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Conversation: The Daily Exchange -- August 27, 2014

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August 27th, 2014

Today's News:

- › It's a Bird...It's a Plane...It's Team Aspire!
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- › McWatters Notes Regulatory Relief, Rulemaking Analysis Among Top Priorities
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- › Community Financial Services FCU to Host Sixth Annual Credit Unions for Kids Fundraiser Sept. 6th
- › Free CuGreenLoan Information Session September 10th
- › Castro Seeks Improved Quality Assurance for FHA

It's a Bird...It's a Plane...It's Team Aspire!

Creative You Update: Check-In with Team Aspire and their Innovative Online Platform!

CLARK, N.J. – It's time to check-in with our second Creative You team, Team Aspire!



In our latest team [check-in video](#), Aspire FCU's super hero Creative You team members Ginny Garbowski (Robin), Tiffany Masters (Batgirl), and Michael Tango (Mr. Invisible) give an update on how their new online platform can "save the day".

Visit our [home page](#) to view the video check-in with Team Aspire! The video is also available on the League's [YouTube](#) page.

Look for the final update from Greater Team Alliance in the coming weeks!

And don't miss the Creative You Presentations during Convention on

Quality Assurance for NCUA Programs
› FHA to Ban Prepayment 'Penalties' Beginning Next Year
› 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:

September 9, 2014
South-Central Chapter Meeting: cuGreen.com

and continues the Creative You program during convention on Monday, September 23rd from 1:00 p.m. - 2:00 p.m.!

For more information on the Creative You program, visit www.njcul.org/creative-you.aspx. For more information on Convention, visit www.njcuconvention.com.

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J. McWatters Sworn-In as NCUA Board Member

DALLAS, TX – J. Mark McWatters was sworn in yesterday as an NCUA board member. Outgoing board member Michael Fryzel performed the swearing in at Rep. Jeb Hensarling's (R-TX) Dallas office. McWatters will join NCUA chair Debbie Matz and vice chair Rick Metsger to form the three-person board.



From left to right: U.S. Rep. Jeb Hensarling (R-TX), outgoing NCUA Board Member Michael Fryzel, and incoming NCUA Board Member J. Mark McWatters. McWatters was sworn in by Fryzel at Hensarling's Dallas office yesterday. (Photo courtesy of CUNA)

"It is my distinct honor and privilege to join the NCUA Board," said McWatters. "I wish to thank President Obama for submitting my nomination to the Senate, Senate Minority Leader [Mitch] McConnell for recommending my nomination to the President, and the Senate for confirming my nomination. As a board member, I look forward to addressing the regulatory and administrative law challenges facing the credit union system as it continues to expand and evolve as a critical and fundamental component of the financial services industry."

CUNA interim President/CEO Bill Hampel said he and CUNA look forward to working with McWatters and meeting with him as soon as he is settled. Priorities for discussion will include NCUA's risk-based capital proposal, examination concerns, the need for regulatory relief, and the agency's budget. CUNA sent a letter to McWatters today welcoming him to the credit union system.

"Congratulations to Mark McWatters on becoming the newest member of the NCUA board today. We look forward to working with him, along with the other board members, on the key regulatory issues facing credit unions today," Hampel said.

Previously, McWatters was the assistant dean for graduate programs

meeting. cuGreenLoans
Location: Tommy's Inn,
Millstone, NJ
5:30 pm to 8:00 pm
[More Information Click Here](#)

September 9, 2014
Southern Chapter Meeting:
Risk Management
Location: Cousin Mario's,
Mays Landing, NJ
6:00 pm to 8:30 pm
[More Information Click Here](#)

September 10, 2014
Free cuGreenLoan Program
Information Session
Location: NJCUL and via
Video Conference
10:00 am to 12:30 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

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at Southern Methodist University's School of Law. He also served as a member of the Troubled Asset Relief Program Congressional Oversight Panel, and prior to that he practiced for over twenty-five years as a domestic and cross-border tax, corporate finance and mergers and acquisitions attorney.

McWatters received his J.D. degree from the University of Texas School of Law, a Master of Laws degree from Columbia University School of Law and a Master of Laws degree in Taxation from New York University School of Law.

Each board member serves a staggered six-year term, with McWatters scheduled to serve until August 2019.

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Convention Corner: Culture & Branding and Young Professionals Roundtable with Matt Monge

ATLANTIC CITY, N.J. – Peanut butter and jelly. Jay-Z and Beyonce. Brand and culture just go together, don't they? Brand and culture are



two major components of an organization's identity, and if either one is out of whack, it affects the other. Both components have to be strong, or neither of them will be.

Organizations have to cultivate their own unique culture and brand, but building a strong culture and brand isn't just some warm and fuzzy thing—it's one of the few sustainable competitive advantages out there.

During his Sunday afternoon session titled "Culture & Branding: How to Avoid an Organizational Identity Crisis" Matt Monge, Chief Culture & Marketing Officer at Mazuma Credit Union, will break down brand and culture and how to "avoid an organizational identity crisis".

Monge will also be moderating a Young Professionals Roundtable Sunday afternoon. Young credit union rising stars should definitely attend!

Hear from Monge and other industry experts 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.

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Don't Miss Tuesday's NJ/NY Sister Society Meeting of the GWLN

NEW YORK – You're invited to join the NJ/NY Sister Society of the [Global Women's Leadership Network](#) (GWLN) in celebrating the network's success to date creating a truly global initiative with over 700 members!

The next NJ/NY Sister Society Meeting of GWLN is set for September 9th. Details are below.

**Tuesday September 9, 2014
10:00am – 3:00pm
Montauk Credit Union
111 West 26th Street, New York, NY**

**Guest Speaker:
Susan Mitchell, Chair & Founder GWLN
Mitchell, Stankovic & Associates**

***The Whys – Advancing Women in Leadership – A Strategic Initiative
Panel of Credit Union Peers and Round Table Discussions
Leadership Role in Community***

We invite you and your team to join us! Lunch will be provided. There is no cost to attend. Please RSVP to robinm@melrosecu.org by September 5, 2014.

Lunch will be provided. There is no cost to attend. Please RSVP to robinm@melrosecu.org by September 5, 2014.

To learn more about the Global Women's Leadership Network, please visit CUwomen.org as well as its vibrant groups [LinkedIn](#), [Facebook](#), and [Twitter](#).



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McWatters Notes Regulatory Relief, Rulemaking Analysis Among Top Priorities

ALEXANDRIA, Va. – New NCUA Board Member J. Mark McWatters wasted no time in releasing his top priorities for the agency. One day after his swearing-in ceremony, he noted regulatory relief, transparency, accountability, supporting low-income credit union members, and promoting greater industry diversity as among items high on his list.

"In discharging my duties, I will always welcome advice and counsel from the broader credit union industry, as well as from the management and members of individual credit unions," McWatters said today in a statement.

"I assure you that I will thoughtfully and respectfully consider your perspectives as I independently analyze the issues presented. While we may differ from time to time in our analysis and conclusions

As they enter from time to time in our analysis and considerations regarding the structure and scope of specific regulatory and administrative actions, I assure you that your voice will be heard and considered."

McWatters said his initial focus as a member of the NCUA board would be in five areas:

- Providing regulatory relief for credit unions;
- Incorporating a robust, objective, transparent and fully accountable cost-benefit analysis into NCUA's rulemaking and vetting process;
- Recognizing the critical role and expanding the scope and financial viability of low-income credit unions within the financial services industry;
- Enhancing the availability of affordable and readily understandable financial services to credit union members who are economically challenged; and
- Promoting the role of women and persons of color within the credit union industry.

"Paying close attention to these and other critical issues affecting the credit union industry and providing a fresh, transparent and fully accountable approach toward NCUA's internal and external operations reflects my commitment to ensuring the safety and soundness of the credit union industry and protecting the Share Insurance Fund from losses while allowing credit unions to best serve their members and conduct their affairs through their exercise of prudent, fair-minded and autonomous business judgment," McWatters said.

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Tuesday's VirtualCorps Webinar will Discuss Auto Loan Participations

Increase Your Loan to Share Ratio and Revenues!

VirtualCorps.com™

Credit unions buying loan participations may benefit from diversifying their balance sheet, using excess liquidity to increase loan-to-share ratios and revenue. Yet, many credit union executives do not fully understand the loan participation process. Even fewer know how to locate and evaluate these opportunities.

Tuesday's VirtualCorps Webinar, titled "Understanding, Locating and Evaluating Auto Loan Participations" will utilize a case study to broaden the knowledge of those in attendance on Understanding, Locating and Evaluating Auto Loan Participations and will address the following key areas:

- Auto loan participations
- NCUA Final Rule on Loan Participations – Parts 701 and 741

- Where do you turn to source these quality opportunities
- The Participation Process, from start-to-finish
- Those two most important words, “DUE DILIGENCE”
- Evaluating the originator
- Evaluating pool characteristics and loan economics

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 mzelinsky@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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Community Financial Services FCU to Host Sixth Annual Credit Union for Kids Fundraiser on Sept. 6th

ROSELLE, N.J. – Community Financial Services FCU invites all to join them on Saturday, September 6th from 10:00 a.m. to 2:00 p.m. for its Sixth Annual “Credit Union for Kids Fundraiser”. All proceeds will go to the Children’s Miracle Network to support the local Children’s Specialized Hospitals in New Jersey.

Community Financial Services FCU has a great day planned: there will be hot dogs, refreshments, door prizes, Enterprise Care Sales, a raffle drawing, and The Kona Ice Truck.

The credit union will be selling items at its office through September 6th to help benefit this fundraiser.

Any member or local business owner interested in donating an item please contact Vickie Iton at 908-245-1650 Ext. 115.





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Free CuGreen Loan Program Information Session September 10th

See How this Program Can Increase Your Credit Union's Loan Volume

HIGHTSTOWN, N.J. – New Jersey credit unions have recently completed a pilot program for cuGreenLoans, a state-subsidized, interest-free loan available to homeowners for qualifying energy efficient home improvements through the New Jersey Clean Energy Program. The pilot program was very successful for the credit unions involved and the New Jersey Credit Union League is looking for more credit unions to participate in this program that has now been rolled out to all approved contractors throughout New Jersey.

In order for a member to be eligible for participation in the program, they must fall into the common underwriting criteria developed by New Jersey credit unions, be a New Jersey resident, and be a customer of (or converting to a customer of) PSE&G or Elizabethtown Gas. Currently, the program excludes New Jersey Natural Gas and South Jersey Gas customers.

Join us for an information session on Wednesday, September 10 from 10 a.m. to 12:30 p.m. to see how this program can increase your credit union's loan volume, as well as draw new members into your credit union. NJCUL's Candice Nigro along with the two pilot credit unions, Garden Savings FCU and XCEL FCU, will lead the discussion and answer questions.

The session will be held "live" at the League and will be broadcast to attendees at Atlantic FCU in Kenilworth and Members 1st of NJ FCU in Vineland via video conference.

There is NO CHARGE to attend. Lunch will be provided.

To register for this session, please send an email to Mary Zelinsky at mzelinsky@njcul.org and include name(s) and location.



cuGreenLoans

Castro Seeks Improved Quality Assurance for FHA Programs

WASHINGTON – U.S. Housing and Urban Development (HUD) Secretary Julian Castro addressed ways to balance serving homebuyers while managing risk for the Federal Housing Administration (FHA). Castro, who officially took office at the end of July, spoke during a National Association of Realtors Webinar Tuesday.

Castro provided insight into the FHA's Homeowners Armed With Knowledge (HAWK) program. HAWK is a pilot program meant to help borrowers make better choices when it comes to housing finance.

The four-year voluntary program offers mortgage insurance premium reductions to first-time homebuyers with an FHA loan, in return for completing three phases of housing counseling.

At the invitation of HUD and FHA, CUNA regulatory advocacy staff has attended advance briefings on the HAWK program, as well as other housing finance reform measures, in recent months.

To receive the maximum benefit, a borrower must complete three phases of counseling—pre-purchase, pre-closing, and post-closing—and have two years of timely mortgage payments. In exchange, the borrower can see a premium reduction, both up front and on annual premiums.

"At the end of the day, a borrower with an average size loan, say \$180,000, will see \$10,000 in savings over the life of the loan," Castro said. "By incentivizing responsible decision making we're trying to build a stronger foundation for middle class home ownership and at the same time reduce the exposure to risk by the FHA, while creating a more stable housing market."

The HAWK program falls under the FHA's renewed interest in housing counseling, which is part of the agency's overall ramping up of quality assurance measures. Castro mentioned a few other measures, designed to create more certainty and clarity for FHA lending partners.

These include:

- Development of the single-family handbook, which Castro called a "definitive guide for doing business with FHA." The agency posted three sections of the handbook, "Applications Through Endorsement," "Doing Business with FHA" and "Quality Control, Oversight and Compliance" to solicit feedback and input. Final publication of the first section is expected within a few weeks;
- Improved loan quality assessment. Castro said the goal is to create more descriptive and transparent ways to identify and classify loan defects;
- Sampling in a way that more accurately reflects overall

- underwriting quality; and
- Introducing a supplemental performance metric based on credit score groups rather than geography.

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FHA to Ban Prepayment 'Penalties' Beginning Next Year

WASHINGTON – Starting with mortgages insured by the Federal Housing Administration on Jan. 21, 2015, and beyond, borrowers who prepay their FHA mortgages will not have to make interest payments beyond the date their loan is paid in full.

The FHA approved a rule Tuesday called "Handling Prepayment: Eliminating Post-Payment Interest Charges", and it bans interest charges typically imposed on a borrower who pays off a mortgage ahead of term, sometimes by selling the home or refinancing into another loan with a lower interest rate.

FHA also announced a second new rule intended to ensure borrowers have early access to information when making decisions about their FHA mortgages. It requires that borrowers get at least 60 days—but no more than 120 days—notice before any change is made to their monthly payment for adjustable-rate mortgages (ARMs) that are FHA-insured. It applies to FHA-insured ARMs originated on or after Jan. 10, 2015.

The rule also requires lenders to base an adjustment to the interest rate on the most recent index value available 45 days before the change is set to take place. FHA extended this so-called "look back" period from 30 days.

FHA said in a release that together, the new rules are responsive to the regulations implementing the Truth in Lending Act (Regulation Z) as revised last year by the Consumer Financial Protection Bureau

The HUD media advisory on the new rules is available [here](#).

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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: Understanding, Locating and Evaluating Auto Loan Participations](#)

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](#)

October 21 -- [Teller Training for Frontline Staff](#)

November 5 -- [Lending Roundtable: Lending Best Practices](#)

November 5 -- [Collections Roundtable \(Afternoon Session\): Collections Best Practices](#)

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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