

Subject: The Daily Exchange -- August 11, 2014
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To: staff@njcul.org
Conversation: The Daily Exchange -- August 11, 2014

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The Daily Exchange

August 11th, 2014

Today's News:

- › Christina Olender of Parlin Dupont EFCU Winner of Second Gift Card for Completing League Communication Survey
- › *DailyFinance* Recognizes 'Friendly Credit Unions' 100M Member Milestone
- › Don't Miss Wednesday's NJ DNA Meeting at Pinnacle FCU
- › NCUA: Number of Low-Income CUs Passes 2,100 Mark
- › RBC Concerns Now Voiced by 26% of Senate, 76% of House
- › Don't Miss Tomorrow's VirtualCorps Webinar on the Foreign Exchange Opportunity
- › Alloya Corporate FCU Enhances Credit Union Security with Trusteer Rapport
- › FTC Refunds \$800K to Consumers Ensnared by Mortgage Relief Scams

Christina Olender of Parlin Dupont EFCU Winner of Second Gift Card for Completing League Communication Survey

Survey has Raised \$815 for Children's Miracle Network!

HIGHTSTOWN, N.J. – Congratulations to Christina Olender of Parlin Dupont EFCU, the winner of the second \$150 gift card awarded just for completing the League's communications survey.

Olender asked that her \$150 be donated to Children's Miracle Network, who also benefits from completion of the survey. The League is donating \$5 to Children's Miracle Network for each completed survey. We're already up to \$815 raised for CMN! Keep those responses coming!

All respondents will be entered to win a \$150 gift card each week for six weeks. If you haven't taken the survey yet, click [here](#) to do so. Don't miss your chance to win \$150!

Your completed survey will help the League get you information and news relevant to your field without clogging your inbox.

If you have not completed the survey yet, the sooner you do the better! Each week a new winner will be announced and the earlier you complete the more chances you have to win!

To complete the survey, please click [here](#).



Mortgage Relief Scams
) Latest CUNA Regulatory
Advocacy Report Available
) Credit Unions, Mark Your
Calendars



We want our members to get the information they need without clogging their inbox. Take our brief [communication survey](#) so you can begin receiving content relevant to you and your function at your credit union.

All respondents will be entered to win a \$150 gift card each week for six weeks. For each survey completed, the League will also donate \$5 to Children's Miracle Network.

Upcoming Events:

August 12, 2014
VirtualCorps Webinar: How Can Foreign Exchange (FX) be Used to Improve Your Member Service?

WHICH COMMUNICATIONS ARE FOR YOU?

[[BACK TO TOP](#)]

DailyFinance Recognizes 'Friendly Credit Unions' 100M Member Milestone

There are now 100 million credit union members across the U.S., an article on [DailyFinance](#) last week announced. Combined, credit unions have \$1.1 trillion in assets. And credit unions are attracting millennials at a rapid pace, which is good news for the future, says the article.

Despite the milestone, the article points out, credit unions remain small when compared to commercial banks, which hold \$14.8 trillion in assets. Despite their rapid growth, credit unions still represent only 7.4% of banking assets.

On the heels of this milestone, *DailyFinance* outlines why credit unions are unique, where they're more/less competitive, and how consumers can join.

Firstly, credit unions don't answer to shareholders like banks do. "The members of the credit union are the owners. That makes a huge difference. It is simple math: the pie has to be shared with fewer people, so everyone gets a bigger slice."

Bill Hampel, president of CUNA, told *DailyFinance*, "The people who run credit unions have only one group to please: the customers who are also the owners. This is an incentive structure that induces people to offer good deals."

The article points out that credit unions are known for charging low interest rates on loans and waiving most bank account fees. "If you have credit card debt with a major bank, you should consider moving that debt to a credit union. The interest rates on personal loans and credit cards are much lower than traditional banks." Credit unions are also cited as having better savings rates than banks and (mostly) offering free checking accounts. They're also cited as good options for auto loans and private student loans.

The bottom line is, according to the article, the growth of CUs is not surprising. "They pay higher rates on deposits and charge lower interest rates on loans than banks. And, given their small size, they tend to treat you like a person."

Click [here](#) for the full article.

[[BACK TO TOP](#)]

Don't Miss Wednesday's NJ DNA Meeting at Pinnacle FCU

EDISON, N.J. – Directors and volunteers, join us for the next dinner

MEMBER SERVICES
3:00 pm to 4:00 pm
[More Information Click Here](#)

August 13, 2014
Webinar: Required
Compliance Series: Red
Flags for ID Theft, Bribery &
Privacy
3:00 pm to 4:30 pm
[More Information Click Here](#)

August 13, 2014
NJ DNA Meeting
Location: Pinnacle FCU
5:30 pm to 8:00 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

E-mail

info@njcul.org

Connect with Us:



EDISON, N.J. – Directors and volunteers, join us for the next dinner meeting of the NJ DNA group this Wednesday, August 13th at Pinnacle FCU in Edison, N.J.

Join the group for a tour of the credit union at 5:30 p.m. and the dinner/meeting at 6 p.m. The roundtable discussion will center on the topics of credit union and community involvement and involvement in the budget process.

As always, there is NO CHARGE to attend.

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

To register, send an email to Mary Zelinsky at mzelinsky@njcul.org.



[[BACK TO TOP](#)]

NCUA: Number of Low-Income CUs Passes 2,100 Mark

ALEXANDRIA, Va. – Two years after the NCUA announced its low-income credit union initiative, 2,107 federally insured credit unions now have the low-income designation, the agency said today.

Together, these credit unions have 23.6 million members and \$218 billion in assets. More than 70% of the low-income designated credit unions are also small credit unions, with assets of less than \$50 million.

“NCUA introduced the low-income credit union initiative two years ago as part of my Regulatory Modernization Initiative,” NCUA Chairman Debbie Matz said. “This was a significant easing of a regulatory burden for those credit unions that were eligible for the designation. These credit unions have expanded access to affordable financial services to low- and moderate-income members, developed financial literacy programs and increased their own service capacity through staff training.”

Low-income credit unions are often the only insured depository institutions serving low-income and underserved areas, Matz said. They provide affordable financial services and make investments to help stabilize communities and encourage growth. They promote financial security as a source of capital for small businesses and by providing loans that help members purchase homes, buy cars or send children to college.

Matz announced the initiative Aug. 7, 2012. The agency notified more than 1,000 federal credit unions of their eligibility and informed them of the streamlined application process, essentially pre-qualifying them for the low-income designation and asking if they would like to accept

the low-income designation and asking if they would like to accept.

To qualify as a low-income credit union, a majority of a federal credit union's membership must meet low-income thresholds based on 2010 Census data. The designation offers several benefits to credit unions, including:

- An exemption from the statutory 12.25 percent cap on member business lending, which expands access to capital for small businesses and helps credit unions diversify portfolios.
- Eligibility for Community Development Revolving Loan Fund grants and low-interest loans.
- Eligibility for nomination for free NCUA consulting.
- Ability to accept deposits from non-members.
- Authorization to obtain supplemental capital.

A fact sheet on the benefits of the low-income credit union designation is available online [here](#).

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

RBC Concerns Now Voiced by 26% of Senate, 76% of House

WASHINGTON – Two more U.S. senators have sent a letter of concern to NCUA regarding its risk-based capital (RBC) proposal bringing the total number of Senate lawmakers weighing-in to 26. That's 26% of the chamber's members. And on the House side, the number rose to 332.

Georgia Sens. Saxby Chambliss (R) and Johnny Isakson (R) sent a joint letter Thursday echoing many concerns raised by their colleagues about the limited ability of credit unions to raise capital quickly, as well as if such a proposal is permitted by the Federal Credit Union Act (FCUA).

"The FCUA established a floor for risk-based net worth to take into account situations where the 6% requirement to be adequately capitalized was not sufficient, but it does not allow for a dual risk-based system that your proposed rule would create," the letter reads.

The letter goes on to question whether or not NCUA has adequately explained the need for the proposed rule, citing the National Credit Union Share Insurance Fund's "exceptional performance" during the financial crisis.

And on the House side, Rep. Mark Meadows (R-N.C.) and Steve Stivers (R-Ohio) sent letters Thursday to the NCUA outlining issues with the proposal. For Meadows, Thursday's letter was a follow-up to the letter he signed in May that was also signed by 323 other representatives. Meadows, along with Rep. Kenny Marchant (R-Texas), signed that letter and submitted an individual one. A total of 332 representatives, 76% of the House have weighed-in with concerns about the proposal including six members of the New Jersey delegation.

The May letter asked the NCUA board to take into account

implementation costs and burdens, as well as for the agency to provide justification and more clarity as to why proposed risk weights differed from those applied to other community financial institutions.

In his recent letter, Meadows, a member of the House Committee on Oversight and Government Reform, as well as its subcommittee on economic growth, job creation, and regulatory affairs, thanked NCUA for pledging changes to the rule's implementation period and risk weights. He also encouraged the agency to put the rule up for comment again, after it has been revised to incorporate submitted comments.

"While the changes the NCUA have expressed are substantial, I still encourage the NCUA to put the revised rule out for comment again so that stakeholders can weigh in before the final rule is finalized," he wrote.

Audio recordings of NCUA's 2014 Listening Sessions at which its RBC proposal dominated the discussions are available [here](#).

RBC comments letters from New Jersey credit unions and the League are available [here](#).

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*.

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

Don't Miss Tomorrow's VirtualCorps Webinar on the Foreign Exchange Opportunity

VirtualCorps.com™

Have You Considered Buying Foreign Currency (FX) In Your Investment Portfolio?

Can incorporating foreign currency (FX) exposure management and settlement to your members and clients provide an opportunity to grow your business? If so, how can it provide not only risk mitigation, but also improved yield?

Highlights

- Should you decide to incorporate FX services into your product offering, what is better for your enterprise, hiring investment, FX and risk management staff or use trusted consultants?
- Settlement of foreign currency is key to providing a trusted FX service to your membership. How do you find quality

service to your membership. How do you find quality counterparties and/or business partners and how do you utilize them efficiently?

- What questions do you need to ask to assess your real potential for offering FX services?

Speakers: [Dean Pearsons](#)

Time: 3 p.m. to 4 p.m.

Cost:

Live Webinar Only: \$99

Recorded Version Only: \$99

Live Webinar & Recorded Version: \$125

Registration

To register and pay by check, email

Mary Zelinsky at mzelinsky@nicul.org and your credit union will be invoiced. 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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[\[BACK TO TOP \]](#)

Alloya Corporate FCU Enhances Credit Union Security with Trusteer Rapport

Alloya Corporate FCU is providing enhanced security protection for members by using IBM Security Trusteer Rapport (Rapport), a best-of-breed solution that can enhance a credit union's anti-virus software and firewall.

Alloya believes that this should be taken seriously; especially since the Federal Financial Institutions Examination Council (FFIEC) has recognized financial malware as being one of the greatest threats facing financial institutions. Financial malware is often unknowingly installed if a user inadvertently clicks on a fraudulent e-mail or visits an infected Web site.

"There are many financial institutions across the globe already using and benefiting from Rapport," said Alloya's Jacqueline Carlson, Vice President, Member Relations. "We are encouraging members to download Rapport to gain access to security controls that will protect their daily transactions."

How does Rapport protect credit unions? Rapport enhances online security by creating a channel for safe communications to sites credit unions use every day, including Premier View (Alloya's online account management system). Rapport works alongside the credit union's

management system. Rapport works alongside the credit union's anti-virus software to provide the ultimate protection from various security threats, which could result in online credentials being captured.

At **no cost** to Alloya's members, Rapport will help with the following:

- Protect Premier View login details.
- Shield account information from prying eyes.
- Deter malicious attempts against the credit union.
- Detect most types of malware that may be installed on computers.
- Protect the integrity of Premier View financial transactions.

If you would like more information regarding Alloya's new enhanced security software, please contact Sandy Albertson at (973) 252-1466 or sandra.albertson@alloyacorp.org.

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

FTC Refunds \$800K to Consumers Ensnared by Mortgage Relief Scams

WASHINGTON – More than 1,300 customers who fell prey to mortgage relief scams will be receiving checks totaling approximately \$800,000. The Federal Trade Commission (FTC) announced that refund checks will be sent, through an administrator, to 1,305 consumers affected by two related scams.

In one scheme, a company using the name Precision Law Center allegedly made false promises to consumers that if they sued their lenders along with other homeowners in so-called "mass joinder" lawsuits, they could obtain favorable mortgage concessions or stop the foreclosure process.

In the other, using names such as FreeFedLoanMod.org, HouseHoldRelief.org and MyHomeSupport.org, defendants charged consumers for "forensic loan audits," and allegedly misrepresented that they could use the results to force lenders to give them better mortgage terms.

According to the FTC, consumers should carefully evaluate offers of help in lowering their mortgage payments or saving their homes from foreclosure. It is illegal for anyone to collect money upfront for loan modification or foreclosure relief services.

Additional information from the FTC on mortgage relief scams is available [here](#).

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

Latest CUNA Regulatory Advocacy Report Available

This week's Regulatory Advocacy Report will bring you up to speed on the following issues CUNA is working for on your behalf:

- CUNA Urges CFPB to Minimize Any New Overdraft Requirement and Provide Reg Relief
- NCUA Fixed Assets Proposal Could Indirectly Apply to State Chartered Credit Unions; All Interested CUs Encouraged to Comment
- CUNA Seeks Comment on CFPB Home Mortgage Disclosure Act Proposal
- CUNA Seeks Feedback from Credit Unions on FinCEN Customer Due Diligence Proposed Rule
- GSEs Post Strong Quarterly Results
- FICO Credit Score Will No Longer Include Paid or Settled Debts

Read the full [Regulatory Advocacy Report](#).

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

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

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

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

September 9 -- [VirtualCorps Webinar: The Gen Y Loan \(Private Student Loans\)](#)

September 16 -- [VirtualCorps Webinar: Leveraging the CDFI Certification to Increase Community Impact and Relevance](#)

Industry Events

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

September 2 -- [11th Annual McGraw-Hill FCU Golf Classic](#)

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

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

September 10 -- [Miracle Jeans Day](#)

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 20 -- [Affinity Federal Credit Union Foundation's Run for Scholars Twilight 5K & Kids' Fun Run](#)

September 21-23 -- [NJCUL's 80th Annual Meeting & Convention at Trump Taj Mahal](#)

October 16 -- [International Credit Union Day](#)

October 16 -- [Shop for Miracles](#)

2015

April 13-15 -- CU Reality Check at the Golden Nugget Hotel & Casino in Atlantic City

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

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