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To: staff@njcul.org
Conversation: The Daily Exchange -- August 20, 2014

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August 20th, 2014

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Lt. Gov. Guadagno to Address NJCUL Convention Opening General Session

ATLANTIC CITY, N.J. – Lieutenant Governor Kim Guadagno will address the Opening General Session of the NJ Credit Union League's 2014 Convention and Annual Meeting next month in Atlantic City.



Kim Guadagno was elected New Jersey's first Lieutenant Governor in November 2009 and was sworn into office the following January together with Governor Chris Christie. In addition to serving as the Lt. Governor, Kim Guadagno serves as the 33rd Secretary of State.

Lt. Governor Guadagno is leading the Christie Administration's efforts to improve the state's economic vitality, encourage job growth, streamline government, and make businesses feel welcome again in New Jersey. She chairs the Red Tape Review Commission, which is engaged in an ongoing review and reform of the State's regulatory process.

Lt. Governor Guadagno also oversees the New Jersey Partnership for Action (PFA), the State's comprehensive economic development strategy. Designed to serve businesses of all sizes and development stages, the PFA provides access to a variety of resources to ensure business success. It is a three-pronged public-private approach to economic development and the starting point for all initiatives, policies, and efforts to grow the state's economy and create quality, sustainable jobs in our communities. The three elements of the PFA include the Business Action Center, which reports directly to her and provides the business community with a single point of contact; the

Chicago Listening Session Available Online
Unverified Complaint Narratives Could Work Against Consumers, Says FSR
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 20, 2014

Webinar: Director Series

provides the business community with a single point of contact, the New Jersey Economic Development Authority, serving as the state's "bank for business;" and Choose New Jersey, an independently funded and operated 501(c)(3) not-for-profit corporation created to encourage and nurture economic growth throughout New Jersey.

As the Secretary of State, Lt. Governor Guadagno is New Jersey's chief election official, oversees promotion of the state's \$38 billion tourism industry and administers programs related to the arts, culture and history.

For more information and to register for Convention, visit www.nicuconvention.com.

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NYIB Leaders Elected for 2014-2015



TAMPA, FL – The National Youth Involvement Board (NYIB) confirmed two new regional coordinators, re-elected one regional coordinator, and elected a new chairman during the cooperative network's August 1, 2014 annual meeting in Grand Rapids, MI.

Juli Lewis, youth marketing manager for Suncoast Credit Union (Tampa, FL), was elected as NYIB chairman for 2014-15. Lewis has been working for Suncoast Credit Union for 21 years and has been an active member of the National Youth Involvement Board since 2006.

NYIB regional coordinators elected to two-year terms are:

- South East – Kelli Holloway, member education specialist, State Employees' Credit Union (Raleigh, NC);
- South West – Amanda Merz, financial education coordinator, SAFE Credit Union (North Highlands, CA)

NYIB regional coordinator re-elected to a second two-year term is:

- South Central – Mandy Clayton, director of financial education, FivePoint Credit Union (Nederland, TX)

Continuing the second year of their existing terms are:

- North West – Shannon Cahoon, community outreach coordinator, Fibre Federal Credit Union (Longview, WA);
- North Central – Ashley Buchholz, marketing specialist, Wildfire Credit Union (Saginaw, MI);
- North East – Leah Esslinger-Sprowl, high school manager and

Webinar: Director Series:
Compliance Management &
Fair Lending Training for
the Board
3:00 pm to 4:30 pm
[More Information Click Here](#)

August 21, 2014
Webinar: Home
Equity/Second Lien Risk
Management
3:00 pm to 4:30 pm
[More Information Click Here](#)

August 26, 2014
Webinar: Frontline Series:
Business Accounts: Who is
Authorized to Open, Close,
Transact?
3:00 pm to 4:30 pm
[More Information Click Here](#)

Contact Us:

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Connect with Us:



youth educator, Holy Rosary Credit Union (Rochester, NH);
and

The executive committee elected Clayton as vice chairman, Cahoon as secretary, and Esslinger-Sprowl as treasurer.

The location of the 2015 NYIB conference will be determined by the outcome of votes placed by the NYIB network from August 4th – 8th.

Anyone interested in joining this valuable network or in attending the 2015 conference is encouraged to visit www.nyib.org and request to join the List Serve (under “resources” tab).

NYIB welcomes suggestions for speakers and topics on youth financial education, outreach, and relevant trends in personal finance, technology, marketing and services.

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Vacant & Abandoned Maintenance Bill Signed, Contains Several CU-Supported Revisions

TRENTON, N.J. – Governor Chris Christie has signed legislation that gives municipal officials the authority to issue citations and impose fines to ensure creditors maintain unoccupied residential properties on which a foreclosure action has been filed. The legislation was amended to address several concerns communicated by the NJCUL and contains language to strengthen the definition of “vacant and abandoned” to qualify for the state’s expedited foreclosure judgment process.

The law, which takes effect immediately, authorizes municipalities to adopt ordinances to regulate the care, maintenance, security, and upkeep of a vacant and abandoned property in foreclosure. It will allow municipal code enforcement officials to issue a citation against creditors who are in the process of foreclosing on residential property if the condition of the property is found to be in violation of the municipal ordinance. The creditor would be required to correct the violation within 30 days of receipt of the violation or within 10 days if the violation presents an imminent threat to public health and safety. It provides for the imposition of fines for each day the property is deemed to be in violation of the law.

The law will also allow governing bodies to hold accountable out-of-state creditors by requiring that they designate an in-state representative to handle the care and upkeep of properties in foreclosure for which they hold the deed. A creditor found to be in violation of the ordinance because the creditor did not appoint an in-state representative or agent would be subject to a \$2,500 fine for each day of the violation.

Among the changes the League successfully argued for was the improved definition of “vacant and abandoned” to qualify for the state’s expedited foreclosure judgment process, limiting the care and maintenance requirement to the exterior of the property, a reduction from \$2,500 to \$1,500 in the maximum daily fine for maintenance violations, and specific time periods (30-days for general

maintenance; 10-days if there is an imminent threat to health and safety) for compliance after official notice and before fines apply.

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27 Days Left to Sign-Up and Support the 27 Miles for the Kids!

There are just 27 days left until Miracle Marathon begins! That means 27 more days before we officially get started!

The ['New Jersey Credit Unions' Team](#) has been among the top 10 fundraisers for the Children's Miracle Network Miracle Marathon in recent weeks, but we can use more support! You can join our team or donate to our team members' fundraising. To sign-up to join the New Jersey Credit Unions team, click [here](#).

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!

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



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Court Reinstates Opinion Allowing NCUA MBS Cases to Proceed

WASHINGTON – In a decision immediately called "good news for credit unions" by NCUA Tuesday, a U.S. Court of Appeals reinstated its ruling that allowed the NCUA to sue several banks for alleged deceptive practices when selling mortgage-backed securities (MBS).

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 in the case that the NCUA missed a three-year window to file suit. The Denver-based 10th Circuit Court of Appeals, however, sided with the federal credit union regulator, citing a past provision that extends the deadline for a government regulatory agency to sue on behalf of a failed financial institution.

But on June 16, the U.S. Supreme Court vacated and remanded for further consideration that 10th Circuit ruling.

The directive from the Supreme Court to the circuit court did not necessarily indicate a need for the 10th Circuit to change its opinion.

Rather it instructed the lower court to look at its decision in light of a new Supreme Court ruling, established in an environmental case, which defined 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.

The Tuesday decision affects a total of six cases, allowing the NCUA to move forward. There are a total of 13 related cases that are pending. One case is awaiting an appeal at the Ninth Circuit Court of Appeals on this same issue. Most of the others are in the discovery phase.

The bank defendants in the 10th Circuit case now will have to evaluate their next move, which could involve further appellate review, settlement, or discovery and further litigation and ultimately trial in the district court.

The NCUA has settled similar suits with J.P. Morgan, Bank of America, Citigroup, Deutsche Bank Securities, and HSBC, resulting in more than \$1.75 billion in settlements lost by the corporate credit union investments. According to the NCUA, the recovered funds are being set against any future corporate stabilization assessments on credit unions.

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Next VirtualCorps Webinar will Discuss Attracting & Retaining Gen Yers with the Opportunity of Private Student Loans

VirtualCorps.com™

As credit unions continue to seek methods to attract and retain the "Gen Y" member, the Private Student Loan (PSL) is a great way to appeal to the youth, while growing your loan portfolio with tomorrow's fully engaged members and exceptional ROAA's in excess of 3%. Estimates for student loans in 2013 exceed \$35 billion. Also, these PSL's carry no risk as they are 100% insured!



The September 9th VirtualCorps session "The GEN Y LOAN (Private Student Loans)" is great for CEO's, CFO's, CLO's and marketing executives from credit unions, regardless of asset size.

TAKEAWAYS

- No origination, underwriting or servicing
- No integration with your core system required
- Implementation in as little as 3 weeks

- implementation in as little as 3 weeks
- You have the option to establish pricing and credit guidelines
- You decide on school selection
- Individual, consolidation and participations available
- Marketing support

Speaker: [Mike Dorsett](#)

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 zelinsky@njcul.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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'Caucus New Jersey' Video Segment with Jersey Shore FCU's Marie Gamble Now Available

HIGHTSTOWN, N.J. – Jersey Shore FCU Business Development Specialist Marie Gamble recently appeared on 'Caucus New Jersey' with Steve Aduabato.



Gamble spoke on the public television show about good credit vs. bad

segments explore on the public television show about good credit for bad credit, how to build credit, credit builder loans available through credit unions, credit card scams, and more.

The segment is now available to viewing on the League's [YouTube page](#). It is also being featured on the home page of the League's consumer awareness Web site www.bankingyoucantrust.com.

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

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CFPB Bulletin Highlights Mortgage Servicing Transfers

WASHINGTON – The CFPB put out a [bulletin](#) on mortgage servicing requirements, particularly highlighting expectations for mortgage servicers that transfer loans. The guidance comes with several months of examinations under the new rules and highlights policies that are likely to get a financial institution flagged, as well as policies that meet the rule's requirements. The new rule requires servicers to maintain accurate records, promptly credit payments, correct errors on request and maintain policies and procedures to facilitate handing over information when a servicer transfers a loan to a new company.

The guidance lays out several specific scenarios in which CFPB examiners concluded that the servicers had engaged in unfair practices, including:

- Failing to properly identify loans that were trial or permanent modifications with the prior servicer at time of transfer;
- Failing to honor trial or permanent modification offers unless the servicer could independently confirm that the prior servicer properly offered a modification or that the offered modification met investor criteria; and
- Borrowers subsequently receiving a new modification with inferior terms, and in one case, the servicer conducted a foreclosure sale.

CFPB examiners consider transferors flagging all loans with pending loss mitigation applications, as well as approved loss mitigation plans (including trial modification plans) as having met the new rule's requirements. Transferees requiring the transferor servicer to supply a detailed list of loans with pending loss mitigation applications, as well as approved loss mitigation plans will also be considered at having met the new requirements.

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Chicago Listening Session Available Online

ALEXANDRIA, Va. – The NCUA has posted an audio recording of its July 10 Listening Session in Chicago to the agency's [YouTube page](#).



The two-hour, 54-minute recording carries the entirety of the agency's second of three sessions held this summer.

More than 160 people attended the Chicago discussion, where the primary topic was the agency's proposed risk-based capital (RBC) rule. NCUA Chair Debbie Matz and board member Michael Fryzel, a Chicago native, were in attendance.

The NCUA also held Listening Sessions on June 26 in Los Angeles and on July 17 in Alexandria, Va.

Matz noted in this month's *The NCUA Report* that the agency received more than 2,500 comments on its RBC proposal, from comment letters and attendees at the Listening Sessions, which she called "an unprecedented volume of input."

CUNA previously posted a recording of the Chicago session to its Web site.

CUNA also has made available a full audio recording of the NCUA's first Listening Session held in Los Angeles, as well as key audio clips of that session

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*.

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Unverified Complaint Narratives Could Work Against Consumers, Says FSR

WASHINGTON — The Consumer Financial Protection Bureau

WASHINGTON – The Consumer Financial Protection Bureau's (CFPB) plan to allow consumer narratives in its complaint portal could likely work against consumers, as well as financial institutions, by spreading inaccurate information, according to the Financial Services Roundtable (FSR).

The FSR, which represents large integrated financial services companies, launched a campaign featuring social media and multimedia advertisements highlighting problems with the bureau's proposal.

The CFPB has accepted consumer complaints since it opened in 2011 and, to date, has handled more than 400,000 complaints. It announced the proposal to expand its consumer complaint database to include the consumer's narrative account of their experience and the problem they would like to see resolved.

The bureau said this would give context to complaints, spotlight specific trends and help consumers make more informed decisions. Those against the proposal worry it would spotlight inaccurate information without giving a named financial institution the chance to respond.

"The CFPB's plan will feature only one side of the story, and such one-sided accounts will not advance the CFPB's mission of better informing and helping consumers," said FSR President/CEO Tim Pawlenty.

The FSR cites the CFPB's own Consumer Response Report from 2013 that found, among other things, that almost 70% of all complaints filed were closed with a simple comment or clarification to the consumer.

According to the FSR, there are many unanswered questions in the CFPB's proposal, including how the CFPB plans to protect the identities of contributing consumers from the Freedom of Information Act and other public record requests and how the bureau will verify that a consumer is posting under a correct identity with an accurate account of what transpired.

CUNA is currently pursuing issues related to consumer narratives being added to the CFPB complaint database with its consumer protection subcommittee.

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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

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

September 10 -- [Free CuGreen Loan Program Information Session](#)

September 16 -- [VirtualCorps Webinar: Leveraging the CDFI](#)

[Certification to Increase Community Impact and Relevance](#)

October 7 -- [VirtualCorps Webinar: The Well-Access to Unlimited Business Communication Problem-Solving Insights](#)

October 14 -- [VirtualCorps Webinar: Big, Balanced and Sustainable Loan Growth](#)

Industry Events

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 9 -- [South-Central Chapter Meeting: cuGreenLoans](#)

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

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