit markets were among issues that would be reviewed moving forward. The King-Meeks letter expressed concern the proposed concentration-based risk weightings could affect mortgage and small business credit availability.

"As part of the rulemaking process, the NCUA Board will carefully consider the comments received when determining how best to calibrate the final risk weights, including any comments received about the risk weights for real estate loans, agricultural loans, and member business loans," she wrote.

NCUA has proposed several risk weights, such as a lower 75% for credit unions' consumer loans compared to the banking system's risk weight of 100%.

As far as the implementation timeline, Matz said she shared the concern in the King-Meeks letter, and pledged that the NCUA would re-evaluate the amount of time needed before the final rule goes into effect. The plan currently sets the implementation period at 18 months.

Matz also said that, upon issuing the final rule, the NCUA will provide further clarity as to how they calculated risk weights, and why they may in some instances differ from the risk weights for federally insured banks.

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## CFPB Pushes Back Plans to Examine Overdraft Programs

WASHINGTON – The CFPB has removed a discussion on overdraft rules and regulations from its Spring 2014 rulemaking agenda and pushed it back probably to February 2015.

The CFPB's analysis is meant to build off a June 2013 white paper summarizing the CFPB's initial findings of overdraft practices, taken from supervisory data from nine large banks. According to its initial reports, this white paper "highlighted a number of possible consumer protection concerns, including how consumers opt in to overdraft coverage for ATM and one-time debit card transactions, overdraft coverage limits, transaction posting order, overdraft and insufficient funds fee structure, and involuntary account closures."

The official Spring 2014 list of agency rules posted by the Office of Information and Regulatory Affairs states that an analysis of overdraft regulations is considered to be in the "pre-rule stage."

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## Aspire FCU Hires Joseph Riccardo, Chief Information Officer

CLARK, N.J. – The \$183 million, 24,000-member Aspire Federal Credit Union in Clark, N.J. has recently hired a Chief Information

Officer.



Joseph Riccardo was recruited on the heels of the credit union's announcement that it will convert its core processing to the Corelation KeyStone platform in 2015.

Riccardo comes to Aspire with a background in managing core conversion projects as well as formerly serving as Product Line Executive at Fiserv Advantage, Aspire's current core processor. His in-depth knowledge of core technology and his background in

working with credit union clients for over 12 years will prove invaluable as he manages Aspire's upcoming core conversion.

"The CIO position is new to Aspire. We are excited about our core conversion and felt we needed someone of Joe's caliber to not only assist us with the conversion, but to help us develop new products and services utilizing the advanced technologies that we'll have access to in the Corelation KeyStone system," said Thomas J. O'Shea, Aspire President and CEO.

"I am excited about the opportunity to join the Aspire team. I look forward to contributing to the overall success of the credit union and specifically in IT services and delivery, as well as new product development aligned with the strategic goals of the credit union," said Riccardo.

Riccardo's 30+ year career in the financial and technology industries has also included work as a Project Manager at Automated Financial Systems and a Senior Consultant at Next Step International.

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## Don't Miss Next Tuesday's ELS Session: Credit Union Differentiation Strategies

HIGHTSTOWN, N.J. – Don't miss our Executive Leadership Series (ELS) meeting next Tuesday, June 10th at the League office.

We are very fortunate and excited to have Filene's George Hofheimer tackling the topic "Credit Union Differentiation Strategies". This topic touches on various areas: business development/marketing, strategic planning, finance, etc. This is a session you won't want to miss!



George will discuss current research and innovation efforts to encourage and promote differentiation strategies for your credit union. Specific topics to be covered include product innovation, young adult outreach, operational efficiency, and corporate social responsibility (CSR) initiatives.

(CSR) initiatives.

As Filene's head of research and innovation, George arms credit unions with the creative, yet practical ideas they need to be competitive. Prior to joining Filene, he spent eight years leading the executive education function for the Credit Union Executives Society (CUES).



The cost to attend is tiered based on assets and is as follows: \$209.00 per person for credit unions over \$150 million, \$149.00 per person for credit unions \$50 - \$150 million, and \$69.00 per person for credit unions under \$50 million. A 25% discount is available for credit unions that send three or more people.

Click [here](#) for more information on the discount and for the [full brochure](#).

You may register online through the NJCUL Web site [here](#). Or register and pay by check by sending an email to Mary Zelinsky at [mzelinsky@njcul.org](mailto:mzelinsky@njcul.org).

*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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## **WSJ, Reuters: Merchants Want Debit Rule Case Reviewed by Supreme Court**

Merchant groups told news outlets that they will petition the Supreme Court for a review of their suit against the Federal Reserve Board over the Fed's debit interchange rule.

A federal appeals court, overturning a lower court ruling, decided March 21 to uphold the Federal Reserve's debit interchange rule. Representatives of the National Association of Convenience Stores and the National Retail Federation were quoted in [The Wall Street Journal](#), [Reuters](#), and other news outlets saying the groups plan to pursue the review.

The merchant groups on Friday requested more time to submit their petition for Supreme Court review. They currently have until June 19 to file and want that extended to July 21. The Fed's current rule sets a cap on charges to retailers at 21 cents per debit card transaction, not enough to provide a reasonable return.

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## CULAC, Leagues Back Candidates in Today's Primaries

WASHINGTON & HIGHTSTOWN, N.J. – Credit union-backed candidates in eight states are running in today's primary elections, with each receiving support from their state credit union leagues, as well as the Credit Union Legislative Action Council (CULAC).

The New Jersey Credit Union League (NJCUL) and CULAC are backing New Jersey state Sen. Donald Norcross (D) in today's primary elections in which voters will select nominees for November's special and general elections to fill the 1st District seat of former Rep. Bob Andrews (D) who resigned earlier this year. Norcross is facing two challengers for the Democratic nominations in this solidly blue district.

There are two other open House seats in New Jersey for which nominees of both parties will be decided, as well as selection of a Republican nominee to challenge incumbent Sen. Cory Booker (D) in November.

While CULAC and the NJCUL decided to sit-out the primaries for the other House races, Sen. Booker has earned the backing of the League and CULAC having met with credit unions several times since assuming office less than a year ago, and including XCEL FCU President/CEO and NJCUL Board Chair Linda McFadden as an "Access to Capital" panelist for his recent small business conference at Rutgers University.

In Alabama's 6th District, state Rep. Paul DeMarco (R-Homewood) will face off against six other Republican candidates. DeMarco has been endorsed by the League of Southeastern Credit Unions (LCSU). LCSU and CULAC sent more than 54,000 mailers to Republican households with credit union members. The top two finishers of the primary will face off in a runoff election on July 15.

In California, Pete Aguilar, a former vice president at Arrowhead CU, with \$773 million in assets, will face off against six candidates for the 31st District seat. Aguilar is the current mayor of Redlands, Calif., and has been supported by a \$198,000 independent expenditure from CULAC, which was used for direct mail, digital ads, Pandora radio spots and a Web site.

Elsewhere in California, former state Sen. Tony Strickland (R) will run against seven candidates in the 25th District, state Sen. Norma Torres (D) faces three others in the 35th District, and State Sen. Mimi Walters (R) faces off against three others in the 45th District.

All candidates have been backed by CULAC and the California Credit Union League. The top two candidates from each primary will face off in the November election.

Iowa State Rep. Pat Murphy (D) has been endorsed by the Iowa Credit Union League and will face off against four other Democrats in the primary. Murphy is a strong credit union supporter, taking their side during a state tax battle in the early 2000s.

Murphy needs to receive at least 35% of the vote, otherwise a party convention will decide the nominee

convention will decide the nominees.

Mississippi Sen. Thad Cochran (R) is expected to face a tight primary race, where he hopes to get a majority of the votes against two other candidates to avoid a runoff vote on June 24.

In Montana, the Montana Credit Union Network and CULAC are backing Rep. Steve Daines (R) in the state's senate race, to fill the seat left open by former Senate Finance Committee Chairman Max Baucus (D). Daines leaves his at-large congressional seat open with his run for Senate, and credit unions have backed Democrat John Lewis for that seat. Lewis would face the winner of a five-way Republican primary in November.

In South Dakota, the retirement of Sen. Tim Johnson (D), current chair of the Senate Banking Committee, has left a crowded field trying to take his place. The Credit Union Association of the Dakotas and CULAC have endorsed former Gov. Mike Rounds in the Republican primary.

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## Jennifer Spector Hired as Compliance and Risk Analyst at First Financial FCU

WALL, N.J. – Jennifer Spector, of Freehold, was recently hired as Compliance and Risk Analyst at First Financial Federal Credit Union's Wall Township Corporate Headquarters.



Spector brings over 10 years of banking experience to First Financial. Prior to her employment with the credit union, she worked for First Atlantic Federal Credit Union (Eatontown, N.J.) as a Branch Manager. Other previous positions include Teller at Raritan Bay Federal Credit Union (Sayreville, N.J.), Operations Specialist at New York Community Bank (Matawan, N.J.), and Sales and Service Specialist at McGraw-Hill Federal Credit Union (New York, N.Y.).

Spector will be responsible for establishing and maintaining compliance programs, including methods and procedures for programs such as the Bank Secrecy Act/OFAC/USA Patriot's Act, Government Reporting and Compliance Reviews for credit union operations, and regulatory changes. She will also ensure the existence, adequacy, and application of financial operating and administrative controls, the extent of compliance with established policies, plans and procedures as well as regulations.



Spector is a graduate of Old Bridge High School. She is a graduate of Monmouth University (West Long Branch, N.J.) where she received a Bachelor of Science degree in Business Administration. She currently resides in Freehold with her dog Bauer and enjoys going to the beach, concerts, and football games. Spector is also an active volunteer for the American Cancer Society.

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## Agencies Clarify NFIP Maximum Building Coverage Limit

WASHINGTON – Several federal agencies, including NCUA, have released a statement raising the National Flood Insurance Program (NFIP) maximum limit of building coverage available to \$500,000 from the previous amount of \$250,000.

Coinciding with Sunday being the official start of hurricane season, this rule applies to non-condominium residential buildings designed for use for five or more families. The maximum content coverage for policies covering such buildings will remain at \$100,000 per policy.

The FDIC, Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve, Farm Credit Administration, and NCUA jointly issued the statement.

The change comes as a result of the Biggert-Waters Flood Insurance Reform Act of 2012, which extended the NFIP's authority through September 2017, and mandated major flood insurance reforms, including phasing out subsidies for many properties and raising the cap on annual premium increases.

The new coverage limits are available for new policies, policy renewals, or existing policies with change endorsements effective on or after June 1. The increase in the maximum amount of coverage available under the NFIP could affect the minimum amount of flood insurance required for both existing and future loans secured by buildings.

The release also states that "if, as a result of the increase in the maximum limit of building coverage for these buildings, a lender or its servicer determines on or after June 1, 2014, that the building securing the designated loan is now covered by flood insurance in an amount less than required by federal flood insurance regulation, it should take steps to ensure that the borrower obtains sufficient coverage, including force placing insurance pursuant to federal law."

If the borrower fails to obtain sufficient coverage within 45 days of notification, the lender or purchaser must purchase coverage on the borrower's behalf. The lender or its servicer may charge the borrower for the cost of premiums and fees incurred, including premiums and fees incurred for coverage beginning on the date on which flood insurance coverage did not provide a sufficient coverage amount.

The interagency statement on flood insurance coverage limits is available [here](#).

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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 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 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

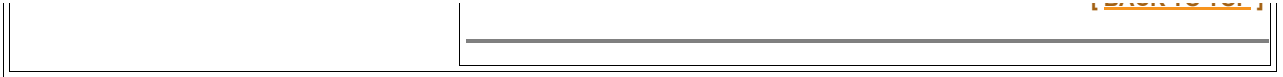
July 30 - August 1 -- [NYIB Conference](#)

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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