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**To:** staff@njcul.org  
**Conversation:** The Daily Exchange -- July 11, 2014

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- July 11th, 2014
- Today's News:
- › Nominations for the NJCUL Board of Directors Due Monday
  - › Activate Your Membership!
  - › Convention Corner: Keynote Speaker Karen McCullough Empowers and Inspires All to Embrace Change
  - › Free Home Equity Webinar Hosted by MemberClose and NJCUL on July 31
  - › CUs Dig Deep on RBC Plan at Chicago Listening Session
  - › Complimentary On-Demand Webinar Available: Strengthening Your OFAC Compliance Program
  - › 3Q 2014 Edition of Legilative Newsletter Sent to Lawmakers, Available for Download
  - › Ways and Means' Marchant, Senate Banking's Heller Voice RBC Plan

## Nominations for the NJCUL Board of Directors Due July 25

***Conflict of Interest Policy and Questionnaire Must Be Submitted by 5 PM this Monday, July 25th***

Pursuant to the Election Rules for the NJCUL Board of Directors, a call for nominations was issued on June 13th. All directors elected during this balloting will serve beginning January 2015. Information has been sent to each member credit union CEO, anyone interested should review this information carefully and submit your nomination by 5:00 p.m. on July 25th.

For this election cycle there are three seats up for election. Each of the three seats will carry a three-year term. There is one open seat in each of the three director categories, known as Tier A, B and C.

For 2014, the tiers are classified as follows:

- Tier A: Credit unions under \$47,561,022 million in assets
- Tier B: Credit unions over \$47,561,022 million in assets
- Tier C: At-large, credit unions of any size

In order to qualify to run for the position of Director a nominee must be a United States citizen and either the CEO or equivalent (the most senior executive officer of the credit union); or a member of the board of directors of a credit union in Good Standing in NJCUL. More qualification information is available in the nomination materials that were mailed to the credit union and that are online [here](#).

In order to participate, candidates must complete the following:

- Board of Directors Candidate Nomination form

› CUNA to Drive Home  
 Need for Reg Relief at  
 House Hearing  
 › TRUST to Host 6th  
 Installment of  
 Complimentary  
 'Fundamentals of Fixed  
 Income' Webinar Series  
 › 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

- Board of Directors Candidate Profile form
- NJCUL Code of Ethics Policy & Conflict of Interest questionnaire

Copies of these documents have been sent to each member credit union and can also be downloaded online [here](#). The Board of Directors Candidate nomination form, Board of Directors Candidate profile form and the Conflict of Interest Policy and Questionnaire must be filled out and submitted by 5:00 PM on **July 25<sup>th</sup>, 2014** using one of the following methods:

- By mail or other delivery method to the following address:

Tracy Sussmann, Chairman  
 New Jersey Credit Union League Election Committee  
 c/o MidState Federal Credit Union  
 237 Roosevelt Ave  
 Carteret, NJ 07008

- By e-mail to [tracystv@aol.com](mailto:tracystv@aol.com)
- By fax to 732-541-4449

The Election Committee of the New Jersey Credit Union League Board of Directors shall review and determine candidate eligibility according to the NJCUL Bylaws and Nomination/Election rules. Candidates submitting inaccurate or incomplete information and not meeting the requirements of these rules and the NJCUL Bylaws will be disqualified from running for a seat on the board.

[ [BACK TO TOP](#) ]

## Activate Your Membership!



As credit unions reach 100 million members nationally this summer, isn't it about time that you engage them in helping you spread the credit union story?

CUNA recently released a video showcasing the results of nearly a year of research from current credit union members. One in three Americans are utilizing credit unions to help them build their own American dream and because of their affinity to those credit unions,

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:

July 15, 2014  
VirtualCorps Webinar:  
Negotiating Your Executive  
Compensation Package  
3:00 pm to 4:00 pm  
[More Information Click Here](#)

July 26, 2014  
FREE NCUA OSCUI 2014  
Newark Boot Camp  
Location: Hilton, Newark,  
NJ  
7:45 am to 4:00 pm  
[More Information Click Here](#)

July 29, 2014  
Webinar: Steps to SAFE Act  
Registration, Renewal &  
Compliance for Mortgage  
Loan Originators  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

#### Contact Us:

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299 Ward Street  
Hightstown, NJ 08520  
Driving directions

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800.792.8861  
609.448.2426

**Fax**  
609.448.3499

they make amazing advocates on both the political and consumer fronts.

[Check out CUNA's video to see the full results of their study and how to activate your members.](#)

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

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

**Early Bird Pricing Available Until July 18th!**

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 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](http://www.njcuconvention.com). There is an early bird discount available to those who register as “registrant” or “guest” prior to July 18th. Just enter the promotional code “EARLYBIRD” when registering.

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



## Free Home Equity Webinar Hosted by

E-mail  
info@njcul.org

Connect with Us:



## MemberClose and NJCUL on July 31st

Loans are a hot topic throughout the credit union industry these days. Credit unions are often looking for opportunities to effectively grow their loan portfolios without spending a ton of money doing it.

Over 200 credit unions have chosen MemberClose, a for-credit unions-only business to help save on the time it takes and the money it cost to process all types of home equity loans.

Join us for a webinar on **July 31 at 10:00 am** where we will review the MemberClose program benefits (**including no sign-up or implementation fees or monthly minimums**) and how MemberClose can help your credit union save time and money.

The July 31 webinar will cover:

- An overview of MemberClose program benefits
- A review of MemberClose's single-point dashboard and a platform that enables credit unions to 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 More!

• ***The new Loan Guarantee Program (LGP) which allows credit unions to lend up to 100% Loan-to-Value with no additional risk.***

To join the webinar, please email your interest to [memberclose@cucenter.org](mailto:memberclose@cucenter.org). Instructions for joining the webinar will be emailed to you prior to the date of the webinar.

To learn more about MemberClose, visit [www.memberclose.com](http://www.memberclose.com) or contact NJCUL Business Consultant John Hendery at [jhendery@njcul.org](mailto:jhendery@njcul.org) or 800-692-8861 ext. 108.



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

## CU's Dig Deep on RBC Plan at Chicago Listening Session

CHICAGO – The room was packed and the concerns were earnest at

NCUA's Listening Session in Chicago yesterday. As expected, the primary topic of the day was NCUA's proposed risk-based capital (RBC) rule. NCUA board member Michael Fryzel helped open the meeting by reminding the more than 160 people in attendance that the current RBC rule is just a proposal, and that when it comes to changes, "everything is on the table."

"We want a rule that provides safety and soundness without unduly limiting credit union operations," he said.

NCUA Chair Debbie Matz said both the Office of the Inspector General and the Government Accountability Office (GAO) have pushed NCUA to get an RBC system in place. "We are going forward with risk-based capital, but we will address the issues that have been identified," she said.

After initial remarks by the regulators, credit union attendees—sitting at round tables—were asked to identify by group what their primary concerns are.

Several credit union representatives requested a re-issue and new comment period for the proposal, since a number of significant changes are likely. In response, Matz said that if after NCUA reviews the proposed rule, if the rule's intent changes significantly it will require a new comment period. She also said the 18-month implementation period for the new rule will likely be changed. A longer implementation period is one of CUNA's requests if NCUA moves forward with a final rule.

Another credit union remarked that there would be a greater benefit if examiners were better trained than imposing an "unnecessary" new RBC rule. NCUA responded by saying that a lot of resources go to examiner training, but the effectiveness is limited because of high turnover rates. The agency also invited credit unions' ideas on how to improve examiner training.

Several credit unions raised issues with the risk weights, particularly those that would be applied to member business loans, mortgages, and longer term investments. One expressed concern that his credit union's members might be misled into believing his credit union was more risky than a bank with the same balance sheet because the bank's risk-based capital ratio would be higher under Basel rules than under NCUA's proposal.

It was also a credit union concern that the RBC rule was trying to create a "no-risk-allowed system," which would devalue the credit union charter option.

A credit union with a significant business lending activity pointed out that applying higher risk weights to greater concentrations of MBLs ignored the wide diversity that can exist in a business loan portfolio. NCUA Director of Examination and Insurance Larry Fazio said there was no way to make the RBC rule as precise as some credit unions have requested. He added that there will be more risk weight analytics available for credit union review in the final version of the rule.

Fazio also told the credit union crowd that the more robust the RBC system is, the more comfortable examiners will be with net worth ratios not substantially above 7%.

Chairman Matz stated during the back-and-forth discussion that the agency has no intention to eliminate the separate 10.5% risk-based capital requirement for a credit union to be well capitalized. CUNA and other critics of the current RBC proposal have argued that the Federal Credit Union Act prohibits NCUA from setting a higher capital requirement for well-capitalized credit unions than for those that are deemed adequately capitalized.

Other topics addressed at the session included fines for late Call Report filers and interest rate risk. Matz said the number of late filers is going down, but NCUA has been too lenient in the past. She added that if there is a valid excuse for late filing, the credit union in question will not be penalized.

Matz also addressed the issue of interest rate risk. She said NCUA went through the first quarter call reports to identify credit unions with more than \$1 billion in assets, and while some had adequate interest rate risk, "there is still some work to do."

She followed that up by saying that NCUA is focused primarily on credit unions that are large enough to pose risks that are too high.

A third and final Listening Session will take place July 17 in Alexandria, Va. The event is currently full, but a waitlist is available on the NCUA website. The NJCUL will attend that session and is providing transportation for interested members.

CUNA's Risk-based Capital Action Center is available here.

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

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

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## Complimentary On-Demand Webinar Available: Strengthening Your OFAC Compliance Program

HIGHTSTOWN, N.J. – The Credit Union Webinar Network is offering a complimentary on-demand Webinar "[Strengthening Your OFAC Compliance Program](#)". This free Webinar is available until December 31, 2014.

An effective OFAC compliance program involves understanding your institution's risk and developing consistent, effective operating procedures – including ample staff training. This Webinar will provide an overview of strategies for implementing or improving an OFAC compliance program, which will vary based on the character of the institution, risk tolerance, and accountholder base. It will also cover reporting requirements, disclosure of OFAC violations, and the application procedure for the release of blocked funds.

The presenters are Rachel Nagle, a Senior Advisor for Compliance Programs at the U.S. Treasury's Office of Foreign Assets Control (OFAC), who interacts with industry peers to discuss sanctions



(OFAC), who interacts with industry peers to discuss sanctions compliance and implementation issues, educates public and private sector partners on OFAC sanctions programs, and leads high-level investigations of financial institutions that appear to have violated U.S. sanctions regulations, and Jamie Ros, a Compliance Officer in OFAC's Sanctions Compliance, and Evaluation Division, where she focuses on the office's initiative to conduct outreach to community banks, credit unions, and small- to medium-size businesses.

Click [here](#) to view the archived Webinar!

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

### 3Q 2014 Edition of Legislative Newsletter Sent to Lawmakers, Available for Download

The latest edition of NJCUL's quarterly legislative newsletter, *NJ Credit Union Digest*, has been sent to New Jersey lawmakers and is now available on our Web site for our member credit unions to view.



In this quarterly newsletter, we communicate not only the important issues facing credit unions, but all the good work our credit unions are doing for their members and the communities they serve. *NJ Credit Union Digest* is a printed newsletter provided solely to New Jersey legislators and government officials.

Each quarter we choose some of the top stories that have appeared in our other publications and gear them toward a legislative audience.

To access the 3rd Quarter 2014 issue of *NJ Credit Union Digest*, click [here](#) or visit [www.njcul.org/legislative-newsletter.aspx](http://www.njcul.org/legislative-newsletter.aspx).

This aspect of the NJCUL site is limited to members only and requires a login. To register for login information, visit: [www.njcul.org/Secure/Register.aspx](http://www.njcul.org/Secure/Register.aspx).

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

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## Ways and Means' Marchant, Senate Banking's Heller Voice RBC Plan Concerns

WASHINGTON – New voices from both the House Ways and Means Committee and the Senate Banking Committee have joined the chorus of concerns regarding NCUA's proposed risk-based capital (RBC) plan. Republicans Rep. Kenny Marchant (Texas) and Sen. Dean Heller (Nev.) sent letters to the agency yesterday.

Rep. Marchant asked the NCUA to:

- Identify the statutory authority upon which the agency is relying to impose a higher risk-based capital requirement on well-capitalized credit unions;
- Explain why NCUA is attempting to regulate concentration and interest-rate risk through the addition on new capital requirements as opposed to relying on NCUA examiners to monitor risks of individual credit unions;
- Identify the statute that gives NCUA any authority to impose individual capital requirements on credit unions; and
- Explain why 18 months, as proposed, is an adequate implementation time.

Senator Heller's letter warns in his letter that the risk weights in the proposed rule may be "unduly burdensome" and could "reduce the availability or affordability of loan products and restrict credit" available through credit unions.

Heller added that credit unions in his state have warned him that the RBC plan, as written, will force a change in how they operate and require more time spent on regulatory compliance at a cost to helping the state's "struggling economy."

Other members of the Senate Banking Committee who have weighed in with concerns include its chairman, Sen. Tim Johnson (D-S.D.); its ranking member, Sen. Mike Crapo (R-Idaho); and Sen. Heidi Heitkamp (D-N.D.). From House Ways and Means, Rep. Erick Paulsen (R-Minn.) also has warned that credit unions in his state would be adversely affected by the NCUA's RBC proposal.

CUNA's Risk-based Capital Action Center is available here.

Additional information on CUNA's and the NJCUL's legislative and regulatory advocacy efforts is available through CUNA's weekly [The President's 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](#) ]

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## CUNA to Drive Home Need for Reg Relief at House Hearing



WASHINGTON – CUNA has asked Ohio credit union CEO Doug Fecher to speak for the credit union movement on regulatory relief before Congress Tuesday.

Fecher, president/CEO of Wright-Patt CU in Beavercreek, Ohio will testify before the House Financial Services Committee's subcommittee on financial institutions and consumer credit at a hearing titled "Examining Regulatory Relief Proposal for Community Financial Institutions."

Fecher will address regulatory burden and its effect on credit unions. He will address topics such as the Federal Reserve's Regulation D, which places limits on pre-authorized withdrawals and transfers, risk-based capital, the Credit Union Residential Loan Parity Act, CFPB examination thresholds and more.

CUNA has testified more than a dozen times in the past three years on regulatory relief matters, and Fecher has testified on behalf of CUNA multiple times.

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

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## TRUST to Host 6th Installment of Complimentary 'Fundamentals of Fixed Income' Webinar Series

WASHINGTON – TRUST, the oldest and largest mutual fund family created for and by credit unions, will host the sixth Webinar in its *Fundamentals of Fixed Income* series on July 15th, 2014 at 1:00 p.m. Eastern. Special guest Jeff Greenert, Senior Portfolio Manager at VyStar Credit Union, will host the session entitled: *What if the Fed Acts Sooner? Portfolio Management & Volatility*.

Greenert will discuss key portfolio management issues, including the potential impact on credit union investment portfolios if volatility spikes again and whether credit unions are using a single volatility number or a market driven curve surface in their ongoing portfolio analysis.

This more advanced Webinar follows *Investing in Mortgage-Backed Securities*, which was discussed in part five of TRUST's educational series. Credit union professionals who attend will learn more about analyzing their investment portfolio and discuss what steps can be taken now to ensure that an institution's risk exposure is being accurately measured.

These complimentary, 30-minute educational sessions are a resource for industry professionals of all levels. "The goal with each of these sessions is to help provide credit unions with the information and tools they need to effectively manage their investment portfolios," said Jay Johnson, President of TRUST and EVP of Callahan & Associates. Interested credit unions can [register](#) for the July 15th session and view archived versions of the first five *Fundamentals of Fixed Income Sessions*, which covered topics like: *What is a Bond; The Importance of the Yield Curve; Investing in Callables and Mortgage-Backed Securities*, online at [www.trustcu.com](http://www.trustcu.com) or by sending an email to [info@trustcu.com](mailto:info@trustcu.com).

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

## 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**

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

July 26 -- [NCUA Office of Small Credit Union Initiatives' 2014 Newark Boot Camp](#)

August 5 -- [VirtualCorps Webinar: CDCUs: Doing Well by Doing Good: Opportunities for Growth and Relevance](#)

August 12 -- [VirtualCorps Webinar: How Can Foreign Exchange \(FX\) be Used to Improve Your Member Service](#)

August 13 -- [NJ DNA Dinner Meeting](#)

### **Industry Events**

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](#)

July 31 -- [Free Home Equity Webinar Hosted by MemberClose and NJCUL](#)

September 6 -- [Miracle Marathon Pep Rally](#) (rain date Sept. 13)

September 9 -- [NJ/NY Sister Society Meeting of the GWLN](#)

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](#)

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

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