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July 24th, 2014

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### 85% of Members Feel 100% Safe with a CU: Filene

MADISON, Wis. – Because they hold credit unions in such high regard, credit union members are more likely than bank customers to keep a greater portion of their holdings with their financial institution—an encouraging development as credit unions continue to seek ways to expand member outreach, according to a new Filene Research Institute white paper.

"The Consumer Experience: Financial Institution Preference and Usage Factors," which analyzed McKinsey and Co. survey data from 2013, found that 85% feel their assets are completely safe at their credit union, while only 68% of bank customers feel the same about their institution.

"Credit unions can't prevent every member from shifting their funds or closing their account, but the current outlook for growth is extremely promising," the report noted. "Research is showing how effective credit unions are at creating trust with their members.

"As long as this trust is sustained, there is no reason to think credit unions can't grab more market share," the report continued. "We have learned that consumers choose financial institutions based on income, age and attitudes toward service offerings. These preferences are always subject to change. The onus will be on credit union leaders to ensure they don't."

"Lessons learned" in the report included:

- Credit union members keep a greater portion of their holdings with their primary financial institution than bank customers;
- Wealthy consumers with more than \$150,000 in annual income tend to keep a smaller proportion of their personal assets at their primary financial institution:



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

Upcoming Events:

July 26, 2014

- Consumers with less than \$20,000 in household income keep 80% to 100% of their total assets with their primary financial institution;
- Consumers who use a credit union as their primary financial institution are much more likely than bank customers to agree strongly with positive statements about their primary financial institution;
- Forty-eight percent of credit union members feel their credit union rewards them for remaining loyal to their brand, compared with 34% of bank customers;
- Between 75% and 90% of consumers use websites to check balances;
- Those who use a credit union as their primary financial institution consistently report the highest level of satisfaction with various attributes of their primary financial institution;
- Only 14% of respondents with incomes of less than \$20,000 switched financial institutions for better products, rates, fees or returns; and
- Forty percent of respondents with more than \$150,000 in annual income switched to find better products, rates, fees or returns.

File members can download the complete white paper [here](#).

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## Convention Corner: Creative You Presentations are a Must-See!

ATLANTIC CITY, N.J. – With three final teams left, the Creative You program is definitely heating up! Team Aspire, Team XCEL, and Greater Team Alliance have been working all spring and summer, since their initial presentations at CU Reality Check, along with their File members to prepare for the big day: Monday afternoon at this year’s Convention!



*Team Aspire*

**NCUA OSCUI's 2014 Newark Boot Camp**  
**Location: Newark, NJ**  
**7:45 am to 4:00 pm**  
[More Information Click Here](#)

**July 29, 2014**  
**NJCUL Webinar: Making Strategy Practical: Discover Your Skills**  
**1:00 pm to 3:30 pm**  
[More Information Click Here](#)

**August 5, 2014**  
**CFO Roundtable: GAAP Reporting: recent and Upcoming Changes**  
**Location: NJCUL and via Video Conference**  
**10:00 am to 12:30 pm**  
[More Information Click Here](#)

### Contact Us:

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### Connect with Us:



During the Creative You General Session at Convention, these teams will take to the stage with their final presentations on their innovative and creative ideas to help the credit union movement. Be there to watch the teams as they demonstrate their ideas and impress the panel of judges and the audience alike!

The audience will also act as judges! Get ready to vote for your favorite idea.



*Greater Team Alliance*

Don't miss out! Be there to watch your credit union peers shine and get great ideas and motivation for innovation at your credit union.

And don't forget...there's always next year! As soon as this year's winning team/idea is selected, we'll be gearing up for next year's competition. Have an innovative idea? Of course you do! Get a team together and get ready to sign-up for the 2015 Creative You program.



*Team XCEL*

Join us and the Creative You program 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).

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**Metz Plans New regulatory Relief Actions**

## Matz Plans New regulatory Relief Actions

### ***NCUA Chairman Details Plans to Eliminate Fixed-Asset Cap and Modernize Member Business Lending, Advertising and Other Rules***

LAS VEGAS – Credit unions will have greater flexibility and be able to offer better services to members under a series of planned regulatory relief changes, NCUA Board Chairman Debbie Matz said this week.

“NCUA’s annual regulatory review, coupled with my Regulatory Modernization Initiative and the questions and concerns we heard at the recent Listening Sessions, will continue to result in actions that cut red tape, provide new flexibility and make it easier for credit unions to serve their members,” Matz said.

Matz spoke to 1,200 attendees at the National Association of Federal Credit Unions’ annual conference this week and described planned and proposed regulatory improvements as part of the Regulatory Modernization Initiative.

Matz described three relief proposals planned for upcoming open meetings of the NCUA Board: eliminating the fixed-assets cap, modernizing member business lending and updating appraisal provisions. Matz said the NCUA Board plans at its July open meeting to propose a rule effectively eliminating the 5-percent cap on fixed assets. The proposal would streamline the process for federal credit unions to occupy land or buildings. Matz then said that, later this year, the NCUA Board will look to give greater flexibility to credit unions offering member business loans.

Matz also highlighted three relief proposals that were put out for comment in the second quarter: facilitating associational fields of membership, expanding investment authorities and removing redundancy in appraisals.

“We issued a [proposed rule](#) in April that would empower federal credit unions to automatically add seven categories of associations,” Matz said. “Now we’re looking through the comment letters to consider other association categories that may qualify for automatic approval.”

After finalizing a [rule](#) in January to authorize derivatives, the NCUA Board in June followed up with a [proposed rule](#) to authorize qualified federal credit unions to securitize their own assets for sale as investments. The proposal is open for comments through August 25.

Matz also reiterated facts about the agency’s proposed rule on risk-based capital and noted that NCUA is now turning the comments and ideas received into action, including revising the risk weights in the [proposed rule](#) for investments, mortgages, member business loans, credit union service organizations and corporates.

Additionally, Matz repeated her warnings about cyber-attacks and interest rate risk. The full text of the Chairman’s speech is available [here](#).

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## Catch North Jersey FCU President/CEO

## Lourdes Cortez on 'One-on-One with Steve Aduato' Next Week

HIGHTSTOWN, N.J. – North Jersey FCU President/CEO Lourdes Cortez sat down recently with Steve Aduato for a segment of his popular New Jersey public television show 'One-on-One with Steve Aduato'.

Catch the segment on Thursday, July 31st at the times and channels listed below:

5:30 p.m. – WHYY  
7:00 p.m. – NJTV  
12:30 a.m. – WNET

Look for similarly sponsored segments throughout 2014, brought to you by the Banking You Can Trust campaign.



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## CFPB to Accept Prepaid Card, Nonbank Product Complaints

WASHINGTON – The CFPB will now accept consumer complaints involving reloadable cards and nonbank services, it announced Monday. This includes gift cards, benefit cards, and general purpose reloadable cards, along with debt settlement services, credit repair services, pawn and title loans, and other nonbank products.

"By accepting consumer complaints about prepaid products and certain other services we will be giving people a greater voice in these markets and a place to turn to when they encounter problems," CFPB Director Richard Cordray said.

According to the CFPB, prepaid cards can have fewer consumer protections than debit or credit cards. In the coming months the bureau plans to issue a proposed rule aimed at increasing federal consumer protections for general purpose reloadable prepaid cards.

The CFPB also handles complaints about mortgages, bank accounts and services, private student loans, auto and other consumer loans, credit reporting, debt collection, payday loans, and money transfers.

The CFPB's media advisory is available [here](#).

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## Tuesday's Webinar with Dr. Michael Hudson will Help You Make Strategy Practical

Strategic planning often feels like a daunting process. From managing the logistics of locations, meals, and room setup to coordinating the schedules of the Board and leadership team, it often feels like a lot of effort that distracts from doing the business of the credit union.



But strategic planning sessions are important and necessary. They push the team to think beyond the day-to-day and map out a vision for the long-term. They facilitate the discussion of possibilities and challenges. They ensure

that everyone is on the same page and committed to making decisions and taking action in pursuit of a shared vision.

During NJCUL's July 29th Webinar "Making Strategy Practical: Discover Your Skills" lead by Dr. Michael Hudson, you'll gain practical insights into how you can make the strategic planning process for your credit union run more effective. Using a simple framework for the planning process you'll be able to develop an action plan to make your next planning session a less stressful and more productive endeavor.

Presidents, CEOs, Managers, and Board Members...join us and Dr. Michael Hudson on Tuesday, July 29th from 1:30 p.m. to 3:00 p.m. The cost to attend is just \$49 for CUs above \$50 million in assets and \$29 for CUs under \$50 million in assets. **There Is No charge for 2014 Small Credit Union Conference Attendees.**

To register and pay by check, send an email to Mary Zelinsky at [mzelinsky@njcul.org](mailto:mzelinsky@njcul.org) and your credit union will be invoiced. Please note "SMCU Attendees" if you qualify for no charge. To register and pay online, 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.*



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**Financial Literacy Report Highlights CFPB**

## Strategies

WASHINGTON – Financial literacy has been a core mission of the CFPB, and the bureau outlined several of its strategies to further this mission in its second annual financial literacy report to Congress.

According to a study conducted by the National Center for Education Statistics, called the Program for International Student Assessment, American 15-year-olds are in the middle of the pack when it comes to financial literacy. Students scored worse than seven countries, better than three countries, and "not measurably different" from the other seven countries measures.

The report notes that credit unions have participated in financial literacy by helping combat elder financial exploitation. The National Association of Community Development Credit Unions presented a webinar on elder financial abuse, which featured speakers from the Office of Financial Protection for Older Americans, New York County District Attorney's Office, and a former director of the Kansas Department of Social and Rehabilitation Services.

The report also discusses how the CFPB has expanded financial literacy programs to schools, libraries, the workplace, social service organizations and the military.

The CFPB Financial Literacy Annual Report is available [here](#).

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

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. There are two more "Introduction to ComplySight" Webinars set for July 29th. Click on the link for a date and time below to register to find out how ComplySight can you manage your CU's compliance.

### [Introduction to ComplySight](#)

July 29th                      9:30 – 10:00 am (EST)

### [Introduction to ComplySight](#)

July 29th                      3:30 – 4:00 pm (EST)



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

July 29 -- [NJCUL Webinar: Making Strategy Practical: Discover Your Skills](#)

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

August 5 -- [CFO Roundtable: GAAP Reporting: Recent and Upcoming Changes](#)

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

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

August 6-8 -- [Mid-Atlantic Corporate's Fourth Annual IT and Security Conference](#)

August 20 -- [4th Annual Miracle Night with the Somerset Patriots](#)

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

September 9 -- [Southern Chapter Meeting: Risk Management](#)

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](#)

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