

Subject: The Daily Exchange -- November 20, 2014
Date: Thursday, November 20, 2014 1:30 PM
From: New Jersey Credit Union League <news@njcul.org>
Reply-To: news@njcul.org
To: staff@njcul.org
Conversation: The Daily Exchange -- November 20, 2014

To ensure that you continue receiving our emails, please add us to your address book or safe list. [Unsubscribe](#)

[Update Your Communications Preferences](#)



- November 20th, 2014
- Today's News:
- › McWatters Outlines his Areas of Focus for Revised RBC Plan, League Meeting with Him Set for Dec. 9
 - › NCUA Approves 4.2% Budget Increase for 2015, CUNA Concerned
 - › Decedent Account Training Exceeds Expectations
 - › Order Your CU4Kids Holiday Icons Today!
 - › Senators Press Watt on Housing Finance Reform, Credit Availability
 - › Share Why Your Are Thankful and Agility Recovery will Donate to the Red Cross
 - › Don't Miss Out on the Deals in the 2014 Year-End Webinar Hot Topic Sale!
 - › CUNA, Trades Voice Concerns Over Increased FHA Fees
 - › Free Webinar from

McWatters Outlines his Areas of Focus for Revised RBC Plan, League Meeting with Him Set for Dec. 9

ALEXANDRIA, Va. – NCUA Board Member J. Mark McWatters highlighted a list of issues he intends to scrutinize when the agency issues a revised proposed rule on a risk-based capital (RBC) regime for credit unions.

In a column in this month's [The NCUA Report](#), McWatters said review and analysis of the RBC proposal was one of his top priorities upon being sworn into his post at the agency this summer.

While the revised proposal is being put together, McWatters said he is continuing to assess numerous aspects citing the more than 2,000 comments the agency received, including those from more than 350 members of the U.S. Congress, as an indicator that the proposal "merits substantial revision."

The revised RBC plan is not on today's open board meeting agenda. While there is one more chance at its December meeting for the agency to get the new plan out before the end of the year, some observers say it won't be a shock if it is not made public until next year.

In September, NCUA changed course and said that the changes to the proposal would be significant enough to reissue the revised version for a public comment period.

McWatters' concerns are consistent with concerns raised by CUNA, state leagues, and credit unions during the comment period.

NJCUL's annual NJ Day at Credit Union House scheduled for December 9 will kick-off with a morning meeting with McWatters at NCUA

Free webinar from
CUDirect on Lending
Analytics
Daily Movement Men's
Health Tip
Credit Unions, Mark Your
Calendars



Information Session

FREE
Creative You
Information Session
December 10th

We know you have innovative ideas, just like our five teams that took part in the [first year](#) of Creative You!

Wanna know what it takes to be a Creative You team? Want more information on the program? Want to network with other innovative NJ CU folks? Join us for a [FREE Information Session](#) on December 10th.

The session will feature members of last year's teams as well as NJCUL staff involved. It is being held "live" at the League

headquarters in Alexandria. The group will then reconvene at Credit Union House for a luncheon meeting with CUNA's new President/CEO Jim Nussle followed by meetings with two or three members of the state's Congressional delegation.

Carpooling from the League's offices in Hightstown will be available.

Additional information is available from the League's Vice President of Corporate & Governmental Affairs Chris Abeel at cabeel@nicul.org.

[[BACK TO TOP](#)]

NCUA Approves 4.2% Budget Increase for 2015, CUNA Concerned

ALEXANDRIA, Va. – NCUA approved its 2015 budget this morning okaying a spending plan that is up 4.2% over last year. The vote was 2 to 1, with board member J. Mark McWatters casting the dissenting vote.

The total budget amount is set at \$279.5 million—up \$11.187 million. While retiring CFO Mary Ann Woodson noted that the 2015 increase represents the smallest since 2008, it is still the eighth consecutive jump in year-to-year spending.

The largest area of increase is contracted services at 8.5%; travel expenses up 2.7%. The largest expense in the budget is pay and benefits (\$201.895 million) and travel (\$29.288 million).

CUNA had submitted a [letter](#) last week urging the agency to refrain from any increase in its budget for the coming year, and questions the increase.

"We'd like the board members to look and see if there's a need to increase the budget every year, especially when the credit union system is doing well," said Mary Dunn, CUNA's deputy general counsel and senior vice president. "The NCUA is the steward of credit unions' funds, and we think it should be looking at ways to reduce costs, particularly when it comes to employee and travel costs."

Among concerns listed in CUNA's letter is the lack of a process for credit unions to provide input on the budget, a proportionally higher increase in staffing costs at the agency compared with other regulators and an overhead transfer rate of 69.2%, which is an all-time high.

NCUA Chair Debbie Matz responded to Nussle's letter, saying the proposed 2015 budget is "pre-decisional until the board formally acts." She added that once the board votes on the budget, more information will be supplied on the agency's Web site.

At today's meeting, Matz emphasized that the agency's budget formulation process uses a zero-based budgeting technique and requires each NCUA central office director to justify their annual budget requests. She said cutting budget is "not an option": "The only way to cut the budget is to cut staff...and we made that mistake during the crisis."

However, McWatters said he is "dismayed" by the increases and called for a formal public budget hearing process. Next year McWatters wants the credit union community to see budget items at least two weeks before any budget hearing

and also via video conference to Atlantic FCU and Members 1st of NJ FCU. Register by sending an email to Mary Zelinsky at mzelinsky@njcul.org.

Check out details of the 2015 round of Creative You are available [here](#).

Upcoming Events:

December 4, 2014
Webinar: Traditional & Roth IRA Reporting Responsibilities: Requirements, Issues & Answers
3:00 pm to 4:30 pm
[More Information Click Here](#)

December 9, 2014
South-Central Chapter Meeting: Networking/Christmas/Holiday Gathering
12:00 pm to 3:00 pm
[More Information Click Here](#)

December 10, 2014
FREE Creative You Information Session
Location: NJCUL and via Video Conference
10:00 am to 1:00 pm
[More Information Click Here](#)

Contact Us:

Address
299 Ward Street
Hightstown, NJ 08520
Driving directions

before any budget hearing.

He invited specific, detailed comments on the budget and the budgetary process to be sent directly to him.

CUNA President/CEO Jim Nussle issued this statement after the NCUA vote: "The Credit Union National Association remains very concerned that the National Credit Union Administration board has increased its budget yet again. Rather than reducing expenditures, the agency has continued to bolster its budget for eight straight years.

"Based on my own experience in building budgets, I know that monitoring and modernizing resources to maximize funds—which credit unions have been doing—are among the most effective methods for containing costs. NCUA is not following a similar path and that's a concern for me and credit unions. CUNA will continue pressing the agency to be more efficient with credit unions' funds."

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

Decedent Account Training Exceeds Expectations

HIGHTSTOWN, N.J. – On November 19, 2014, credit union professionals “live” at the League office and via video conferencing at Atlantic FCU and Members 1st of NJ FCU learned an abundance of information about how to proceed when informed that a member has died.



Drew Edwards leading the informative Decedent Accounts session.

Drew Edwards, a partner in the law firm Edwards & Edwards, facilitated a lively discussion filled with facts and legal considerations. He took a complex topic and broke it down into manageable segments to prepare credit union staff for inevitable situations.

For deposit accounts, Edwards instruction was focused on “who gets the money and when do they get it.” Edwards also discussed Decedent Loans and the methods that should be pursued in order to get paid.

The information was explained in an easy to understand format and Drew’s delivery style kept the audience engaged.

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

Phone

800.792.8861
609.448.2426

Fax

609.448.3499

E-mail

info@njcul.org

Connect with Us:



Order Your CU4Kids Holiday Icons Today!

Support your local Children’s Miracle Network Hospital this holiday season by selling Credit Unions for Kids icons to your members.

The Credit Unions for Kids' annual [Holiday Icon Campaign](#) is a fun, turnkey and cost-free opportunity for your credit union to raise much needed funds for your local Children’s Miracle Network Hospital. Support kids in your community by offering winter-themed icons to your members for a dollar donation.

When you participate in a CU4Kids fundraiser, **every dollar** you raise goes to help children in your community. And **every dollar** makes a big difference in the life of a sick kid:

- Wee Pee sized diapers, for babies weighing less than 800 grams, cost **\$0.41**
- Preemie sized diapers, for babies weighing up to 4 pounds, cost **\$0.50**
- Size 1 blood pressure cuffs for the smallest child patients, cost **\$1.08**
- Baby blankets in the Neonatal and Infant Critical Care Unit, cost **\$4.00**

Helping kids in your community has never been easier! [Click here to order your icons today](#). Thank you for your continued support.



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

Senators Press Watt on Housing Finance Reform, Credit Availability

WASHINGTON – Members of the Senate Banking Committee inquired about housing finance reform, increased access to credit and the future of Fannie Mae and Freddie Mac during a hearing yesterday.

Federal Housing Finance Agency (FHFA) Director Mel Watt, the sole witness, made his first appearance before the committee since being named to the agency’s top position last December.

Sen. Dean Heller (R-Nev.) queried Watt about his position on housing finance reform. He asked if Watt was prepared to work with Congress on a solution to existing problems, which Heller said included the end of government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac.

"There are quite a few members of this committee that are passionate about housing finance reform, and they included in that group I think

about housing finance reform, and I'm included in that group. I think most have recognized that the current models of Fannie and Freddie cannot remain. We must reduce the risk American taxpayers currently face," Heller said. "We've recently heard [U.S. Department of Housing and Urban Development] Secretary Julian Castro call for housing finance reform, but I haven't heard anything on this subject from Director Watt."

Watt said that the FHFA's role is to oversee the day-to-day operations of the housing market, which is what is allowed by statute, as opposed to making policy decisions for the future.

"It is Congress's role to tell us what the future of GSE reform is. We have cooperated fully in terms of being a resource to the committees and all proposals in both the House and the Senate," Watt said. "But if the committee is expecting me to have a position on what the future of housing and GSE reform, they will be sorely disappointed."

Sen. Elizabeth Warren (D-Mass.) questioned why the FHFA has been slow to adopt reducing the loan principal for underwater homeowners.

"Principal reduction is often a win-win that both helps Fannie and Freddie and helps a family," she said. "The Treasury department has found that principal reductions could save Fannie and Freddie nearly \$4 billion and help half a million homeowners stay in their home. It has been six years since Congress created FHFA, and in all that time your agency has never, not once, permitted a family to reduce its principal mortgage through Fannie or Freddie."

Watt responded by saying the agency was still looking into ways to "responsibly" reduce principals, but in the meantime, the agency has been able to give homeowners flexibility under the Neighborhood Stabilization Act, which assists with purchase and redevelopment of foreclosed and abandoned homes and residential properties.

Watt's [testimony](#) included an update on the financial performance of Fannie and Freddie:

- For Fannie, net income for the third quarter of 2014 totaled \$3.9 billion. For the first nine months of 2014, Fannie Mae reported earnings of \$12.9 billion compared to net income of \$77.5 billion for the first nine months of 2013, which reflected one-time or transitory items; and
- For Freddie, net income for the third quarter of 2014 totaled \$2.1 billion. For the first nine months of 2014, Freddie Mac reported earnings of \$7.5 billion, compared to net income of \$40.1 billion for the first nine months of 2013, which reflected one-time or transitory items.

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

Share Why You Are Thankful and Agility Recovery will Donate to the Red Cross

In the spirit of Thanksgiving, Agility Recovery is running a very special

campaign in support of the American Red Cross, an organization that is near and dear to Agility's heart.

Simply share why you are thankful on [Twitter](#), [Facebook](#) and [Instagram](#) using the hashtag #AgilityThankful. For every "thankful" post, Agility will donate \$1 to the Red Cross Disaster Relief Fund.

So, what are you waiting for? Take a moment out of your hectic day and help Agility give back this holiday season.

For more details about the campaign and to hear why Agility Recovery President and CEO, Bob Boyd is thankful, [click here](#).



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

Don't Miss Out on the Deals in the 2014 Year-End Webinar Hot Topic Sale!

The Hottest Credit Union Special of the Year!
ARCHIVED WEBINAR (INCLUDES LINK & FREE CD ROM)
Buy 2 HOT TOPIC webinars and receive the THIRD ONE FREE!

Don't miss this sale of our best-selling 2014 archived webinars! Each archive includes an on-demand link and a free CD ROM. We have extended the expiration date for the archived webinar links for the following webinars until December 31, 2014. *The CD can be viewed even after the expiration date!*

See [instructions](#) to redeem your free webinar. Click on titles for webinar content.

- [01/14/2014 Real Estate Collections Under the New CFPB Mortgage Servicing Rules](#)
- [01/30/2014 What is That Personal Tax Return Telling Me? Part 1: Form 1040, Schedules B, C & D](#)
- [02/05/2014 ACH Specialist Series: Tax Refunds: ACH Postings, Exceptions & Liability](#)
- [02/12/2014 Imaged Documents: What to Keep, What to Destroy, What Holds Up in Court](#)
- [04/02/2014 ACH Specialist Series: ACH Rules Update 2014](#)
- [04/16/2014 Responding to Official Demands for Member Funds: Subpoenas, Garnishments, Summonses, Levies](#)
- [04/24/2014 BSA Officer Duties & Update](#)
- [05/14/2014 Auditing Your Loan Portfolio: Consumer](#)

- [05/14/2014 Auditing Your Loan Portfolio: Consumer, Commercial & Real Estate](#)
- [06/03/2014 Head Teller Development: Improving Teller Performance](#)
- [06/17/2014 Processing IRA Rollovers & Transfers](#)
- [06/24/2014 Regulation E & Debit Card Error Resolution: Processing, Disclosure & Investigation](#)
- [07/15/2014 Self-Employed Borrower Tax Implications for Qualified Mortgages Under the New CFPB Income Verification Rules](#)
- [07/30/2014 Real Estate Lending Series: Avoiding HMDA Reporting Mistakes](#)
- [08/19/2014 Consumer Collection Compliance Under the CFPB, UDAAP, FDCPA, FACTA & More](#)
- [08/26/2014 Frontline Series: Business Accounts: Who is Authorized to Open, Close, Transact?](#)

Special limited to the above webinar titles only.

Offer expires November 30, 2014.

May not be used in connection with other coupons or discount offers.

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.



• Education • Development • Growth • Essentials •

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

CUNA, Trades Voice Concerns Over Increased FHA Fees

WASHINGTON – CUNA has joined nine financial services organizations in a letter to U.S. Senate and House leadership expressing concerns with a provision of an appropriations bill that could raise U.S. Department of Housing and Urban Development (HUD) fees for credit unions and other financial institutions.

Congress is expected to consider several appropriations bills before it adjourns for the year.

The provision in the Transportation, HUD and Related Agencies Appropriations Act for Fiscal Year 2015 (S. 2438) would grant HUD's request to charge lenders an administrative support fee, which would generate approximately \$30 million per year to fund an enhanced quality assurance program for single-family loans.

While the groups featured in the letter support the goal of improving Federal Housing Administration (FHA) quality assurance processes, they consider the provision in S. 2438 to be "overly broad, and could

negatively impact consumers and lenders alike."

The fee, as proposed, is not to exceed four basis points of the original principal balance of loans originated by the mortgagee that were insured during the previous fiscal year.

A key concern is that the fee will be calculated using the previous year's mortgage originations instead of new originations. The organizations feel that this will raise costs on mortgages that have already been originated and insured, and believe if the provision is included in a final bill it should be calculated on a prospective basis.

The organizations are also concerned about the overall size of the fee. The Senate Appropriations Committee provided \$8 million of the proposed \$30 million HUD requested, but the provision in the appropriations bill does not limit HUD to collect only the remaining \$22 million.

"The legislation allows FHA to charge as much as 4 basis points on aggregate lender originations, far in excess of what it needs. And because the fee is not limited only to FY2015, HUD would be permitted to levy this charge in future years," the letter reads. "If the final appropriations bill contains language authorizing FHA to impose a fee on lenders to fund a new quality assurance program, we believe it should be limited in size, scope and duration to cover the specific technology improvements needed to implement the program."

The House-passed version of the appropriations bill did not give HUD the authority to charge the administrative support fee. S. 2348 has been approved by the Senate Appropriations Committee but was not considered by the full Senate.

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

Free Webinar from CUDirect on Lending Analytics

Lending Insights from CUDirect is hosting an informative hour-long First Look Webcast that will provide valuable insight to the analytics that will help your credit union meet regulatory requirements and improve overall loan portfolio performance.



The Webinar will provide:

- A detailed overview of portfolio risk regulations as well as what examiners are requiring.
- Insight to best practices associated with using loan portfolio analytics to manage risk and identify loan opportunities.
- A demonstration of how Lending Insights' Lending Performance Management System (LPMS) provides lenders with the level of loan portfolio analytics required by regulators in a simple to use

tool.

For your convenience, this event is being offered on a number of upcoming dates.

Event Date		<u>Event Category</u>
12.09.14	Lending Insights First Look (online registration available)	Lending Insights First Look
01.06.15	Lending Insights First Look (online registration available)	Lending Insights First Look
02.03.15	Lending Insights First Look (online registration available)	Lending Insights First Look

Register today for Lending Insights' First Look Webcast and discover how your credit union can meet regulatory requirements AND build portfolio success!

If the dates above don't work for you, please contact Lending Insights at 877-262-3680 x711 or sales@lendinginsights.com to schedule an individual session.

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

Daily Movember Men's Health Tip

WEAR SUNSCREEN

When you're enjoying life in the sun wear sunscreen with an SPF 30 or higher. Check regularly for changes to your skin, paying particular attention to moles, and if you're concerned about any skin changes see your doctor. Early diagnosis and treatment dramatically increases the survival rate from melanoma.

support movember



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

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

December 2 -- [VirtualCorps Webinar: Expanding Your CU into Non-Conventional Financial Services](#)

December 9 -- [VirtualCorps Webinar: Enhancing Leadership Skills For Boards Of Directors](#)

December 10th -- [Creative You Information Session](#)

Industry Events

December 9 -- [South-Central Chapter Meeting: Networking/Christmas/Holiday Gathering](#)

December 11 -- [North-Central Chapter Meeting: Allowance for Loan Losses](#)

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](#)

September 28th -- Picatinny Federal Credit Union 17th Annual Golf Outing

October 4-6 -- NJCUL's 81st Annual Meeting & Convention

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

This message was sent to staff@njcul.org from:

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

[Manage Your Subscription](#)

Email Marketing by
iContact 
try it free