

**Subject:** The Daily Exchange -- January 22, 2015  
**Date:** Thursday, January 22, 2015 12:29 PM  
**From:** New Jersey Credit Union League <news@njcul.org>  
**Reply-To:** news@njcul.org  
**To:** staff@njcul.org  
**Conversation:** The Daily Exchange -- January 22, 2015

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January 25th, 2015

Today's News:

- › NCUA Takes RBC2 Questions During Webinar
- › 1st Quarter 2015 Edition of Legislative Newsletter Sent to Lawmakers, Available for Download
- › Biz Kid\$ Financial Ed Grants Now Available from Foundation
- › Registration OPEN for Our 27th Annual Golf Tournament on April 28th!
- › Former DHS Secretary Tom Ridge Joins GAC Lineup
- › 2015 IRA Webinar Series Available
- › House Financial Services Approves Oversight Plan
- › Former Chairman Retires from Mid-Atlantic Corporate's Board
- › CUNA Seeks Small CUs' Perspective on Same-Day ACH Proposal
- › CFPB Tweaks 2 Consumer Mortgage Disclosure

### NCUA Takes RBC2 Questions During Webinar

ALEXANDRIA, Va. – NCUA staff provided a breakdown of the agency's revised risk-based capital proposal (RBC2) during a Webinar yesterday. The staff also answered questions from stakeholders, many of whom wanted to know if NCUA would be providing an online "risk-based capital calculator" to assess the plan's impact on individual credit unions.

"The purpose of the updated rule is not to prevent credit unions from taking risks, it only mandates that if they choose to do so, they must also commensurately hold capital in line with their risk profile," said Tom Fay, senior capital market specialist with the NCUA, who was one of the presenters at the Webinar.

According to Larry Fazio, NCUA's director of examination and insurance, the agency will not be developing a calculator for its Web site like it did for the previous proposal. This is due to the data needed for estimations differing from the data NCUA currently has on file from credit unions' call reports.

"We do have, on our Web site, what's called a risk-based capital estimator. Credit unions can download a spreadsheet and fill it in themselves with more precise data," he said. "For this go-around we're providing a spreadsheet credit unions can fill out to get more accurate information on their individual situations."

The RBC estimator spreadsheet can be downloaded at the agency's risk-based capital resource [page](#). The page also includes the complete RBC2 proposal, the board action memorandum, and several other documents.

Also related to an RBC estimator. CUNA Chief Policy Officer Bill

Mortgage Disclosure  
Notifications  
) Credit Unions, Mark Your  
Calendars

## 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:

also related to an RBC estimator, CUNA's Chief Policy Officer, Peter  
Hampel noted, "CUNA is developing an enhanced version of the  
estimator that will: automate some of the data entry; allow credit  
unions to analyze the effects of growth and changes in assets  
composition; and, consider the impacts of different risk weights."

Hampel added, "Our simulator will be posted by the end of the week  
to CUNA's [RBC2 website](#)."

The RBC2 proposal is slated for a 90-day comment period, which will  
start when it is published in the *Federal Register*, likely to be within the  
next several weeks.

"We encourage all interested parties to comment," Fazio said. "We'll  
carefully evaluate all comments and make adjustments when it's  
sensible to do so, just like we did with the last round of comments."

A closed captioned recording of the Webinar will be posted to the  
NCUA's Web site in approximately three weeks.

Fazio will be the featured guest at CUNA's risk-based capital [Webinar](#),  
scheduled for Jan. 26. He will be joined by CUNA President/CEO Jim  
Nussle, Chief Policy Officer Hampel and Deputy General Counsel  
Mary Dunn.

Additional RBC2 resources can be found at CUNA's Risk-Based  
Capital [Action Center](#) and Risk-Based Capital [blog](#).

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

## 1st Quarter 2015 Edition of Legislative Newsletter Sent to Lawmakers, Available for Download

The latest edition of NJCUL's quarterly legislative newsletter, *NJ  
Credit Union Digest*, has been sent to New Jersey lawmakers and is  
now available on our Web site for our member credit unions to view.

In this quarterly newsletter,  
we communicate not only  
the important issues facing  
credit unions, but all the  
good work our credit unions  
are doing for their members  
and the communities they  
serve. *NJ Credit Union  
Digest* is a printed  
newsletter provided solely to  
New Jersey legislators and  
government officials.

Each quarter we choose  
some of the top stories that  
have appeared in our other  
publications and gear them  
toward a legislative  
audience.

To access the 1st Quarter



February 17, 2015  
VirtualCorps Webinar:  
Understanding, Location &  
Evaluating Auto Loan  
Participations  
3:00 pm to 4:00 pm  
[More Information Click Here](#)

February 18, 2015  
Webinar: BSA Compliance  
Series: new BSA Officer  
Training  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

February 24, 2015  
Free Your Marketing Co.  
Information Session  
Location: NJCUL and via  
Video Conference  
11:00 am to 1:00 pm  
[More Information Click Here](#)

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#### Connect with Us:



2015 issue of *NJ Credit Union Digest*, click [here](#) or visit [www.njcul.org/legislative-newsletter.aspx](http://www.njcul.org/legislative-newsletter.aspx).

This aspect of the NJCUL site is limited to members only and requires a login. To register for login information, visit: [www.njcul.org/Secure/Register.aspx](http://www.njcul.org/Secure/Register.aspx).

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

## Biz Kid\$ Financial Ed Grants Now Available from Foundation

### Grants Extend Reach of Award-winning Financial Literacy Series

MADISON, Wis. – Credit union organizations can now apply for a Biz Kid\$ Financial Education Grant from the National Credit Union Foundation (the Foundation) through March 31, 2015.



The application [can be found here](#) or by visiting [ncuf.coop](http://ncuf.coop)>How We Help>Biz Kid\$>Apply for a Biz Kid\$ Financial Education Grant.

“We encourage credit unions to apply for a Biz Kid\$ Financial Education Grant to improve youth financial literacy through the engaging and award-winning Biz Kid\$ program,” said Danielle Brown, the Foundation’s Director of Development & Donor Relations. “This is the third year we are offering grants and so far the results have been amazing.”

The Foundation has been [highlighting Biz Kid\\$ grantees through a series of articles](#) over the past year that have been leveraging Biz Kid\$ and its curriculum to build students financial literacy and economic education skills. Some examples include:

- Travis Credit Union worked with community partners to create a Work-Ready Certification (WRC) Program to help local students stand out in the workforce.
- Silver State Schools Credit Union (SSSCU) helped elementary students save over \$40,000.
- The Cornerstone Credit Union Foundation improved the financial literacy skills of both students and educators through their collaborative Biz Kid\$ pilot program around entrepreneurship.

#### What the Grants Fund

Biz Kid\$ Financial Education Grants may be used to fund innovative programs that improve the financial education of youth through the use of the Biz Kid\$ program. Projects may engage teachers, students, education leaders, local PBS stations, or community stakeholders through events, activities, and/or curriculum distribution. Each project should create innovative and engaging activities incorporating Biz Kid\$ materials. Funds may not be used as a cash donation to a third party.

party.

### Eligibility Requirements

Eligible applicants include credit unions, CUSOs, state credit union associations, state credit union foundations, and any other organizations owned or controlled by credit unions.

Questions about Biz Kid\$ or the grant process can be directed to Danielle Brown at (608) 556-2406 or via email at [dbrown@ncuf.coop](mailto:dbrown@ncuf.coop).

For more information about *Biz Kid\$*, [click here](#).

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

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## Registration OPEN for Our 27th Annual Golf Tournament on April 28th!

### Golfer and Sponsorship Registration Available on the NJCUL Site

MONROE TOWNSHIP, N.J. – Register today for the NJ CU League's 27th Annual Golf Tournament on April 28th!

Once again, the tournament will be held at the beautiful Forsgate Country Club in Monroe Township on both the Banks and Palmer courses. The day will consist of a continental breakfast, a 10 a.m. shotgun start, lunch at the turn, and a cocktail hour/awards ceremony at 3 p.m.

Registration is on a first-come, first-served basis, so sign up today! Credit union golfer registration materials are available [here](#).

There are many sponsorship options for vendors to choose from to support the NJCUL's golf tournament and gain exposure among credit union professionals. Each sponsorship option gives you customized signage at the sponsored hole. You can also send in items to be included in "goodie bags" that will be given to each player.

Sponsor registration materials are available [here](#).

If you have any questions, please contact Yvette Segarra at [ysegarra@njcul.org](mailto:ysegarra@njcul.org) or 800-792-8861 ext. 103.

[Credit Union Registration](#)

[Sponsorship Registration](#)





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

## Former DHS Secretary Tom Ridge Joins GAC Lineup

WASHINGTON – Legislator, governor, and first Secretary of Homeland Security Tom Ridge has been scheduled as a keynote speaker at CUNA's 2015 [Governmental Affairs Conference](#) (GAC).

Ridge joins media influencer and business leader Arianna Huffington, former White House Press Secretary Ari Fleischer, and retired Gen. Stanley McChrystal as confirmed keynote speakers for the annual event.



"Credit unions are continuously working to prevent cyberattacks," said CUNA President/CEO Jim Nussle. "Gov. Ridge's extensive cybersecurity background will provide invaluable insight at a time when data breaches and digital security are of paramount concern. It's a pleasure to welcome him to this year's GAC speaker lineup."

Ridge is currently CEO of Ridge Global, a firm of international experts that addresses risk management, global trade security, emergency preparedness and response, strategic growth, infrastructure protection, and crisis management. Ridge is also co-founder of the cybersecurity firm Ridge Schmidt Cyber LLC.

Ridge served as a U.S. Army infantry staff sergeant in Vietnam, and became one of the first enlisted Vietnam veterans to serve in the U.S. House when he was elected to represent Pennsylvania's 21st District in 1982. He served in Congress until he was elected governor of Pennsylvania in 1994.

President George W. Bush created the Office of Homeland Security in 2001 in the wake of the Sept. 11 attacks and tapped Ridge to head the agency. It was eventually renamed the Department of Homeland Security with the passage of the Homeland Security Act of 2002.

The [GAC](#) is scheduled for March 8-12 in Washington, D.C. The event draws more than 4,000 credit union professionals, supporters, and activists with the goal of advancing the credit union movement.



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

[2015 IPA Webinar Series Available](#)

## Get 6 Webinars for the Price of 5!

IRAs can be extremely complex so knowing the rules and how they are applied is crucial. The **2015 IRA Webinar Series** available through the League will provide up-to-date information for those who deal face-to-face with account holders and for staff who have IRA operational, compliance, or reporting responsibilities. It will also provide management with a solid understanding and appreciation of IRA rules and responsibilities. Areas that will be addressed include establishing traditional and Roth IRAs, specifics regarding a variety of distribution types, and rollovers versus transfers—one of the most incorrectly reported IRA areas.



You may register for the entire series or for individual sessions. By signing up for the entire series, you will receive **6 Webinars for the price of 5**. This is a cost-effective way to train all staff involved with IRA accounts in the proper way to open, report, and comply!

### IRA Series Topics:

- IRA & HSA Update 2014-2015 Tax Years
- Traditional & Roth IRA Fundamentals & Compliance Considerations
- IRA Death Distributions: Beneficiary Options & Tax Consequences
- Processing IRA Rollovers & Transfers
- Auditing IRAs Step-by-Step
- IRA Reporting, Common Issues & Error Resolution

[Click here to view the session dates and topics and to register.](#)

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

## House Financial Services Approves Oversight Plan

WASHINGTON – The U.S. House Financial Services Committee

yesterday approved its oversight plan by voice vote. The plan lays out the areas in which the panel and its subcommittees expect to conduct their supervision during the 114th Congress, but it does not preclude oversight or investigation of additional matters or programs as may arise.

The items on the [plan](#) include:

- Examination of financial regulators' safety and soundness supervision of credit unions and banking industries, to ensure systemic risks and other weaknesses are identified and addressed;
- Monitoring the solvency of the National Credit Union Share Insurance Fund, as well as the Federal Deposit Insurance Corp.'s Deposit Insurance Fund;
- Examination of the implementation of the Dodd-Frank Act, including an assessment of the Financial Stability Oversight Council and Office of Financial Research, effects of the Volcker Rule and effects of "too big to fail;"
- Examination of ways to expand access to mainstream financial services among underserved segments of the population;
- Examination of the activities of Consumer Financial Protection Bureau (CFPB), including its funding mechanism and governance structure;
- Monitoring mortgage rulemakings from the CFPB and other agencies;
- Conducting oversight of the U.S. Department of Justice's Operation Choke Point;
- Monitoring of payment card industry practices;
- Monitoring the operations of the U.S. Treasury's Community Development Financial Institutions Fund; and
- Examination of proposals to modify or terminate Fannie Mae and Freddie Mac's statutory charters, harmonize their business operations and wind down any legacy business commitments.

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

## **Former Chairman Retires from Mid-Atlantic Corporate's Board**

### **Dennis Flickinger Steps Down After Years of Service**

MIDDLETOWN, Pa. – Mid-Atlantic Corporate Federal Credit Union announces that its former chairman, Dennis Flickinger, is retiring after 10 years of service. Flickinger is the president/CEO and treasurer of First Capital Federal Credit Union in York, Pa., and was elected to Mid-Atlantic Corporate's Board of Directors and its Supervisory Committee in 2005. He served as board chairman from 2011 to 2013.

"For the past decade, Dennis has had a positive influence on Mid-Atlantic Corporate's direction," said Michael Pastirik, president/CEO of United Community Federal Credit Union in West Mifflin, Pa., and current chairman of the board. "As chairman during some critical years in the credit union industry, he helped lead the Corporate to a prosperous future."

"Dennis's wisdom and experience have made a significant contribution to our success," said Jay Murray, president/CEO of Mid-Atlantic Corporate. "We are grateful for his years of service on the board—both as chairman and a director—as well as for his insights as a member of the supervisory committee."

In addition to his work with First Capital FCU, Flickinger has served the credit union movement in a variety of roles. He was the York Chapter President from 1998 to 2010, a Credit Union Council Member for the Federal Reserve Bank of Philadelphia from 2000 to 2002 and Pennsylvania's representative to CUNA Mutual's Owners Advisory Council from 2001 to 2003. He currently is a member of CUNA's Next Steps Committee and a member of the Enterprise Car Sales National Credit Union Advisory Board.

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

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## CUNA Seeks Small CUs' Perspective on Same-Day ACH Proposal

WASHINGTON – CUNA's regulatory staff is seeking input on the proposed same-day automated clearinghouse (ACH) transactions rule, particularly from smaller credit unions. The [proposal](#) has been put forth by NACHA—The Electronic Payments Association.

The rule would amend NACHA operating rules to enable an option for same-day processing of virtually any ACH payment. The exceptions would be international transactions and individual transactions of more than \$25,000.

All receiving depository financial institutions (RDFIs), including credit unions, would be required to receive same-day ACH payments in order to provide certainty to originators desiring same-day transactions. All RDFIs will incur implementation and ongoing operating costs if the proposal is adopted in its current form.

Since nearly all credit unions would be subject to the new rule, regardless of size, CUNA's regulatory advocacy staff seeks input from credit unions on how the rule would affect their operations.

"CUNA appreciates the comments we have received thus far, most of which have been from larger credit unions," said Luke Martone, CUNA's senior assistant general counsel for regulatory affairs. "However, in order to ensure our comment letter accurately represents our membership, we are still pursuing input from smaller credit unions, those with less than \$50 million in assets, and credit unions with limited operating hours and staff. Those credit unions could be most affected by the proposal."

The main questions CUNA seeks input on are:

- Does your credit union support the proposed same-day ACH rule, and if not, what are your issues with the proposal and;
- Do you support the proposed approach to require all RDFIs to receive same-day ACH payments?

Once those questions are answered, CUNA staff is interested in details, such as the estimated costs of compliance, as well as credit unions' thoughts on what changes will need to be made in order to comply with the rule.

NACHA has proposed a phased implementation approach, starting in September 2016. Comments are due to CUNA by Jan. 23, and comments are due to NACHA by Feb. 6.

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

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## CFPB Tweaks 2 Consumer Mortgage Disclosure Notifications

WASHINGTON – Minor modifications to rules governing when consumers receive loan information were finalized yesterday by the Consumer Financial Protection Bureau (CFPB).

The rules were first proposed in October and address when consumers will receive updated disclosures after locking in an interest rate, and how consumers receive information regarding certain construction loans.

Federal law required mortgage lenders deliver two different, overlapping disclosures to consumers within three business days after receiving a mortgage application. Dodd-Frank transferred responsibility for the forms to the CFPB, and the bureau introduced new mortgage disclosure forms in 2013 to replace the existing federal forms.

One change requires creditors provide a revised Loan Estimate within three business days after a consumer locks in a floating interest rate. The original rule required creditors to provide the revised Loan Estimate on the date the rate is locked.

The second change creates a space on the Loan Estimate form where creditors could include language informing consumers that they may receive a revised Loan Estimate for a construction loan that is expected to take more than 60 days to settle.

Both changes are part of the bureau's Truth in Lending Act-Real Estate Settlement Procedures Act Integrated Disclosure [rule](#), which becomes effective Aug. 1. According to the CFPB, it does not anticipate that the modifications will affect the industry's ability to come into compliance with the rules.

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

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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**

February 3 -- [VirtualCorps Webinar: Why a Payday Alternative Loan May Be Helpful to Many of Your Members](#)

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

February 10 -- [VirtualCorps Webinar: Understanding, Locating and Evaluating Auto Loan Participations](#)

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

February 17 -- [VirtualCorps Webinar: How to Develop a Simple Investment Strategy for Your Excess Liquidity](#)

February 24 -- [Free Information Session with Your Marketing Co.](#)

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

## **Industry Events**

January 26 -- [CUNA's Update on NCUA's Risk Based Capital Proposal Webinar](#)

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

January 30 -- [Children's Miracle Network Hospitals Annual Collaboration Forum](#)

February 2 -- [Applications Open for NCUA Low-Income Credit Union Grant Round](#)

February 10 -- [NCUA Chairman's Town Hall Meeting with CFPB Director Cordray](#)

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](#)

May 20-21 -- [CU Direct's Automotive Lending & Marketing Conference](#)

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

June 5 -- [Reality Fair at Thomas Wallace School](#)

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

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

Essex County Club

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

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

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

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