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To: staff@njcul.org
Conversation: The Daily Exchange -- October 15, 2014

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October 15th, 2014

Today's News:

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Tomorrow is ICU Day and Shop for Miracles! Share How You're Celebrating and Participating!

Doing good is something credit unions take seriously, locally and globally. Tomorrow, October 16, credit unions around the world will unite behind the message of "Local Service. Global Good.™" for [International Credit Union \(ICU\) Day!](#) Share in this powerful credit union vision and celebrate with more than 200 million people worldwide to establish credit unions as our best financial partner!

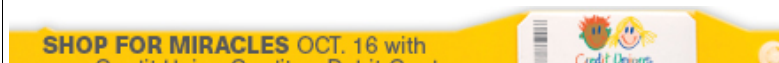
[Shop for Miracles](#) is the newest Credit Unions for Kids' national campaign that's an exciting and innovative way to celebrate the World Council's [International Credit Union Day®](#) at your credit union!

The concept is simple: each time members use their credit union issued debit and/or credit card your credit union will donate \$0.25 (or other designated amount) on International Credit Union Day to your local CMN Hospital.

Share your celebrations for ICU Day and Shop for Miracles with us! Email photos of your credit union's participation to news@njcul.org or Tweet us at @NJCUL on Twitter!



International Credit Union Day®
OCTOBER 16, 2014
Local Service. **GLOBAL GOOD.™**



The logo for the Executive Leadership Series features the words "Executive", "Leadership", and "Series" stacked vertically. Each word is enclosed in a semi-transparent circle of a different color: purple for "Executive", blue for "Leadership", and grey for "Series". The circles overlap, creating a layered effect.

Brought to you by the New Jersey Credit Union League 

Next ELS Session "Financing Innovation" on November 4th

Mark your calendars! The final ELS session of 2014 will take place Tuesday, November 4th at the League office.

Hear from John Best on "Financing Innovation". This session will help participants identify emerging financial technology such as mobile payments, wearable technology, emerging mobile cross channel opportunities, and the future of the credit union branch.

Click [here](#) for more information and to register.

Upcoming Events:

October 16, 2014
International Credit Union
Day & Shop for Miracles
[More Information Click Here](#)

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Regulators' Powers to be Considered by Supreme Court

WASHINGTON – The U.S. Supreme Court is expected to consider a case in December that could have widespread implications for government regulations and organizations that follow them.

While the case known as Perez v. Mortgage Bankers Association (MBA) pits the MBA against the Department of Labor about whether loan officers should be paid overtime, it has potentially farther reaching consequences. Thomas Perez is the Secretary of Labor.

According to the Supreme Court in a statement on its Web site, the question presented for the high court's review is "whether a federal agency must engage in notice-and-comment rulemaking before it can significantly alter an interpretive rule that articulates an interpretation of an agency regulation."

In 2006, the Department of Labor issued an opinion letter that said mortgage loan officers' duty qualifies for an exception to the overtime rule in the Fair Labor Standards Act. In 2010, the department's deputy administrator reversed course, saying the officers did not qualify for the exception.

The MBA sued the Department of Labor, saying its interpretation could not be changed without a notice and comment period required in the Administrative Procedures Act. A U.S. District Court of Appeals ruled that the 2010 decision must be reversed.

CUNA General Counsel Eric Richard said the case has implications on several matters important to organizations subject to federal regulations.

"This case has the potential to make the regulatory process more transparent for regulated industries like credit unions, but we can expect the Justice Department to fight all the way," he said.

"Guidance is used extensively by credit union regulators, including both the National Credit Union Administration and the Consumer Financial Protection Bureau, including sometimes when regulators could do a better job after public comment. This is an important issue CUNA will be watching during the current Supreme Court term."

The case could also articulate a standard as to when regulated entities are expected to follow guidance, as well as important implications for examination and supervision processes, Richard said.

If the Supreme Court upholds the Circuit Court's decision, agencies may decide not to use guidance as often for fear of locking themselves into a position, Richard said. If the Supreme Court rejects that decision, agencies are more likely to issue more interpretations.

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October 21, 2014
Teller Training for Frontline Staff
Location: NJCUL and via Video Conference
10:00 am to 3:00 pm
[More Information Click Here](#)

October 22, 2014
Business Development Roundtable: Business Development that Works
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

Connect with Us:



Affinity FCU Hosts 2nd Annual Jean's Day to Benefit 'Hugs for Brady'

Affinity Federal Credit Union Foundation hosted its 2nd annual Jeans Day to benefit "Hugs for Brady", a foundation established to find a cure for pediatric cancer, in honor of Pediatric Cancer Awareness Month on Friday, Sept. 26.

Employees donated \$5 to the Foundation and in return, enjoyed a day at the office in casual clothing. Together Affinity employees raised over \$500 to help combat pediatric cancer.



Hugs for Brady was created by Mike and Sherrie Wells. Their son, Brady, was diagnosed with a very rare form of leukemia when he was just 13 months old, and lost his fight just a month shy of his second birthday.

His parents' goal with establishing this foundation in his memory was to make sure no other parent experienced the loss of a child to cancer. To date, Hugs for Brady has invested nearly \$500,000 into pediatric cancer research. Last year, funds raised through this Jeans Day were used to purchase a new "Brady Buggy" for Centra State Medical Center in Freehold, N.J.

"It really is the small things, such as wearing a pair of jeans to work, that can raise awareness for a very important cause," said Laurreta Farrell, Assistant Vice President of External Affairs and Executive Director for Affinity Federal Credit Union Foundation.

For more information about Hugs for Brady, please visit hugsforbrady.com.

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Next NJ DNA Meeting Set for November 12th at the League Office

HIGHTSTOWN, N.J. – Directors and volunteers, don't miss the next NJ DNA meeting on Wednesday, November 12th being held at the League office.

The meeting is being hosted by Lakehurst Naval FCU, but will be held at the League office in Hightstown. The meeting will include a virtual tour of the Lakehurst Naval FCU facility beginning promptly at 5:30 p.m. conducted by Lakehurst Naval Board Chair Pam Elliott followed by a catered dinner.

The roundtable discussions will include the following topics:

Topic #1: How Large Asset Credit Unions can Effectively Collaborate with Smaller Asset Credit Unions *(to enhance product delivery and keep the credit union brand strong)*

Topic #2: Protecting Your Credit Union in the Digital Age (Cyber Security)

As usual, there is **no charge** to attend.

To register for this event please send an email to Mary Zelinsky at mzelinsky@njcul.org.



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'No-Action Letters' from CFPB Could Clear Way for New Products, Services

WASHINGTON – A new proposal from the Consumer Financial Protection Bureau (CFPB) could help financial institutions and other organizations discover where new financial products or services fit with existing statutes and regulations.

According to the bureau, if a new product or service "promises substantial consumer benefit" where there is uncertainty about how existing regulations implemented by the CFPB would apply, bureau staff could issue a no-action letter.

The letter would advise the recipient that, subject to its stated limitations, the staff has "no present intention to recommend initiation of an enforcement or supervisory action against the requester with respect to a specified matter."

The proposal is not a waiver for any law or regulation, nor does it give the requesting organization an exemption from regulatory compliance.

According to the CFPB blog, "subject to some limitations, our staff would not recommend initiating supervisory or enforcement action against the requester with respect to the provisions specified in the letter."

CUNA will be filing a comment letter on the proposal.

"We'll be looking at this very closely, to see what positive effects it could have for credit unions, and to make sure other entities in the marketplace cannot escape regulatory constraints through this process," said CUNA Deputy General Counsel Mary Dunn.

The proposed policy is available [here](#).

The CFPB's blog entry on the proposal is available [here](#).

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CFOs: Share Your Strategies for Preparing a Stellar Budget

CFO Roundtable: Managing Effectively Through the Budget Process

October 28, 2014
10 a.m. to 12: 30 p.m.

HIGHTSTOWN, N.J. – It is that time of year again when all companies large and small begin the process of putting together a budget that the



board of directors will approve. Perhaps you have already started your planning or are in the midst of procrastination. Does your credit union have a planning process that works well? Do you feel that there must be a better way?

Come join your peers to talk about the good, the bad and the ugly process of preparing and submitting a stellar budget during NJCUL's CFO Roundtable on

October 28th from 10 a.m. to 12:30 p.m.

Come network and be prepared to bring ideas back to your credit union!

Join facilitator Barbara Agin, Director of Education and Training for the League, and your CFO/accounting peers either "live" at the League office or via video conferencing at Atlantic FCU in Kenilworth or Members 1st of NJ FCU in Vineland. Be a part of the discussion without driving all the way to Hightstown!

This session will take place in the morning from 10 a.m. to 12:30 p.m. The cost to attend is \$25 per person, which includes lunch.

To register, send an email to Mary Zelinsky at mzelinsky@njcul.org or register online [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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FHFA Single Security 'Commendable', CUNA Says More Info Needed

WASHINGTON – The proposed single security from the Federal Housing Finance Agency (FHFA) could help make the housing finance system more efficient, according to CUNA in a letter sent to the agency Monday.

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CUNA's optimism is tempered by a need from the FHFA to provide more insights on the transition from the current mortgage-backed securities to the proposed one.

The FHFA proposed the single security in August, building on a stated goal in this year's strategic plan to develop a single mortgage-backed security (MBS). The goal is to have legacy Fannie Mae MBS and Freddie Mac participation certificates to be mutually interchangeable with the single security. Investors can exchange a legacy certificate for a comparable single security.

CUNA called the FHFA's objective "commendable" and said it might provide the U.S. Congress with additional support for broader housing finance reform. Removing the trade differential between Fannie and Freddie securities could also eliminate the need for market-adjusted pricing payments.

"The system described in FHFA's white paper is especially helpful in that it takes advantage of existing market structures and disclosures for the new security, while allowing both companies to maintain and control their individual credit policies and the risk profile of the loans they securitize," reads the letter, signed by CUNA Deputy General Counsel Mary Dunn. "This allows both companies to continue to compete on price and service, to the benefit of lenders and borrowers alike."

CUNA did raise concerns about the impact the transition to a single security on investments in agency mortgage-backed securities that some credit unions currently hold.

"Although the FHFA white paper suggests an exchange may only be necessary for existing holders of the \$1.5 trillion in outstanding Freddie Mac securities, the creation of a new security creates the possibility of 'orphans' being made of any securities that are not exchanged," the letter reads.

"We believe the possibility may exist for a 'run on the bank' scenario, where any holders of Freddie securities who do not exchange their securities will immediately see the value of those securities drop due to liquidity in market conditions."

CUNA's comment letter is available [here](#).

The FHFA's Request for Input: Proposed Single Security Structure is available [here](#).

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NJ Minimum Wage Increase Takes Effect January 1

TRENTON, N.J. – Effective January 1, 2015, New Jersey's minimum wage will increase to \$8.38 per hour.

The increase follows a constitutional amendment which was approved by voters last year. The amendment initially raised New Jersey's minimum wage from \$7.25 per hour to \$8.25 per hour and then added

annual cost-of-living increases tied to the Consumer Price Index (CPI). The increases are calculated each September.

As a result, employers should be aware that regardless of when their pay periods begin or end, employees must be paid at least \$8.38 per hour beginning January 1, 2015.

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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

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

October 22 -- [Business Development Roundtable: Business Development that Works](#)

October 28 -- [CFO Roundtable: Managing Effectively through the Budget Process](#)

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

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

November 12 -- [NJ DNA Meeting at the League Office](#)

Industry Events

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

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

October 25 -- [Credit Union of New Jersey Foundation Family Bowling Event](#)

October 29 -- [Southern Chapter Meeting: Indirect Lending](#)

November 5 -- Northern Chapter Meeting -- More Information Coming Soon

November 7-9 -- [DCUL's 2014 Volunteer Leadership Conference](#)

November 10 -- [Reality Fair at Ocean County College Southern Education \(SEC\)](#)

December 9 -- South-Central Chapter Meeting -- More Information Coming Soon

2015

March 8-12 -- [CUNA's 2015 GAC](#)

April 13-15 -- [CU Reality Check at the Golden Nugget Hotel & Casino in Atlantic City](#)

April 28 -- [NJCUL's 27th Annual Golf Tournament](#)

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New Jersey Credit Union League | news@njcul.org | New Jersey Credit Union League | 299 Ward Street | Hightstown, NJ 08520

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