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To: staff@njcul.org
Conversation: The Daily Exchange -- September 4, 2014

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The Daily Exchange

September 4th, 2014

Today's News:

- › Convention Corner: Assigned Seating at Monday's Dinner Banquet
- › CUs' Loan Success Captured by *Wall Street Journal*
- › Long-Time Credit Union Leader Charles Setteducato Retires from Novartis FCU
- › September is National Preparedness Month, Get Prepared with Resources from Agility Recovery
- › Changes to NCUA Reg Review Process Could Boost Efficiency, CUNA Says in Comment Letter
- › November 4th ELS Session will Identify Emerging Financial Technology and Other Innovations
- › Vega to Serve as Senior Policy Advisor to Board Member McWatters
- › NJ CU Foundation Now Offering Retirement Fairs to NJ CUs

Convention Corner: Assigned Seating at Monday's Dinner Banquet

ATLANTIC CITY, N.J. – With only a couple weeks left until NJCUL's 80th Anniversary Annual Meeting & Convention, credit unions can still register attendees for Convention as well as purchase tickets for Monday night's dinner banquet. However, because there is assigned seating for the dinner, this Friday, September 5th is the absolute deadline for making changes to seating for the banquet. If a credit union adds attendees to its group for dinner after this Friday, NJCUL cannot seat new registrants and dinner guests with their credit union.



If you have any questions, please contact Yvette Segarra at ysegarra@njcul.org.

Registration for NJCUL's 80th Annual Meeting & Convention is available at www.njcuconvention.com.

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CUs' Loan Success Captured by *Wall Street Journal*

NEW YORK – *The Wall Street Journal* cited the lending strength of credit unions in two separate articles Wednesday.

NEWS

- › CUNA Continues New Phase of RBC Advocacy with Metsger Meeting
- › CFPB Issues Strong Warning Against Deceptive Credit Card Promotions
- › 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

[One article](#) highlighted the NCUA's announcement Tuesday that federally insured credit unions saw the highest year-over-year increase in loan growth since 2006. The article compared credit unions favorably with their for-profit competitors.

"Loan growth at U.S. credit unions was at 9.8% in the second quarter, according to data released Tuesday by the NCUA, the government regulator for credit unions," reporter Saabira Chaudhuri wrote. "That easily outstripped the 4.9% increase in loans outstanding at banks reported last week by the Federal Deposit Insurance Corp."

Banks, meanwhile, continue to argue that credit unions are straying from their original mission of serving people of modest means. But national credit union leaders aren't taking the bait. "We reject the idea that credit unions were set up to serve low-income people," Bill Hampel, interim president/CEO of CUNA, told the *Journal*. The act governing credit unions was written during the Great Depression "when almost everybody was poor," he said.

In the second article that appeared in *The Wall Street Journal* Wednesday, also written by Chaudhuri, the headline spoke volumes: "[For a Cheaper Auto Loan, Try a Credit Union.](#)"

Citing data compiled for *The Wall Street Journal* by research firm SNL Financial, the article began: "Credit unions offer consumers a better deal than banks on average across a wide variety of deposit and loan products. They are particularly competitive on auto loans, with the average credit-union rates on eight types of auto loans beating the comparable bank figures by an average of two percentage points."

The article cited credit unions' superior savings rates, competitive auto loan rates, and lower rates on credit cards and lower rates on a variety of fixed- and adjustable-rate mortgages.

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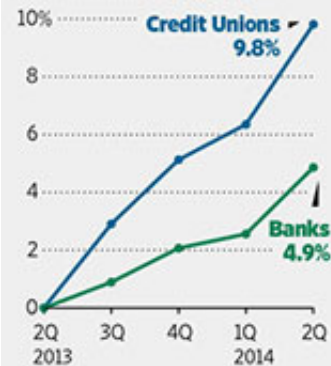
Long-Time Credit Union Leader Charles Setteducato Retires from Novartis FCU

BASKING RIDGE, N.J. – After serving 25 years with New Jersey credit unions, with 11 of them at Novartis Federal Credit Union, Charles Setteducato has retired as of August 29, 2014.



Give 'Em Credit

Change in total loans by type of lender



Sources: National Credit Union Administration (unions); Federal Deposit Insurance Corp. (banks)
The Wall Street Journal

September 9, 2014
South-Central Chapter
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](#)

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Pictured here on the right (wearing his commemorative gold watch), Charles Setteducato is congratulated by Ann South, President/CEO, and Mike Hatolski, Board Chairman.

Charles started as Director of Finance at Novartis FCU in 2003 after working at Picatinny FCU for 14 years. He was promoted in 2006 to Vice President of Finance.

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September is National Preparedness Month, Get Prepared with Resources from Agility Recovery

Free Webinars, Infographic, Videos Clips and Expert Advice Available

September is National Preparedness Month. In honor of this year's theme, "Take Action To Prepare", Agility Recovery created a site that provides tips on how to put your business continuity plan into action.

Visit the site for:

- [Free Admission to Agility Webinars](#) - Each week throughout the month of September, Agility will host a 30-minute Webinar on the different aspects of business continuity and disaster preparedness. Don't miss the action, register today!
- [An Action-Packed Infographic](#) - Unlike the tabloids, here are some facts you can trust. Download Agility's infographic to learn more about the reality of risk and 8 tips for putting your plan into action.
- [Instant Access to Video Clips and Expert](#)

[Advice](#) - Hollywood loves a “good” disaster. Check out our favorite video clips for lessons learned on emergency preparedness and advice on how you can prepare today. In light of this year's theme, “Take Action to Prepare” Agility is hosting a series of 4 educational Webinars on the topic of organizational preparedness and resilience in the face of disasters.



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Changes to NCUA Reg Review Process Could Boost Efficiency, CUNA Says in Comment Letter

WASHINGTON – Improvements are needed in the National Credit Union Administration's regulatory review process to make it more productive and efficient, CUNA said in a Sept. 2 [comment letter](#).

Federal bank regulators are required by the 1996 Economic Growth and Regulatory Paperwork Act (EGRPRA) to review their regulations at least once every 10 years. The NCUA participates in the process voluntarily, although separately from the other regulators. The NCUA also reviews one-third of its rules every year.

"Credit unions are subject to too many regulations, and thus we support efforts by NCUA and other agencies to reduce the regulatory obligations credit unions must meet," CUNA Assistant General Counsel Lance Noggle wrote in the CUNA letter.

However, CUNA urged the agency to consider these improvements to the process:

Establish and maintain a regulatory reduction working group that would identify recommendations annually to improve, reduce or eliminate regulations, reporting requirements and directives; and

Combine the annual regulatory review of one-third of NCUA rules with the EGRPRA review in the years NCUA participates in the 10-year review.

The regulatory reduction working group would be comprised of credit union officials selected through a public nomination process, as well as NCUA central office and field staff. Its recommendations, the letter noted, could be included in the agency's request for comments on issues it intends to review for a particular year.

Click [here](#) for the full comment letter.

Click [here](#) for other suggestions from CUNA highlighted in the letter.

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November 4th ELS Session will Identify Emerging Financial Technology and Other Innovations

HIGHTSTOWN, N.J. – The November 4th Executive Leadership Series session “Financing Innovation” will help participants identify



emerging financial technology such as mobile payments, wearable technology, emerging mobile cross channel opportunity and the future of credit union branches.

Speaker John Best, President of Best Innovation Group (BIG), with a mission to help credit unions create

an innovative culture inside their organizations, will review technology from other industries such as retail, medical, and airline for use at the credit union.

Finally, we will explore Mobile as a cross-channel enabler.

Join the discussion and network with your peers at this must-attend session being held at the League office from 10 a.m. to 2 p.m.



Brought to you by the New Jersey Credit Union League 

The cost to attend is tiered based on assets and is as follows: \$209 per person for credit unions over \$150

million, \$149 per person for credit unions \$50 - \$150 million, and \$69 per person for credit unions under \$50 million. A 25% discount is available for credit unions that send three or more people.

Click [here](#) for more information and for the [full brochure](#).

You may register online through the NJCUL site at www.njcul.org/els-registration.aspx. Or simply send an email to Mary Zelinsky at mzelinsky@njcul.org (be sure to note name(s) of attendee(s) and credit union).

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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Vega to Serve as Senior Policy Advisor to Board Member McWatters

ALEXANDRIA, Va. – NCUA Board Member J. Mark McWatters has named Sarah Vega as his Senior Policy Advisor.

Vega previously served as the Senior Policy Advisor to NCUA Board Member Michael E. Fryzel, beginning in 2009. She served as Fryzel's Chief of Staff during his tenure as Board Chairman.

"Sarah's experience in the credit union system, and particularly her nearly six years with NCUA, will be of enormous value to me," McWatters said. "I look forward to getting to work and having her advice and perspective as we tackle the challenges ahead."

Vega has an extensive background in the financial services industry as well as the legal sector. Prior to joining NCUA in 2008, Vega was a project manager and contract attorney with Hudson Legal Chicago, working in securities, mergers and product liability cases. She is a former Director of the Illinois Department of Financial Institutions. Before being named Director, Vega was the Administrator of the Department's Credit Union Division, which regulates state-chartered credit unions. Her legal experience includes being an enforcement attorney for the Securities Department of the Illinois Secretary of State.

Vega has served on the Board of Directors of the Federal Home Loan Bank Chicago and was a member of the Board of Directors of the National Association of State Credit Union Supervisors, serving as the Association's Chairman from 1999 to 2000.

Vega holds a bachelor's degree in political science and a Juris Doctorate from DePaul University.

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NJ CU Foundation Now Offering Retirement Fairs to NJ CUs

New Financial Literacy Program is a Great SEG Development Tool

HIGHTSTOWN, N.J. – According to the latest research of investors aged between 21 and 50 years, only 39% are confident they will have enough money for retirement. And of those that are confident, two thirds have yet to develop an actual retirement plan.

The National Credit Union Foundation's REAL Solutions Program in cooperation with CUNA Mutual Group have developed a new Retirement Fair to assist credit unions in helping their members better prepare for retirement. The Fair is an experiential learning experience, similar to the popular Financial Reality Fair program offered through the New



Jersey Credit Union Foundation. The program is designed to get members of all ages, not just those nearing retirement, to think more carefully about the type of lifestyle they would like to pursue in retirement and then link it to their financial plan.

Brought to you by CUNA MUTUAL GROUP

At the start of the year, the New Jersey Credit Union Foundation hosted an informational session on the program and now, based on credit union interest, will be offering the program to New Jersey credit unions at no cost.

To participate in the program, each credit union will need to sign a Memorandum of Understanding outlining the details of participation and responsibilities of the credit union as well as the Foundation.

For more information or to sign up to participate, please contact New Jersey Credit Union Foundation Executive Director Candice Nigro at cnigro@nicul.org or 609-448-2426 ext. 110.

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CUNA Continues New Phase of RBC Advocacy with Metsger Meeting

WASHINGTON –As the NCUA begins to take stock of the record volume of responses to the risk-based capital (RBC) rule, CUNA officials will meet today with NCUA board member Rick Metsger in its continuing advocacy efforts.

"We will continue to press for key changes in the rule to lessen its impact on well-managed credit unions," said Mary Dunn, CUNA senior vice president/deputy general counsel.

CUNA interim President/CEO Bill Hampel, General Counsel Eric Richard and Dunn will meet with Metsger.

Metsger said over the summer that there is "significant review, analysis and revision ahead" before the NCUA's proposed RBC rule could be made final, noting that the implementation period, adjustments to risk weights and clarifying that only the NCUA board can raise individual capital requirements would likely be changed.

CUNA met with NCUA Chair Debbie Matz Tuesday to discuss the status of the RBC proposal. During that meeting, Hampel expressed concern about potential negative effects on credit unions' capital buffers and urged the agency to lower the proposal's definition of "well-capitalized."

Among the more than 2,000 comments received by the NCUA on the proposal are letters from 27 senators and 332 representatives from both parties expressing similar concerns with the plan.

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CFPB Issues Strong Warning Against Deceptive Credit Cards Promotions

WASHINGTON – Credit card companies have been warned against

deceptively marketing interest rate promotions, the Consumer Financial Protection Bureau (CFPB) announced Wednesday.

According to the bureau, it is concerned that companies are luring in customers by promising low—even zero—interest, then hitting them with surprise interest charges.

A [CFPB bulletin](#) highlights concerns with marketing of credit card interest rate offers such as balance transfers, deferred-interest offers and convenience checks. Under these promotions, consumers may be charged a fee to transfer a balance or make a purchase with their credit card in order to receive a promotional interest rate on that amount for a set period of time.

While consumers pay no interest or a low interest rate for balances subject to the promotion, additional purchases made with the credit card may incur interest charges right away.

The bureau believes some marketing materials do not clearly disclose that consumers must pay off the promotional balance by their due date to avoid unexpected interest charges on routine purchases for which they were not charged interest previously.

For some consumers, these surprise charges can make the cost of transferring a balance more expensive than revolving the same balance on their existing card.

According to the bureau, these marketing tactics specifically impact consumers who enjoy an interest-free "grace period" on credit card purchases. Consumers who pay off their total credit card balance each month receive a grace period during which they do not have to pay interest on purchases.

The CFPB has also published consumer tips about credit card interest-rate promotions and how grace periods work.

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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 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 20 -- [First Financial Foundation Food Truck and Restaurant Birthday Bash Fundraiser](#)

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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