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March 5th, 2015

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## Save the Date! NJ CU Foundation Casino Night Set for May 29th

Mark your calendars! The New Jersey Credit Union Foundation has set the date for its fun-filled fundraiser: Casino Night!

The event will take place Friday, May 29th, 2015 at the Renaissance in Woodbridge (formerly the Woodbridge Hilton) from 6 p.m. to 10:30 p.m.

More information and registration materials for the NJCUF's 5th Annual Credit Union Casino Night will soon be available at [www.njcul.org](http://www.njcul.org). Look for more information coming soon.

Supporting the New Jersey Credit Union Foundation through its Casino Night ensures that your funds will be used toward its charitable giving and in-house programs, like Reality Fairs. We look forward to your participation and support!



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**Don't Forget to Share Your Regulatory**

7 Circuit Court Restores  
NCUA RMBS Suit vs. Barclays  
) Credit Unions, Mark Your  
Calendars



## Register Today for NJCUL's 27th Annual Tournament on April 28!

Reserve your spot on the greens at our upcoming Golf Tournament! Join us on both of Forsgate Country Club's beautiful courses for a day of golf, lunch, and an awards banquet.

Click [here](#) for more information and the registration form.

### Upcoming Events:

March 24, 2015  
VirtualCorps Webinar:

## Don't Forget to Share Your Regulatory Burden Stories with CUNA

### CUNA Seeks Real-Life Reg. Burden Examples Requested by Senate Banking Committee

Last month, CUNA launched a new [tool](#) to help collect real-life examples of how the growing regulatory burden results in reduced service for members or increased costs to credit unions—a request made last month by the Senate Banking Committee. Senate Banking Committee chairman Sen. Richard Shelby (R-Ala.) asked CUNA for concrete examples of how regulations negatively affect service to members.

Many credit unions have already shared examples with CUNA using the [online form](#).

If you haven't already done so, please take a few minutes to share your experiences and perspective. CUNA will compile and send the examples it receives to the Banking Committee and use them in its work with members of Congress, regulators, and others.

You can indicate on the form your desire to keep your example(s) anonymous.

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## Spring ELS Session Tackles Technology

HIGHTSTOWN, N.J. – Many gathered at the League office to hear about "Six Essentials for Keeping Your Financial Institution Relevant & Secure" on March 3rd at the League's first Executive Leadership Series (ELS) session of the New Year.



*Joel Abramson presents to a full house of New Jersey credit union leaders.*

Led by Joel Abramson from Complete Data Products (CDP), the session covered cyber security, the customer experience in a digital world, cross-selling and marketing strategies, the evolution of the branch and of the role of the teller.

Abramson stated that cyber threats apply to every credit union regardless of size and shared ideas and resources available for the protection of data from cyber insurance (around for about 2-3 years now) to encryption and user policies.

**Understanding Financial Statements and Ratios: Part 1**

3:00 pm to 4:00 pm  
[More Information Click Here](#)

March 25, 2015  
Southern Chapter Meeting:  
Compliance Update  
Location: Crab Trap,  
Somers Point, NJ  
6:00 pm to 8:30 pm  
[More Information Click Here](#)

March 26, 2015  
Operations Roundtable:  
Digital Signatures  
Location: NJCUL and via  
Video Conference  
10:00 am to 12:30 pm  
[More Information Click Here](#)

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He also reminded everyone that "guests" who have access to our data must also be considered, defining guests as credit union board members and volunteers as well as vendors.

The session was packed with a lot of information and questions to think about back on the job.

Additional photos from the event are available on the League's [Facebook page](#).

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## Dreaming of the Greens? So Are We!

MONROE TOWNSHIP, N.J. – It may be white outside, but we're gearing up for the greens!



*Forsgate Country Club*

[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.

## Bill Introduced to Change CFPB Leadership Structure

WASHINGTON – A bill that would broaden the leadership structure of the Consumer Financial Protection Bureau (CFPB) was introduced Wednesday.

The Financial Product Safety Commission Act (H.R. 1266) would change the CFPB leadership from a single director to a five-person board.

CUNA testified before the Senate Banking Committee last month in support of installing a five-person board to run the CFPB.

"We believe that a five-member commission, as Congress originally intended, will better balance consumer access to financial products with the need to ensure a fair marketplace," reads a joint letter signed by CUNA and other financial services trade organizations. "A commission would serve as a source of balance and stability for consumers and the financial services industry by encouraging internal debate and deliberation, ultimately leading to increased transparency."

Under H.R. 1266, the members would be appointed by the president and confirmed by the Senate. The commission would be split 3-2 along political parties, with members serving five-year staggered terms.

According to the bill's text, the commission members must "have strong competencies and experiences related to consumer financial products and services."

Wally Murray, president/CEO of Greater Nevada CU, Carson City, Nev., testified last month on behalf of CUNA during a Senate Banking Committee hearing.

## VirtualCorps.com Presents: Second Quarter Webinar Preview!

**VirtualCorps.com™**

[April 7th -- Learn BSA and Other Effective Compliance Management Procedures](#)

Presented by: Dolores Perreira-Pico

Compliance updates getting in the way of your being an effective CEO? Are you prepared for your BSA audit? Are compliance requirements overwhelming you? Do your procedures match your policies? Have policy reviews fallen to the bottom of your to-do-list? A major challenge for all credit unions is achieving and maintaining compliance with laws and regulations. Indeed, the burden of

regulation has been growing at an increasing rate. It can be a full-time job to keep up-to-date with what is expected and then implement policies and procedures that are compliant. So what can you do? Participants will receive helpful hints and suggestions to implement an effective Compliance Program, including: planning, auditing, monitoring, reporting, and problem resolutions.

#### **[April 14th -- Branding the Experience](#)**

Presented by: Ken Bator

Great organizations don't just brand their marketing materials; they "Brand the Experience" for their customers, members, and clients as well as their employees. Doing so properly takes diligence and the understanding that a brand is more than just "the tip of the iceberg."

#### **[May 12th -- Millennials Want Access to... Products and Services We Don't Have?](#)**

Presented by: Scott Butterfield

The Millennial generation is critically important for us. We can't afford to skip a generation; we're toast without them. This session is focused on the products needed to attract and retain Millennials, and the conversation will include Alternative Financial Services, which include prepaid debit cards, check cashing, and payday loans. Sure this generation wants convenient access and technology (the more the better), but they also want access to products they value.

#### **[May 19th -- Big, Balanced and Sustainable Loan Growth](#)**

Presented by: Mike Dorsett

While some credit unions are experiencing loan growth, many continue to struggle, and the concept of "balanced" loan growth is even more elusive. This program will help you to understand how to diversify your loan portfolio. A universal credit administration program creates an infrastructure for big, balanced, and sustainable loan growth and should include an evaluation of loan quality, origination methods and delivery channels, cross-selling success, sales training and talent assessment, employee goals and evaluations, incentives, data mining, marketing plans and loan promotions, lobby referrals, competitive landscapes, systems and processes, onboarding and retention programs, loan policy review, surveys, lending scorecards and so much more!

#### **[June 9th -- Basic ALM Education for Board Members and Leaders](#)**

Presented by: Dr. Randy Thompson

Interest Rate Risk (IRR) and asset liability management (ALM) are critical elements of risk that receive close and regular scrutiny from regulators. This is because IRR and ALM have such an impact on the viability of a credit union. Recent regulatory changes have added responsibilities for management and board members in relation to IRR and ALM. This Webinar will highlight key regulatory expectations and discuss methods for meeting them. It will also provide discussions of concepts that are foundational to these areas of risk.

## [June 16th -- Strategic Planning Prep for Small to Mid-Sized CUs](#)

Presented by: Scott Butterfield

Successful credit unions all have at least one thing in common...They have solid strategic plans. Effective strategic plans emerge from well-thought out and executed strategic planning sessions. The strategic planning meeting is the opportunity for the board and management to make an honest assessment of what's working, examine the environment, get grounded on core principles and values, and agree upon the highest strategic priorities. This Webinar will provide a practical approach to structuring a successful and meaningful format for your next strategic planning meeting.

## [June 23rd -- Negotiating Your Executive Compensation Package](#)

Presented by: Jonathan Cerrito

Are you receiving all of the executive employment protections you deserve? Do you understand the various ways to structure and negotiate executive compensation? As a credit union executive, you want the security and protection of understanding what happens during each phase of the employment relationship. Regardless of whether you are entering, exiting or maintaining the relationship, there are opportunities for you to negotiate an employment framework.

*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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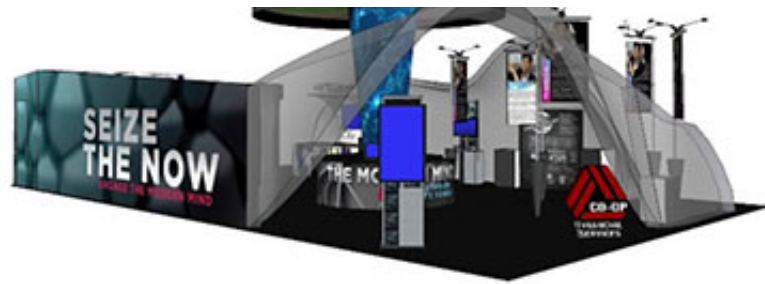
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## **CO-OP Urges CUs to 'Seize the Now' at GAC**

### **Social, Technology Trends Moving in Credit Unions' Favor; CO-OP Explains How to Take Advantage in Booth 301**

RANCHO CUCAMONGA, Calif. – CO-OP Financial Services is using its exhibition space at CUNA GAC 15 to present a case that social and technological advances are working uniquely to the advantage of credit unions—if they can “Seize the Now.”





“All consumers—particularly Millennials—are basing their purchasing decisions on a company’s commitment to a positive social mission and offer technology tools that delight them,” said Stan Hollen, President/CEO of CO-OP. “Among all financial institutions, credit unions are in the very best position to seize the now and engage successfully with today’s prospective member.”

CO-OP’s Seize the Now experience will cover modern consumer behavior, how it forms trends, and how these trends are impacting financial services. A series of audio/visual and interactive presentations will focus on four key trends that credit unions demand for exploit with CO-OP products and programs—consumer demand for personnel payment safely and security; “fast and brilliant” mobile/virtual payment services; greater personalization of products; and institutions exhibiting social values, as well as good value in financial services.

The exhibition will also include a “Tap into the Modern Mind” game that visitors can play as they move through the booth. The object is to help credit union employees learn how they can gain the loyalty of today’s consumer by better understanding what drives their decision making. This will include a quiz on “What’s next in your mobile banking strategy?”, the results of which CO-OP will aggregate and review on its corporate blog, Insight Vault (<http://co-opinsightvault.com/>).

In addition to Insight Vault, CO-OP’s activities at CUNA GAC can be followed on Twitter at <https://twitter.com/COOPFS>.

CO-OP will be located in booth 301 at the entrance of the Exhibit Hall. Exhibition hours at CUNA GAC 15 are being held Sunday, March 8-Tuesday, March 10, 2015, in Washington, D.C.

For more information, visit [www.co-opfs.org](http://www.co-opfs.org).

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## Luetkemeyer Introduces 'Good First Step' Toward Reg. Relief, Nussle Says

WASHINGTON – CUNA expressed its appreciation Wednesday for a bill introduced by Rep. Blaine Luetkemeyer (R-Mo.) that contains several regulatory relief provisions. The Community Lending and Regulatory Relief Act of 2015 (CLEAR Act) contains a number of items that were part of regulatory relief bills in the previous Congress.

"We believe your legislation is a good first step toward meaningful regulatory relief for credit unions and other community based financial

institutions," Nussle [wrote](#) to the chief sponsor of the bill. "We look forward to working with you on ways to further regulatory relief for community based financial institutions."

Most importantly, the bill contains a much-sought-after provision that directs federal banking agencies to conduct a study of appropriate capital requirements for mortgage servicing assets for non-systemic banking institutions.

Luetkemeyer introduced a bill last Congress calling for the study, and CUNA advocated for a manager's amendment that would have included the NCUA in the study and postponed the agency's risk-based capital proposal. The amendment eventually was not offered.

Other items in the bill that CUNA appreciates include:

- A provision that would treat mortgages held in portfolio at credit unions and other mortgage lenders as Qualified Mortgages;
- Language that amends the exemption of small servicers of mortgage loans from the Real Estate Settlement Procedures Act, exempting credit unions and other community financial institutions that service 20,000 or fewer mortgage loans;
- Language from a previous Luetkemeyer bill that would amend the Truth in Lending Act to exempt higher risk mortgages from property appraisal requirements; and
- A provision eliminating the privacy notice requirement that the notices be sent annually, and requiring them only to be sent when the privacy policy of the financial institution has changed.

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## **CUNA-Backed Bill Would Allow CU Input into 'Rural' Definition**

WASHINGTON – Reps. Andy Barr (R-Ky.) and Ruben Hinojosa (D-Texas) have reintroduced the Helping Expand Lending Practices in Rural Communities Act, a CUNA-supported bill that would grant credit unions and other lenders greater input into rural-area designations.

"Having an area designated as 'rural' can affect the types of products credit unions can offer members in that area, and CUNA supports any opportunity for credit unions to provide input to the process," said CUNA Chief Advocacy Officer Ryan Donovan.

For instance, credit unions operating in "rural" areas may be exempt for some regulatory burdens, such as an escrow requirements under the Truth in Lending Act that requires certain lenders to create an escrow account for at least five years for higher-priced mortgage loans. They may also be exempt from



standards under the Ability-to-Repay/Qualified Mortgage (QM) rules that disqualify mortgage loans with balloon payments from meeting the QM standard.

Being exempt from such requirements, CUNA maintains, can beneficially affect the types of products a credit union can offer their members in what can be underserved areas.

The "rural" designations are made by the Consumer Financial Protection Bureau (CFPB), and the bill would provide individuals in rural areas the right to petition for the area to be reclassified as "rural." It would also direct the bureau to establish an application process determining whether an area should be designated as rural.

Currently, the bureau uses the U.S. Department of Agriculture codes to define a rural area.

The bill also requires the CFPB to grant or deny the application within 90 days and to publish the decision in the *Federal Register*. The decision must include an explanation of factors the bureau used in making its decision.

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## Webinar Highlights CU Benefits in SBA Programs

ALEXANDRIA, Va. – Member business lending at credit unions has increased steadily for the past 20 years, even through the financial crisis, according to the NCUA. The NCUA and Small Business Administration (SBA) hosted a joint Webinar Wednesday to explore some of the benefits credit unions and their members can receive through government programs.

According to a poll taken at the Webinar, 28.1% of attendees have a member business loan program and use SBA programs; 29.7% offer business loans, but do not use SBA programs; and another 20.1% do not offer business loans but are "thinking about it."

Credit unions are limited in their member business lending to no more than 12.25% of their assets. However, the SBA guarantees a significant portion of loans through its programs, and that amount does not count against the cap.

Currently, the SBA guarantees up to 85% of loans up to \$150,000, and up to 75% on all other loans up to \$5 million. The agency guaranteed \$19.2 billion in loans in 2014, a record amount, and requested an authorization level of \$21 billion for this year.

According to SBA staff who presented at the Webinar, a member business lending department at a credit union should consist of: risk-focused staff; a risk assessment, rating process and monitoring; and independent loan reviews.

The Webinar comes on the heels of a memorandum of understanding between the NCUA and SBA, as well as CUNA's efforts to connect credit unions interested in a small business program with SBA

credit unions interested in a small business program with SBA resources. In addition, the NCUA has launched a vendor research portal, and a new Web page with small business lending resources.

The NCUA will post an archived version of the Webinar within the next three weeks.

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## Circuit Court Restores NCUA RMBS Suit vs. Barclays

DENVER – A U.S. Court of Appeals has restored a NCUA lawsuit that had charged Barclays Capital Inc. with misrepresenting the quality of more than \$550 million in residential mortgage-backed securities (RMBS) sold to corporate credit unions.

"These cases are extremely important to credit unions, and this is another positive step forward," said Robin Cook, CUNA senior director of advocacy and counsel for special projects. He added, "NCUA so far has recovered more than \$1.75 billion from the big banks, a huge achievement that has helped reduce corporate stabilization assessments on credit unions."

The court order overturns a 2013 ruling by U.S. District Judge John W. Lungstrum in Wichita, Kan., that dismissed NCUA's claims on the grounds they were time-barred and NCUA hadn't filed its case in time. NCUA, however, entered into an agreement with Barclays that would have extended the time it had to file these cases.

In the 10th Circuit ruling filed Tuesday, the court, in part, ruled "Barclays expressly promised not to raise the statute of limitations defense if doing so would require inclusion of time periods that the parties agreed to exclude, and we hold Barclays to that promise."

The cases will now proceed to discovery.

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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**

March 17 -- [VirtualCorps Webinar: How Your CU Can Earn Fee Income: Longterm Care Coverage & Asset Preservation](#)

March 18 -- [Full-Day: Improving the Results of the Collection Department](#)

March 24 -- [VirtualCorps Webinar: Understanding Financial Statements and Ratios: Part 1](#)

March 31 -- [Brett Christensen's Lending School](#)

April 1 -- [Brett Christensen's Lending School](#)

## Industry Events

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

March 25 -- [Southern Chapter Meeting: Compliance Update & Elections to Be Held](#)

April 1 -- [Financial Fitness Day](#)

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

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

May 15 -- [Reality Fair at Barringer High School Academy of the Arts and Humanities](#)

May 18 -- Greater Alliance FCU Golf Outing at Apple Ridge Country Club in Mahwah, NJ

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

May 29 -- [New Jersey Credit Union Foundation 5th Annual Casino Night](#)

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

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

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

November 6-8 -- [DCUL's 2015 Volunteer Leadership Conference](#)

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