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Reply-To: news@njcul.org
To: staff@njcul.org
Conversation: The Daily Exchange -- July 25, 2014

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Sens. Shelby, Begich: RBC Proposal is Solution in Search of Problem

ALEXANDRIA, Va. – Calling NCUA's risk-based capital (RBC) proposal a solution in search of a problem, Sens. Richard Shelby (R-Ala.) and Mark Begich (D-Alaska) weighed in with letters to the agency.

Shelby, the past chair of the Senate Banking Committee, said the proposal would require Alabama credit unions to raise capital levels by approximately \$129 million to remain well-capitalized, "with potentially no beneficial upside."

He also raised concerns that the proposal may exceed the authority granted by Congress in the Federal Credit Union Act, because the act only gives authority to the NCUA to establish a risk-based standard to weigh risk in circumstances where the net worth ratio does not provide adequate protection.

"The proposed rule, however, would impose a risk-based standard to be deemed well-capitalized, which is arguably beyond the scope of the Federal Credit Union Act," Shelby wrote.

Both senators noted that credit unions, along with the National Credit Union Share Insurance Fund, performed properly during the financial crisis. In his letter, Sen. Begich said credit unions "demonstrated remarkable strength and durability" during the financial crisis, and he praised credit unions for avoiding "the same risky practices as large banks," which allowed them to avoid the need for taxpayer assistance.

"Particularly in markets underserved by traditional financial institutions, as in Alaska, credit unions stepped in and filled the void that was left as credit from other institutions dried up," he wrote. "And they did so effectively and responsibly under current and existing regulations."

- › Join PCUA for its Big Ideas Conference and Judge/Bradley Leadership School
- › 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.

The letter goes on to request that the NCUA take into account the "overwhelming feedback" on its risk-based capital proposal as to not unfairly burden credit unions.

Begich, who was first elected in 2008, has been a vocal proponent for credit unions advocating for credit unions to keep their tax status and vowing to "twist arms" of other members of Congress to raise the member business loan cap.

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Convention Corner: Time is Running Out to Secure Reduced Hotel Room Rates!

ATLANTIC CITY, N.J. – Credit unions have until August 15 to secure reduced room rates for their hotel stay for NJCUL's 80th Annual Meeting and Convention this September.



Click [here](#) to reserve rooms online or call the Taj Mahal Hotel Reservations directly at 800-825-8888. Please reference the New Jersey Credit Union League Conference in order to be guaranteed the discounted room rate of \$75 per night in the Taj Tower and \$89 per night in the Chairman's Tower, plus applicable fees and state and local taxes.

Reservations must be received by August 15, 2014 in order to be eligible for the group reduced room rate! Any reservations made after the August 15, 2014 date are on a space availability basis at the current rack rate.

Visit our NEW Convention Web site at www.njcuconvention.com for details on this exciting event!

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CFPB Exam Threshold Should be Raised, Dodd-Frank Co-Author Says

WASHINGTON – Former Democratic Rep. Barney Frank said he supports raising the threshold for examination by the Consumer Financial Protection Bureau (CFPB) to financial institutions above the current \$10 billion-in-assets cutoff.

Frank, a former House Financial Services Committee chairman and co-drafter of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, said this while testifying Wednesday before that panel at a hearing examining the four years since the passage of the Dodd-Frank Act.

CUNA advocated the same position before the committee in a regulatory relief hearing last week. The higher exemption would be important to credit unions and community banks. For those with

Upcoming Events:

July 31, 2014

**Free Home Equity Webinar
Hosted by MemberClose
and NJCUL**

10:00 am to 11:00 am

[More Information Click Here](#)

August 5, 2014

**CFO Roundtable: GAAP
Reporting: Recent and
Upcoming Changes
Location: NJCUL and via
Video Conference**

3:00 pm to 4:30 pm

[More Information Click Here](#)

August 5, 2014

**VirtualCorps Webinar:
CDCUs: Doing Well by
Doing Good: Opportunities
for Growth and Relevance
3:00 pm to 4:00 pm**

[More Information Click Here](#)

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assets below the threshold, examination for compliance with consumer financial protection laws would remain with their prudential regulator, rather than with the CFPB.

The former congressman from Massachusetts did not propose any specific asset level for a higher exemption, stating that any number is "arbitrary."

The role of credit unions and other community financial institutions came up several times over the course of the hearing. Rep. Gregory Meeks (D-N.Y.) said the act has given credit unions and community banks a "foundation to build upon," and that these institutions are starting to lend more, but more carefully since the act was passed. Rep. Sean Duffy (R-Wis.) offered that instead of ending "too big to fail," the act has helped larger institutions and hurt credit unions and other small institutions because families and businesses are finding it harder to access credit under the weight of excessive regulations. Rep. Dennis Ross (R-Fla.) noted credit unions in his district have had a more difficult time doing residential mortgages with new regulations and Rep. Randy Hultgren (R-Ill.) said credit unions are among the industries he counts as being disproportionately affected by Dodd-Frank, but that the parts relating to them can be fixed.

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Join the 'New Jersey Credit Unions' Team for CMN's Miracle Marathon!

***NJCUL to Hold Pep Rally September 6 to
Gear Up for the Marathon!***

HIGHTSTOWN, N.J. – The New Jersey credit union community is a strong supporter of the Children's Miracle Network. This year, the New Jersey Credit Union League is asking for all New Jersey credit unions to work together and join one unified team to help support Children's Miracle Network and our local hospitals—Children's Specialized Hospital and Children's Hospital of Philadelphia—through CMN's Miracle Marathon.



The unique marathon will take place throughout part of September and October. Since a traditional marathon is 26.2 miles, Miracle Marathon adds a special touch by adding one additional mile "for the kids." Over the course of 27 days, we are going to complete one mile per day by walking, running, dancing, skipping or just moving our way to that goal. It's a month-long marathon—plus an extra mile—for the kids!

We sincerely hope all New Jersey credit unions have at least one team member participating in this wonderful event that will directly benefit Children's Miracle Network Hospitals. To sign-up to join the New Jersey Credit Unions team, click [here](#).

Connect with Us:



Any donations made are tax-deductible, and 100 percent of proceeds go to help sick or injured kids. With that as the message it shouldn't be hard to get friends and family to support you!

If you have questions about participating, please contact us at news@njcul.org or 609-448-2426 ext. 110.

To gear us up to start our Miracle Marathon, NJCUL will hold a pep rally on September 6, 2014 (Rain Date: September 13) from 11:00 a.m. to 2 p.m. at Etra Lake Park (Disbrow Hill Road, East Windsor, NJ). Please RSVP to Yvette Segarra at ysegarra@njcul.org or 609-448-2426 ext. 103. The pep rally will be fun for the entire family and get us all motivated to start our forward movement for the kids on September 16!

The New Jersey Credit Union League looks to the New Jersey Credit Union Community to join together to support each other in this great cause!

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In Memoriam: Former New Jersey Law and Public Safety CU Leader Albert Lukowicz Passes

MILLSTONE, N.J. - Longtime state employee and New Jersey Law and Public Safety Credit Union charter member, treasurer, and president Albert C. Lukowicz, 85, passed away earlier this week. Mr. Lukowicz died Monday, July 21, 2014, in Robert Wood Johnson University Hospital in New Brunswick per his son, Alan Lukowicz, managing editor of *The Times of Trenton*.

A 1946 graduate of Trenton Central High School, Mr. Lukowicz began working for the State of New Jersey that year, first as a clerk in the Department of Health, and then as a budget examiner for the state Department of Treasury.

While working during the day, he attended Rider College at night, and graduated with an associate's degree in accounting in 1953.

Mr. Lukowicz soon joined the state Department of Motor Vehicles in the accounting and budgeting departments; he retired in 1988 as an assistant director of administration.

Mr. Lukowicz was a sergeant in the National Guard during the Korean War. He was a 4th Degree member and past grand knight of the Knights of Columbus.

He also served as a trustee for Our Lady of Mercy Church in Englishtown.

Additional information is available in our obituary in *The Times of Trenton*.

Additionally, he was involved in government in Millstone Township, where he moved in the 1960s, serving as township treasurer, custodian of school monies for the board of education, and recycling coordinator. Mr. Lukowicz also served on the township's Veterans Council.

A viewing was held Thursday at the Higgins Memorial Home in Freehold, N.J. A Mass of Christian Burial will be held at 10 a.m. Friday at Our Lady of Mercy Church, 58 Main St., Englishtown, N.J.

Donations in his memory may be made to the ARC of Monmouth, Development Department, 1158 Wayside Road, Tinton Falls, N.J. 07712.

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Don't Miss Tuesday's Webinar with Dr. Michael Hudson 'Making Strategy Practical: Discover Your Skills'

Only \$49 for CUs \$50M and Above, \$29 for CUs Below \$50M, and FREE for Small CU Conference Attendees

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 and your credit union will be invoiced. Please note "SMCU Attendees" if you qualify for no charge. To register and

Note: Online 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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NCUA Releases Videos on Preventing Employee Dishonesty and Fraud

Learn How to Detect and Deter Potential Insider Fraud at Your Credit Union

ALEXANDRIA, Va. – To help credit union managers and volunteers to detect and deter fraud, the NCUA released the first three episodes of a new seven-part online series on fraud prevention. The first three videos are posted on NCUA's YouTube channel and can be viewed [here](#).

"The potential for employee fraud should always be a concern for credit union officials and volunteers," NCUA Board Chairman Debbie Matz said. "Unfortunately, employee fraud led to \$311.4 million in losses for the Share Insurance Fund between 2010 and 2013 at liquidated credit unions. To protect the Share Insurance Fund from future losses, NCUA has developed this new video series to educate credit union managers and volunteers about detecting and reducing the potential for fraud and dishonesty among employees. I encourage all credit unions to utilize this new resource."

In the video series, staff from the Office of Small Credit Union Initiatives, in partnership with CUNA Mutual Group, discusses how credit unions can bolster their internal controls to deter insider fraud and employee dishonesty. Credit union managers and volunteers will also learn how to identify potential clues that are warning signs for fraud.

The first three episodes of the [Deterring, Preventing and Detecting Employee Dishonesty](#) series provide an overview of the series and outline the importance of maintaining a policy on employee fraud and conducting surprise cash counts. In the coming weeks, NCUA will release the remaining four episodes addressing separation of duties, employee and family member accounts, file maintenance transactions and vault cash.

NCUA's Office of Small Credit Union Initiatives fosters credit union development and the effective delivery of financial services for small credit unions, new credit unions, minority depository institutions and credit unions with a low-income designation. To learn more about the office's activities, click [here](#).

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Latest Edition of the NJ DNA Newsletter Now Available

The July 2014 issue of the NJ DNA *Network Connect* newsletter is now available and can be downloaded [here](#).

This aspect of the NJCUL site is limited to directors and volunteers only and is password protected. If you are a director or volunteer and would like access to the newsletter—as well as other resources for directors and volunteers—visit www.njcul.org/Secure/Register.aspx to request a log-in.



Next NJ DNA Meeting

Mark your calendars for the next NJ DNA meeting to be held on August 13 at Pinnacle FCU in Edison, N.J. To register, send an email to Mary Zelinsky at mzelinsky@njcul.org.

Required Financial Literacy Training for Volunteers

NJCUL is holding a “Required Financial Literacy Training for Volunteers” session Sunday afternoon during its 80th Annual Meeting and Convention taking place September 21-23.

This session will assist you in complying with NCUA’s ongoing financial literacy requirement for credit union directors. There is a non-refundable pre-registration fee of \$15 for this session and pre-registration is required for all individuals attending this session.

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



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Join PCUA for its Big Ideas Conference and Judge/Bradley Leadership School

The Pennsylvania Credit Union Association invites you to two great events: the Big Ideas Conference August 19-20, and the Judge/Bradley Leadership School August 10-14.

The Big Ideas Conference, being held in Bedford, PA, is a forum for progressive, forward-thinking CEOs and executive management. You’ll hear from leaders in the credit union movement – people who

have wrestled with the same issues you face.

Click [here](#) for more information, the agenda, and to register!

The Judge/Bradley Leadership School is a learning experience tailored for our future credit union leaders. The Judge/Bradley Leadership School, taking place in State College, PA, offers an excellent opportunity to develop the important management skills so critical to success. Students may choose from either Basic Management or Advanced Management tracks based on prior experience.

Click [here](#) for more information, the agenda, and to register!



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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

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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