

Subject: The Daily Exchange -- January 12, 2015
Date: Monday, January 12, 2015 12:01 PM
From: New Jersey Credit Union League <news@njcul.org>
Reply-To: news@njcul.org
To: staff@njcul.org
Conversation: The Daily Exchange -- January 12, 2015

To ensure that you continue receiving our emails, please add us to your address book or safe list.

[Unsubscribe](#)

[Update Your Communications Preferences](#)



The Daily Exchange

January 12th, 2015

Today's News:

- › RBC Proposal to Be Unveiled Thursday
- › Don't Miss Tomorrow's VirtualCorps Webinar on Complying with Liquidity Requirements
- › CUNA Gets OK to Record NCUA RBC Discussion
- › Registration Open for CUNA's RBC2 Webinar
- › First NJ DNA Meeting of 2015 Set for February 11th at the League
- › Volunteer to Help Students at BizTown, A Hands-On Financial Literacy Experience!
- › Metsger Discusses Regulatory, Statutory FOM Changes to Help CUs
- › CUNA Praises FHA Premium Reduction, Urges More Relief for CUs
- › Credit Unions, Mark Your Calendars

RBC Proposal to Be Unveiled Thursday

WASHINGTON – Credit unions will get their first look at NCUA's revised regulatory risk-based capital (RBC) this week. The new plan will be unveiled at the Jan. 15 open board meeting, according to an agenda released by the agency Thursday.

The revised proposal will come out almost a year after NCUA first proposed a RBC regime, one that was met with a serious outcry from stakeholders, federal lawmakers, and others.

CUNA President/CEO Jim Nussle thanked NCUA Thursday for slating the RBC discussion for the January meeting.

"CUNA will review and carefully evaluate the second risk-based capital proposal from the NCUA at the agency's Jan. 15 board meeting," he said. "We remain deeply concerned regarding several aspects of the original risk-based capital proposal.

"We know some of the concerns we raised in our comment letter are being considered in the second proposal, including, but not limited to: the 10.5% requirement to be well capitalized, risk weights, ensuring a second comment period, and the allotted time for the implementation period."

Nussle added, "We hope the agency will adequately address our concerns given the significance to the credit union system and the feedback that the agency received from both the credit union movement and policymakers."

Other items on the agency's Thursday agenda week are: its 2015-2016 annual performance plan; a proposed rule on NCUA regulations part 702, Subpart E, capital planning and stress testing schedules; and a community charter request.



Executive Leadership Series

Brought to you by the New Jersey Credit Union League 

First ELS Session of the New Year Set for March 3rd

New innovations in technology, shifting customer expectations, cyber security threats, and economic pressures have dramatically changed financial institutions.

Join us for the first Executive Leadership Series (ELS) [session](#) of the New Year on March 3rd at the League office where you'll hear from Joel Abramson on how to reduce costs while investing in innovation to better serve the modern member. Register [here](#).

Upcoming Events:

January 14, 2015
Webinar: IRA Series: IRA & HSA Update 2014-2015 Tax Years
3:00 pm to 4:30 pm
[More Information Click Here](#)

The closed portion of the meeting, which usually takes place after the open meeting, has been moved to 8:30 a.m. Jan. 15. The open meeting is scheduled to begin at 10 a.m. (ET).

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

Don't Miss Tomorrow's VirtualCorps Webinar on Complying with Liquidity Requirements

VirtualCorps.com™

VirtualCorps Webinar: How to Comply with Federal Regulation on Liquidity Requirements

Tuesday, January 13, 2015

3 p.m. to 4 p.m.

The NCUA has issued guidance on the application, management, and validation of Risk Based Lending. Validating your pricing model is critical to both assure it is engendering profitability and complying with regulation.

The January 13th VirtualCorps Webinar, titled "[How to Comply with Federal Regulation on Liquidity Requirements](#)", will examine what is required in a validation model and show you how to use statistically valid processes to complete a validation. It will also provide guidance on how to interpret results and adjust RBL to achieve your goals.

Speaker Dr. Randy Thompson will provide samples of liquidity tracking tools, a checklist of new regulatory requirements, and sample board reports.

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.



January 20, 2015
VirtualCorps Webinar: How
to Avoid Department of
Labor/ERISA Audit Fines
3:00 pm to 4:00 pm
[More Information Click Here](#)

January 21, 2015
Webinar: Advanced
Endorsements: POAs,
Businesses, Trusts & More
3:00 pm to 4:30 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:



CUNA Gets OK to Record NCUA RBC Discussion

ALEXANDRIA, Va. – NCUA has agreed to a CUNA request that it be able to set up a video camera to record the agency's Jan. 15 open meeting at which its revised risk-based capital (RBC) proposal will be unveiled. The agency will allow CUNA and a limited number of others to record the meeting, a significant change from the agency's standard operating procedures for board meetings.

CUNA requested that the meeting be streamed live over the Internet, or if not possible, that NCUA allow the ability to videotape the proceedings. The agency was not able to accommodate live-streaming for the January meeting, but said it would plan to do that for future meetings.

CUNA President/CEO Jim Nussle thanked NCUA for agreeing to its request to video record the important RBC discussions. He noted that CUNA will post the video to the cuna.org Web site and announce when the recording is available.

"We look forward to the meeting, and hope that live-streaming will become available in the near future to best serve all those in the credit union system," Nussle said.

John Fairbanks, public affairs specialist with NCUA, said, "For this coming Thursday's open board meeting, we will allow a limited number of video cameras at the back of the board room to inconspicuously cover the proceedings. We're going to provide an area for cameras, and they will be limited to that area, to avoid disruption."

Extra lighting and microphone placement in front of the room will not be permitted, since it would likely interfere with the NCUA's standard recording operations, Fairbanks said.

Registration Open for CUNA's RBC2 Webinar

WASHINGTON – Registration is now open for CUNA's risk-based capital (RBC) Webinar scheduled for Jan. 26.

Titled "Update on the NCUA's Risk-Based Capital Proposal," the Webinar will feature CUNA staff analysis of the proposal, which the NCUA announced will be discussed at its Jan. 15 meeting.

CUNA President/CEO Jim Nussle, Chief Policy Officer Bill Hampel, and Deputy General Counsel Mary Dunn will outline and discuss the proposal from the credit union perspective. Larry Fazio, director of NCUA's Office of Examination and Insurance, has been invited to speak and respond to questions, as time permits.

The free Webinar is scheduled to run from 1 to 2 p.m. More information is available on the [registration page](#). Space is limited. The Webinar will be archived for later viewing.

NCUA will also host a Webinar featuring Office of Examination and Insurance staff discussing the proposal. The public Webinar will take place Jan. 21 at 2 p.m. and will cover the changes from the original proposal to the revised version, and the justification for the changes.

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

First NJ DNA Meeting of 2015 Set for February 11 at the League

HIGHTSTOWN, N.J. – Directors and volunteers, don't miss the first NJ DNA meeting of the New Year on Wednesday, February 11th being held at the League office.

The dinner meeting, which will begin with networking at 5:15 p.m., will be hosted by Fort Dix FCU CEO Janet Sperling, but will be held at the League office in Hightstown.

The roundtable discussions will include the following topics:

Topic #1: What's Your Board's Oversight Style? From rubber-stamping to micromanaging

Topic #2: Strategic Planning (topics, facilitators, venues, frequency, etc.)

There is a cost of \$25.00 per credit union.

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



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

Volunteer to Help Students at BizTown, A Hands-On Financial Literacy Experience!

**BizTown Event Taking Place January 28th;
Volunteer Training at the League Taking Place
January 20th**

BRIDGEWATER, N.J. – Last year, NJCUL converted one of the bank branches at Junior Achievement's hands-on financial learning experience "BizTown" into a



credit union. All of the final touches are nearly complete and we have been asked to volunteer for our first BizTown event with participating students on January 28 from 8 a.m. to 2 p.m.!

BizTown is a lot like the Reality Fair program, except that 5th and 6th grade students are running an actual town. Each student has a job in the town, some are CEOs, some are CFOs, there is even a mayor and a swearing in ceremony each day!

More information on BizTown, which is located in Bridgewater, N.J., can be found at http://janj.org/programs/ja_biztown. Also, click here for a [JA BizTown volunteer recruitment flyer](#) with more information on the volunteer day.

The League invites its member credit unions to participate in the event on January 28th and volunteer to help the students. We need to get 14 volunteers for the day.



Volunteers for these events have duties similar to those of Reality Fair volunteers, but there are some differences. The League is hosting BizTown volunteer training on Tuesday, January 20th from 11 a.m. to 12 p.m. to get everyone up to speed and well trained for the event on the 28th. The training, led by Junior Achievement, reviews the simulation day, the volunteer and student roles, and provides helpful tips for creating a successful day. A brief on-site walk-through and Q&A will also be conducted on the morning of a volunteer experience.

Please note that committing to participate would mean attending both the training and the actual event. Please contact Marissa Anema at manema@njcul.org as soon as possible if you are available for the training and volunteering for the event.

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

Metsger Discusses Regulatory, Statutory FOM Changes to Help CUs

ALEXANDRIA, Va. – Changes to field-of-membership (FOM) laws and regulations could benefit credit unions, NCUA Vice Chair Rick Metsger told a Virginia Credit Union League meeting Friday.

Metsger described a number of changes the agency could make under existing authority.

"I've been concerned with field-of-membership issues for some time," Metsger said, "and this is an area I believe can be improved both in regulation and in law.

"We can modernize our rules, and Congress could update the Federal Credit Union Act, to help federal credit unions grow and serve more Americans, especially those of modest means, who do not have adequate access to an affordable, insured financial institution."

Some of the changes Metsger said would streamline NCUA regulations and expand access to credit union services include:

- Allowing credit unions converting from single or multiple common bonds to community charters to continue serving select employer groups even if they are located outside the new community charter boundaries;
- Permitting the addition of adjacent areas to community charters without requiring them to be core-based statistical areas;
- Eliminating the requirement that a community charter be based on a core area of a core-based statistical area;
- Revising and simplifying the process for determining that an area is "underserved;" and
- Allowing active-duty military personnel and their families to automatically qualify as low-income households.

Metsger also said lawmakers could take actions to improve FOM rules, adding that NCUA has urged statutory changes to modify the Federal Credit Union Act in testimony to Congress. These changes would give the agency authority to streamline FOM regulations and permit credit unions to better serve underserved communities, Metsger said.

The statutory changes he recommended are:

- Allowing all credit unions, not just multiple common-bond charters, to add underserved areas;
- Simplify the "facilities" test for determining if an area is underserved; and
- Giving community-based federal credit unions the option to structure their fields of membership in accordance with law of the state in which they operate.

"Credit unions have a lot to offer members," Metsger said, "and while keeping safety and soundness always in mind, lawmakers and regulators should look for ways to help them provide affordable financial services to more people."

NCUA announced last month it would form an FOM working group, which would explore issues association with current FOM rules and regulations.

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

CUNA Praises FHA Premium Reduction, Urges More Relief for CUs

WASHINGTON, D.C. – President Dennis Cheneveth announced that the

WASHINGTON – President Barack Obama's announcement that the Federal Housing Administration (FHA) will lower annual mortgage insurance premiums was met with praise from CUNA. The [action](#) reduces premiums to 0.85% from 1.35%, according to the White House.

CUNA President/CEO Jim Nussle welcomed the announcement, but advocated for all agencies to take additional steps to assist credit unions and their members.

"While today's announcement is a step in the right direction, there are additional steps that need to be taken to help credit unions and their members even further," Nussle said. "We look forward to working with Congress and the administration to closely examine the regulatory burden facing lenders and to remove barriers to mortgage lending that keep qualified borrowers from achieving the dream of homeownership."

Nussle added that, since credit unions were not the cause of the financial crisis and in fact served their members admirably over that time, additional regulatory relief should be forthcoming.

"The financial crisis, caused by the nation's biggest banks destroyed the finances of many hard-working families, but credit unions stood by their members and helped assist them with their mortgages to every extent possible. In fact, in 2009, credit unions saw their delinquency for mortgage loans peak at 1.61% compared to 8.86% at the banks—many who lured consumers into debt they could not afford," he said.

"CUNA sent a letter Tuesday, along with a number of other housing and financial trade organizations, requesting lower premiums because credit unions have long advocated prudent moves by government agencies involved in home finance to reduce the regulatory burdens that make home ownership more expensive."

The FHA, in a release posted shortly after the conclusion of Obama's speech Thursday, announced the lower premium prices will take effect by the end of this month. A mortgagee letter will be published by the agency shortly, which will detail the new pricing structure.

The reductions are projected to save more than two million FHA homeowners an average of \$900 per year, as well as allow 250,000 new homebuyers to purchase a first home over the next three years.

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

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

January 13 -- [VirtualCorps Webinar: How to Comply with Federal Regulation on Liquidity Requirements](#)

January 20 -- [VirtualCorps Webinar: How to Avoid Department of Labor/ERISA Audit Fines](#)

February 10 -- [CFO Roundtable: Managing Operating Costs and More!](#)

February 11 -- [NJ DNA Dinner Meeting](#)

March 3 -- [Executive Leadership Series Session: Six Essentials for Keeping Your Financial Institution Relevant](#)

Industry Events

January 13 -- [South-Central Chapter Meeting: Development Education](#)

January 14 -- [Reality Fair at Jackson Liberty High School](#)

January 28 -- [Southern Chapter Meeting: Elections to Be Held](#)

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

April 13-15 -- [2015 CU Reality Check at the Golden Nugget Atlantic City](#)

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

June 1 -- North Jersey Federal Credit Union Foundation's Annual Golf Outing

June 10 -- [Reality Fair at Ewing High School](#)

July 20 -- Garden Savings FCU's 5th Annual Golf Outing at Fiddler's Elbow Country Club

September 28 -- 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