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### CFPB Hosting Public Field Hearing Today in Newark

#### Garden Savings FCU President/CEO Louis Vetere Representing Credit Unions During Panel Discussion

WASHINGTON – Today, the Consumer Financial Protection Bureau (CFPB) will convene a public field hearing in Newark, N.J. to discuss arbitration. The field event will feature remarks by CFPB Director Richard Cordray, followed by a panel discussion with consumer groups and industry representatives, including President/CEO of Garden Savings Federal Credit Union Louis Vetere.

The Field Hearing on Arbitration is set to begin at 11:00 a.m. at the J. Harry Smith Lecture Hall at Essex County College in Newark, N.J.

Opening remarks will be made by Zixta Martinez, CFPB Associate Director of External Affairs, followed by remarks by CFPB Director Richard Cordray.

Following Director Cordray's remarks will be panelist introductions and remarks. Louis Vetere, President/CEO, Garden Savings FCU, will be joined on the panel by Paul Bland, Executive Director, Public Justice; Myriam Gilles, Professor of Law, Cardozo School of Law, Yeshiva University; Dong Hong, Vice President, Regulatory Counsel, Consumer Bankers Association; Alan Kaplinsky, Partner, Ballard Spahr; and Jane Santoni, Partner, Williams & Santoni, LLP.

There will also be an open microphone for public participation at 12:25 p.m. before the conclusion of the hearing at 1:00 p.m.

This public event is a part of the CFPB's commitment to regularly

Union Mentor Initiative  
› Bill to Strengthen FSO  
Review of CFPB Regs  
Backed by CUNA  
› 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:

The public event is a part of the CFPB's commitment to regularly engage with communities across the country.

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## Matz at GAC: 2015 the Year of Regulatory Relief

WASHINGTON – Credit unions can look forward to regulatory relief in the coming year, NCUA Board Chairman Debbie Matz said Monday during a keynote speech to CUNA's annual Governmental Affairs Conference (GAC). The full text of her speech is available online [here](#).



*NCUA Chair Debbie Matz, speaking at CUNA's Governmental Affairs Conference, called 2015 the "year of regulatory relief."*

"Since 2011, NCUA has streamlined and improved eight regulations to provide lasting relief for credit unions, but we're not done yet," Matz said. "I'm committed to making 2015 the year of regulatory relief."

Matz described five areas in which NCUA will work to provide regulatory relief: supplemental capital, fields of membership, fixed assets, asset securitization and member business lending. This relief will help credit unions compete in a rapidly evolving marketplace.

### Counting Supplemental Capital

Matz said NCUA will respond to comments that, under current law, the agency could count certain forms of debt as supplemental capital for the risk-based capital ratio.

Matz said NCUA will take three actions:

- Provide consumer protections;
- Change the order of Share Insurance Fund payout priorities to recognize that supplemental capital accounts are not insured; and
- Set prudent standards, such as minimum redemption periods, for credit unions to offer subordinated debt to supplement their risk-based capital.

March 11, 2015  
Webinar: Effective  
Management of Credit  
Report Disputes:  
Completing ACDVs, AUDs &  
More  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

March 12, 2015  
Webinar: Enterprise Risk  
Management: The Roles of  
the Board & Supervisory  
Committee  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

March 17, 2015  
VirtualCorps Webinar: How  
Your CU Can Earn Fee  
Income: Longterm Care  
Coverage & Asset  
Preservation  
3:00 pm to 4:00 pm  
[More Information Click Here](#)

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## Connect with Us:



### Expanding Fields of Membership

NCUA will implement rule changes by the end of the year to make it easier for federal credit unions to expand their fields of membership.

Matz said the Field of Membership Working Group she established is identifying obstacles to membership expansion and recommending rule changes to increase flexibility.

### Removing the Fixed-Assets Limit

Next week, the NCUA Board will consider a proposed rule to eliminate the five-percent cap on fixed assets and authorize federal credit unions to set their own prudent limits.

### Permitting Asset Securitization

As the credit union system grows in size and complexity, many credit unions have adopted more sophisticated financial innovations. NCUA is responding to these changes with a proposal to allow large, qualified credit unions to securitize their assets. NCUA is now fine-tuning the proposal.

### Easing Member Business Lending Burdens

Responding to credit union comments that the waiver process for business loans sometimes prevents them from making timely and prudent loans, NCUA plans to eliminate the need for such waivers.

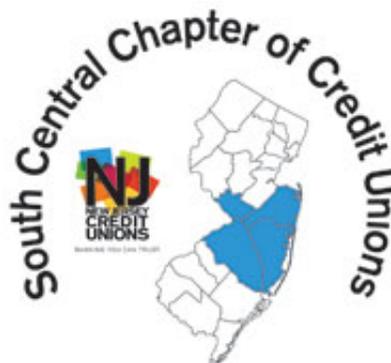
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## Join the South-Central Chapter for a Dinner Meeting on April 7th

### Hear from NJCUL's Marissa Anema on the Reality Fair Program

MILLSTONE TOWNSHIP, N.J. – The South-Central Chapter will hold a dinner meeting on Tuesday, April 7, 2015 at 6 p.m. at Tommy's Millstone Inn in Millstone Township.

Marissa Anema, NJCUL Marketing & Communications Coordinator, will present on the Reality Fair program. She will discuss the program has evolved over the past five years and how you can get involved as a volunteer.



Click [here](#) for more information, the menu, and [full registration form](#). Please contact Pam Elliott at [agchief@comcast.net](mailto:agchief@comcast.net) to register. Registration deadline is Tuesday, March 31, 2015.

Chapter meetings are not limited to credit unions in that chapter only. All meetings are open to any NJCUL member credit union, regardless of their chapter affiliation. Please feel free to attend any chapter meeting to mix and mingle!

More Chapter information as well as the dates of all upcoming



more Chapter information as well as the dates of an upcoming Chapter meetings is available on the League Web site at [www.njcul.org/chapters.aspx](http://www.njcul.org/chapters.aspx).

Please note: Only New Jersey Credit Union League preferred vendors are able to attend New Jersey Credit Union League Chapter events and meetings.

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## Nussle on Advocacy: There's a Whole Lot of Members Out There to Engage

WASHINGTON – Credit union advocacy is all about numbers, CUNA President/CEO Jim Nussle told a crowd of nearly 5,000 credit union leaders during his speech Monday at CUNA's GAC.

"Politicians listen to people because people vote, not associations," Nussle said. "So if we're going to be the kind of strong organization we need in order to bring our message to Washington even more effectively, and go on offense, then we need to engage people who have never been engaged before."

Nussle quickly showed how fast the numbers can rise once people start getting engaged.

"You've got 6,400 credit unions, so we have 6,400 CEOs that ought to be here today. And 80,000 boards of directors that have direct skin in the game and should be the most passionate members of this choir we have here," Nussle said. "Not to mention the 250,000 employees that work for your CUs. That's 350,000 people right there that have skin in the game."

He said that if credit unions can count on all of them in advocacy efforts, it's going to help "us to go on offense" and be "successful in engaging whole new members."

Continuing to bring new voices into the fold, while keeping [current advocacy efforts](#) up, is what will help credit unions bring the legislative and regulatory changes they need to thrive, Nussle said.

"For us to be winning, we need to be growing. I want our market share to increase. I want our credit union opportunity to be available to whole new generations," Nussle said. "We have young people who have never been exposed to credit unions. We have new Americans who have never been exposed to credit unions."

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## NCUA Vice Chairman Metsger Discusses Regs, Cybersecurity, RBC

WASHINGTON – Whether the issue is regulatory modernization, security breaches or legislation, everyone in the credit union



community can contribute to positive change, NCUA Board Vice Chairman Rick Metsger said Monday at CUNA's GAC. The text of Vice Chairman Metsger's prepared



Chairman Metzger's prepared remarks is available [here](#).

"All of us have a role," Metzger said. "The financial services world is continuously evolving. Both you as service providers and we as regulators and insurers need to keep pace with the needs of American consumers. Concentrate on the things you can change. Help us design the best policy for America's

credit unions and your members."

Metzger touched on several issues during his remarks, including plans to modernize regulations covering field of membership, fixed assets and member business lending; the importance of cybersecurity; and the agency's proposed risk-based capital rule.

Metzger described cybersecurity breaches as a problem that "has reached epidemic proportions." He said NCUA and credit unions must remain vigilant to threats. He also said retailers, not credit unions, should bear the responsibility and the cost when breaches occur at their locations.

Speaking to the agency's proposed rule on risk-based capital, Metzger called on credit unions to participate in the review-and-comment process.

"Our current risk-based capital system is broken and has to be fixed," Metzger said. "It fails to identify capital-constrained credit unions until it is too late to save them, so we need to adopt a new system. As we finalize that system, I encourage you to help us design the best policy for America's credit unions and your members."

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## What is the Science of EDGE?

### Check Out the League Education Infographic



HIGHTSTOWN, N.J. – In an effort to better connect with member credit unions, the Member Experience & Education Department has created an infographic to visually explain the 2015 educational opportunities. To view the infographic, [click here](#).

Education looks at three tracks: Volunteer, Executive and Staff. While

there is crossover at times, the information is designed to illustrate key learnings by profession.

In 2015, our goal is to better engage with our credit unions as we look to rebuild the education department. In addition, we invite members and associate members to reach out to us with their training needs. Sessions such as the recent Decedent Account Class and the upcoming Brett Christensen Lending School are direct results of collaboration at work. Be sure to check out *The Exchange* article on collaboration available here.

We believe our approach to further collaborate and connect within our New Jersey credit union community will allow us to provide the unique solutions that your credit union needs, while leveraging our collective strength. You, our members, are our focus. Together we are stronger.

*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 •

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## Connecticut State Employees, Members to See Increased Prepaid Benefits Through LSC

### **\$1.6B Credit Union Signs with LSC® for Everyday Spend**

NAPERVILLE, IL. – When the \$1.6 billion Connecticut State ECU had to find an alternative for a crucial service its members came to trust and heavily rely upon, the credit union selected LSC® and its Everyday Spend reloadable debit card program as the clear choice to meet high member expectations.

About a year ago, the credit union received notice from Elan Financial Services that PayCard, the existing prepaid debit card it offered, would be discontinued, according to CEO Dan Daigle. While searching for a fitting replacement, the credit union's top priority was to find a card appropriately priced for their members. For that reason and as a result of other upgrades, it became evident that Everyday Spend, part of the CUMONEY<sup>SM</sup> suite of pre-paid products from LSC, was the best fit for Connecticut State ECU and its members.

"We liked the fact that members will be allowed to fund the card themselves via the Internet, so right from the start, that is an excellent new member benefit," said Daigle. "The card also offers Visa's zero liability coverage for card-related fraud, and that is another big plus."

Connecticut State ECU has traditionally offered pre-paid debit because members feel their money is secure using this product

because members feel their money is secure using this product. "That's why we got into it from the beginning, and with the switch, our members' sense of security will be seamless," continued Daigle. "Prepaid also presents a nice budgeting tool for the member."

Daigle added that a large consideration in choosing Everyday Spend was because LSC was a CUSO recommended by their League, and the credit union saw the potential of its staying power in the marketplace. "CUMONEY<sup>SM</sup> is a well-established program and LSC has a lot of faith in a positive future for the product."

Additional highlights of Everyday Spend include:

- Carries the Visa logo, which is accepted at over 20 million Visa locations worldwide;
- Supports the Plus and Pulse networks;
- Can be used at an ATM to withdrawal cash and at merchants that accept pin-based POS transactions;
- No inventory of cards at the credit union;
- Cards are sent directly to members via US mail;
- Cardholders name is embossed on cards;
- Standard card design carries the CUMONEY<sup>SM</sup> logo;
- Branded cards carry the credit union logo; and
- Value can be added to the card at the credit union, visiting via the CUMONEY<sup>SM</sup> Web site, at any ReadyLink location, or via the auto-fund feature.

For more information about Everyday Spend, please call 800-942-7124 or email [sales@lsc.net](mailto:sales@lsc.net).



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## CUNA Sends Letter Supporting 'Rural' Definition Bill

WASHINGTON – CUNA has written to Reps. Andy Barr (R-Ky.) and Ruben Hinojosa (D-Texas) to express support for a bill that would direct the Consumer Financial Protection Bureau (CFPB) to establish a process to determine if an area can be defined as "rural."

The Helping Expand Lending Practices in Rural Communities Act (H.R. 1259) was introduced Wednesday.

"The CFPB has reexamined the definition of 'rural' and has a proposal out for comment," [wrote](#) Jim Nussle, president/CEO of CUNA.

"However, H.R. 1259 is welcomed because it would allow a person who lives in or does business in a state, to apply to the CFPB to have designated an area in which the business is located as a rural area for purposes of a Federal consumer financial law."

purposes of a Federal consumer financial law.

A designation of "rural" by the CFPB has many implications for credit unions, particularly with respect to the type of products credit unions may offer their members in these areas.

For instance, the escrow requirements under the Truth in Lending Act (TILA) requires certain lenders to create an escrow account for at least five years for higher-priced mortgage loans. If those loans are made by small lenders that operate predominately in rural or underserved counties, they are exempt from this requirement.

Another example includes the Ability-to-Repay and Qualified Mortgage (QM) standards under the TILA rule by which mortgage loans with balloon payments do not meet the QM standard. Like the escrow rule, small lenders that operate predominately in rural areas are eligible to originate balloon-payment QMs.

The CFPB has defined "rural" by using the U.S. Department of Agriculture Economic Research Services' urban influence codes.

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## **Federation, AACUC and NLCUP Launch 'My Credit Union Mentor' Initiative**

New York – The National Federation of Community Development Credit Unions (Federation), the African-American Credit Union Coalition (AACUC), and the Network of Latino Credit Unions and Professionals (NLCUP) announced a new mentorship program, "My Credit Union Mentor", to benefit small, minority-owned and faith-based credit unions. In many of the communities where Federation, AACUC, and NLCUP members operate, community development credit unions are the only financial institution providing safe and affordable financial products and services to low-income families, immigrants, seniors, and young people looking for alternatives to mainstream banks.

Mentors will be drawn from throughout the credit union industry to provide the expertise small credit unions need to remain a vibrant resource in their communities. Mentorship opportunities include:

- Strategic planning
- Lending
- Marketing
- Secondary Capital
- Board Governance
- Compliance
- Operations
- Budgeting
- Collections

Cathie Mahon, Federation President and CEO, says, "Very small credit unions face all the same challenges as larger credit unions, often with fewer resources. Preserving these credit unions—many of which are minority or faith-based—is critical. Often these credit unions are the only financial institution in the community. This mentorship program calls upon the cooperative nature of our industry to share

expertise across our industry to the benefit of all."

Maria Martinez, NLCUP Board Chair and President and CEO of Border Federal Credit Union adds, "The mentorship program will open opportunities for members and affiliates of NLCUP to use their expertise by assisting others within our credit union movement. In the past our NLCUP members have successfully transmitted their knowledge of our industry to our peers. Mentoring is a mutual process where everyone benefits; we've learned so much from others! NLCUP is ready for this challenge!"

Mentors will share their skills and experience on a volunteer basis. The Federation, AACUC and NLCUP will jointly administer the program, supported by a database of mentors, prospective and participating credit unions and program outcomes.

Credit union professionals interested in becoming mentors are invited to complete applications at [www.cdcu.coop/my-credit-union-mentor/](http://www.cdcu.coop/my-credit-union-mentor/). Please direct questions regarding the My Credit Union Mentor program to Pam Owens, Federation VP of Programs, at [powers@cdc.coop](mailto:powers@cdc.coop).

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## Bill to Strengthen FSOC Review of CFPB Regs Backed by CUNA

WASHINGTON – A bill that would authorize the Financial Stability Oversight Council (FSOC) to stay or set aside a Consumer Financial Protection Bureau (CFPB) regulation has CUNA's support. CUNA President/CEO Jim Nussle [wrote](#) to the bill's sponsor, Rep. Sean Duffy (R-Wis.), listing two reasons why CUNA supports the legislation.

The bill, H.R. 1263, would allow a majority of the FSOC to set aside a CFPB regulation if a majority of its members determined the regulation is inconsistent with safe and sound financial institution operations. It would also require the CFPB to take into consideration the impact of its rules on insured depository institutions.

"First, the two-third voting threshold under the law is, in practice, an even greater hurdle because the director of the CFPB is among the voting members. So, while the threshold is seven of the 10 members, in practice, the threshold is seven of nine members, assuming the director of the CFPB votes to support the regulation he issued," Nussle wrote.

"Second, we believe the law should permit the prudential regulators to prevent rules that are inconsistent with the operation of a financial institution from going into effect and that this standard is more appropriate stand that what is presently in law."

CUNA also suggested strengthening the legislation by expanding the conditions that must be met in order for the FSOC to override a regulation if the council determines a new rule would be unreasonably burdensome for financial institutions. This would also apply if the FSOC determined the burden to financial institutions outweighs the benefit to consumers.

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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](#)

April 7 -- [VirtualCorps Webinar: Functional Compliance Management Program](#)

April 14 -- [VirtualCorps Webinar: Branding the Experience](#)

### Industry Events

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

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

April 7 -- [South-Central Chapter Meeting: Reality Fairs](#)

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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