

Subject: The Daily Exchange -- June 17, 2014
Date: Tuesday, June 17, 2014 11:59 AM
From: New Jersey Credit Union League <news@njcul.org>
Reply-To: news@njcul.org
To: staff@njcul.org
Conversation: The Daily Exchange -- June 17, 2014

Unsubscribe

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



- June 1st, 2014
- Today's News:
- › Congressman Payne Addresses Northern Chapter Meeting
 - › Supreme Court Mandates New Look at Ruling that Allows MBS Lawsuits
 - › Convention Corner: Keynote Karen McCullough Empowers and Inspires All to Embrace Change
 - › Jason Segarra Memorial Softball Tournament on July 4th
 - › House Ways and Means' Paulsen Pens Concerns Regarding NCUA RBC Plan
 - › 2014 NorthLegal General Bankruptcy Conference August 11th-14th
 - › First African Development Education (DE) Training Takes Place
 - › CUNA Mutual Group's June 2014 Credit Union Trends Report Available
 - › NCUA Provides Insights on Supervision of 'Reputation Risk'

Congressman Payne Addresses Northern Chapter Meeting

NEWARK, N.J. – Congressman Donald Payne, Jr. (D-10), the newest member of the state’s congressional delegation, was the guest speaker at last evening’s Northern Chapter’s meeting.



Congressman Payne addressing the credit union group.

All NJCUL member credit unions were invited to attend.

Held at the Iberia Peninsula Restaurant in Newark’s “ironbound” section, the meeting afforded attendees the opportunity to mix and mingle with Congressman Payne, as well as fellow credit union professionals and volunteers.

Congressman Payne, who was elected to the seat his late father held for more than 20 years, took office in November 2012. One of his first official acts, literally within days of being sworn-in, was to add his name as an MBL reform co-sponsor.



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 Mahal in Atlantic City, N.J.



NJCUL President/CEO Greg Michlig with Congressman Payne.

His late father, a strong credit union supporter, was honored by the League in 2008 as its Credit Union Legislator of the Year.

During his address to the group, Payne acknowledged credit unions as a lifeline for consumers, especially those who may not be afforded the same opportunities with other financial institutions. He cited the importance of credit unions' small business lending efforts and focus on the communities they serve, pointing out that these efforts are particularly relevant to him as a member of the House Small Business Committee.

The congressman also related his role on the House Committee on Homeland Security to the data security issues credit unions are facing and distinguished cyber security as a priority.

Congressman Payne closed by noting the collegial atmosphere in the room as an indicator of the cooperative nature of the industry, stating he wanted the group to know that did not go unnoticed.

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

Supreme Court Mandates New Look at Ruling that Allows MBS Lawsuits

WASHINGTON – The Supreme Court yesterday instructed the U.S. Court of Appeals for the 10th Circuit to re-examine a ruling that allowed the NCUA to sue several banks for alleged deceptive practices when selling mortgage-backed securities (MBS). This stems from a Supreme Court decision last week that defined in the environmental context the difference between statutes of limitation and statutes of repose, and whether various forms of "pausing" the period of time set forth by statute apply to statutes of repose.

Upcoming Events:

June 20, 2014
2014 Compliance Conference; Plan Your Next Move!

Location: Holiday Inn of East Windsor
8:30 pm to 4:00 pm
[More Information Click Here](#)

June 24, 2014
NJ READ Meeting

Location: NJCUL
10:00 am to 12:00 pm
[More Information Click Here](#)

June 24, 2014
Webinar: Regulation E & Debit Card Error

Resolution: Processing, Disclosure & Investigation
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

Connect with Us:



The NCUA has brought suit against certain banks while serving as the liquidating agent of several failed corporate credit unions, alleging that deceptive information was used to form, market, and sell the mortgage-backed securities.

Banks have claimed the NCUA missed the three-year window to file suit, a claim that was overturned by the Denver-based 10th Circuit Court of Appeals. The court cited a past provision that extends the deadline for a government regulatory agency to sue on behalf of a failed financial institution.

Now the 10th Circuit Court of Appeals must examine whether or not the recent Supreme Court decision warrants a change in its own ruling, specifically whether the Supreme Court's definition is enough to overturn the 10th Circuit's previous decision.

The directive from the Supreme Court to the 10th Circuit does not necessarily indicate a need for the 10th Circuit to change its opinion, but rather instructs the court to look at the decision in light of the new law established in the environmental case.

Regardless of what the 10th Circuit Court of Appeals decides, the losing party will have the opportunity to appeal to the Supreme Court, which can then decide whether or not to take the case.

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

Convention Corner: Keynote Speaker Karen McCullough Empowers and Inspires All to Embrace Change

ATLANTIC CITY, N.J. – One of the biggest challenges facing credit unions today is dealing with the fast pace of change. In her keynote address “Change is Good”, Karen McCullough will empower you with three critical steps that will help you make positive changes in your business and your life. McCullough will debunk several myths about how to motivate change and share the missing link to changing behaviors. You will receive the framework to successfully change yourself, your team, and your organization.



Whether your natural instinct is to embrace change or to run from it, this keynote is for you! You will leave with tools that will help you develop a “change mindset” to access new hope, new skills, and a new way of thinking. It's time to get excited about

change and see the opportunities change presents!

As we celebrate our 80th anniversary, we'll look back on the changes we've made over the last eight decades and the changes needed to move forward!

Join us at our 80th Annual Meeting & Convention September 21, 2014



concluded at our 2014 Annual Meeting & Convention September 21, 2014 through September 23, 2014 at the Trump Taj Mahal in Atlantic City, NJ.

More information and registration is available on our Convention Web site www.njcuconvention.com.

[[BACK TO TOP](#)]

Jason Segarra Memorial Softball Tournament on July 4th

The Jason Segarra Memorial Softball Tournament is held every July 4th in remembrance of Jason Segarra. Family, friends, and total strangers come out to play softball and celebrate Jason. All are welcome to attend.

All funds are used to give a yearly scholarship at Hightstown High School Senior Awards Night. The award has been given each year since 2000, and has ranged from \$1,000 to \$2,500. The scholarship winner must be a member of the Red Cross Club, a registered organ donor with the New Jersey Sharing Network, and must have worked to increase organ donation awareness among his/her classmates.



Go to www.InMemoryofJason.org for more information or visit the Facebook page at www.facebook.com/JasonSegarraMemorialSoftballTournament.

[[BACK TO TOP](#)]

House Ways and Means' Paulsen Pens Concerns Regarding NCUA RBC Plan

WASHINGTON – Rep. Erick Paulsen (R-Minn.), a member of the powerful House Ways and Means Committee, warns that credit unions in his state would be adversely impacted by the NCUA's risk-based capital proposal (RBC) and he urged the agency to make revisions before issuing a final rule.

Paulsen said that 84% of Minnesota credit unions that would be affected by the NCUA proposal would see their cushions above the well-capitalized level shrink, and almost 9% would fall from well-capitalized to the lower adequately capitalized ranking.

The lawmaker from Minnesota went on to warn that many credit unions would have to raise capital in order to comply with the proposed rule and that the situation could be tough on consumers as well.

"Because of credit unions' limited avenues for raising capital, it is likely this proposal would force them to charge higher lending and financial services fees and reduce dividend payments to members," he wrote in a letter to the NCUA chair.

"Before proceeding with a final rule, I would encourage the NCUA to take into account the economic impact of this added burden on the state's credit unions," he said.

Reflecting the concerns of others on Capitol Hill, Paulsen also asked the federal credit union regulator to review the proposed risk-weight calibrations carried in the proposal and to explain why some are "considerably higher" than those applied to banks. He also urged the NCUA to adopt a longer implementation period than the 18 months currently proposed.

Paulsen's letter joins a long and growing list from federal lawmakers who are informing the NCUA of their concerns about the RBC plan, as written. The NCUA has already received a record number of comments on the proposal—in excess of 2,050. Those from Capitol Hill include one co-signed by 324 House members, and others by current and former U.S. senators.

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

2014 NorthLegal General Bankruptcy Conference August 11th-14th

NorthLegal's General Bankruptcy Conference, taking place August 11th-14th in Las Vegas, is designed to provide participants of all experience levels with specific, detailed, and understandable information and strategies they need to analyze bankruptcy filings, to comply with bankruptcy law requirements (so that their financial institution is not sanctioned or otherwise penalized), and to aggressively act to protect their financial institution's interests to the extent bankruptcy law allows.

At the conference, those new to bankruptcy and those with moderate experience will develop an understanding of basic and intermediate concepts to prepare them to have case handling authority at their financial institution. Those who are already experienced bankruptcy analysts will learn advanced skills and techniques that will allow them to obtain the maximum recovery for their financial institution.

Until May 30, 2014, the early registration fee is \$675.00. From May 31 until July 18, 2014, the registration fee will be \$750.00. Registrations received after July 18 will be accepted at the rate of \$825.00.

For more information and to register, [click here](#).

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 •

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

First African Development Education (DE) Training Takes Place

Graduates of NCUF's CU Philosophy Training Launch New International Program

MADISON, Wis. – The first Africa Credit Union Development Education (DE) program was held recently in Nairobi, Kenya. The Africa DE program was organized by the African Confederation of Cooperatives Savings and Credit Associations (ACCOSCA) in partnership with the National Credit Union Foundation (NCUF), along with the World Council of Credit Unions and National Cooperative Business Association (NCBA), with the aim of instilling the cooperative values among the leaders in the African credit union system.



Graduates of the first Africa DE Training with training staff in Nairobi, Kenya.

The Africa DE program was inspired and co-created by four African graduates of NCUF's DE Training in the last few years (otherwise known as CUDES). The program was primarily convened and led by George Ombado from the African Confederation of Cooperative Savings & Credit Associations (ACCOSCA) in Kenya with assistance from Victor Botha from the Sibanye Cape SACCO Ltd in South Africa, Sylvester Kadzola from the Malawi Union of Savings & Credit Cooperatives in Malawi, and Elkanah Odembo from the World Council of Credit Unions in Kenya.

This first Africa DE Program joins seven other international DE programs, which are based in Asia, Australia, the Caribbean, Europe, Great Britain, the Philippines and the United States. They too, were all started by graduates of the NCUF program.

In Africa, credit unions are known primarily as SACCOs (Savings And Credit Co-operatives) and the Africa DE Training was made up of 36 senior SACCO managers from 13 different countries. All graduates made it their personal responsibility to be DE ambassadors in their respective countries upon their return. One of the attendees commented that the "DE program is a program every [African] co-

operator must attend.”

“ACCOSCA recognizes that SACCO’s around Africa are at different level of development and as such, we will use this new DE Program to enhance SACCO’s growth with a common agenda and purpose to the co-operators attending,” said Ombado.

Ombado is already in planning for the next Africa DE Program to take place in South Africa early next year.

Registration is still open for the next 2014 DE training, which will be held September 10-17, 2014 at the Lowell Center in Madison, Wis. Registration and more information can be found [here](#).

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

CUNA Mutual Group's June 2014 Credit Union Trends Report Available

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

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

- CU system assets slipped in April, but at \$1.12 trillion are 4.4% above their April 2013 level.
- Almost all loan portfolio segments show growth.
- CU membership reached 99.6 million, up 2.8 million since April 2013.

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

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

NCUA Provides Insights on Supervision of 'Reputation Risk'

ALEXANDRIA, Va. – The NCUA, responding to a May 22 request from Rep. Jeb Hensarling (R-Texas), has written several insights into reputation risk and how it applies to the NCUA’s supervisory activities.

Hensarling, chair of the House Committee on Financial Services, wrote to federal regulators asking for the way reputation risk is used, what data it draws conclusions from and what the effects of a poor rating would mean for a financial institution. In addition to the NCUA, Hensarling wrote the Federal Reserve, Office of the Comptroller of the Currency, and FDIC.

NCUA Chair Debbie Matz acknowledged in her letter that "reputation risk may be difficult to quantify and measure especially in advance of an event," but said it is only one of seven key risks evaluated by the NCUA. Those include: credit risk, interest rate risk, liquidity risk, compliance risk, transaction risk, strategic risk and reputation risk.

Matz also emphasized that reputation risk is not a stand-alone indicator, but is part of a "broad range of other qualitative and quantitative indicators."

As part of the Federal Financial Institutions Examination Council (FFIEC), the NCUA uses the capital, asset quality, management, earnings and liquidity (CAMEL) rating to assess risk on a system-wide basis.

"NCUA does consider reputation risk along with six additional key risks in its supervision of federally insured credit unions and the assignment of CAMEL ratings. All seven risks are interrelated," the letter reads. "After evaluating those risks, an examiner determines the impact the combined risks can have on a credit union's financial and operation resilience in current and prospective terms."

The letter goes on to state that the NCUA does not pursue enforcement of other supervisory action based on reputation risk alone.

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

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

July 8 -- [VirtualCorps Webinar: Millennials Want Convenient Access to...Products and Services We Don't Have?](#)

July 15 -- [VirtualCorps Webinar: Negotiating Your Executive Compensation Package](#)

Industry Events

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](#)

