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Friday Recap Edition

March 13, 2015

This Week's Top Stories:

- › Finish the Sentence...'The last thing I used the League for was...'
- › NJCUL President/CEO Greg Michlig Recaps GAC and NJ Happenings on CUBroadcast
- › NJ Joins Annual GAC Hike-the-Hill, Gets Face-Time with Sen. Booker
- › Greater Alliance FCU Chairman Richard Vega Inducted into CU House Hall of Leaders
- › CFPB Holds Field Hearing in Newark on Arbitration; Releases Study that Finds Arbitration Agreements

Finish the Sentence...'The last thing I used the League for was...'



"...information and networking at the ELS session with John Best. John is a high-level thought leader that puts some game-changing, paradigm shifting ideas on the table.

Networking with my peers has always been a valuable component of any NJCUL event. The relationships I've developed over the years have proven to be invaluable in leading our business."

-- Tom O'Shea, President/CEO, Aspire FCU

Now it's your turn to complete the sentence. Send your response to news@njcul.org or simply reply to this email.

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Limit Relief for Consumers
› Matz: 2015 the Year of
Regulatory Relief
› Instagram This: The Week's
Best Photo

Upcoming Events:

March 18, 2015
**Full-Day: Improving the
Results of the Collection
Department**
Location: NJCUL and via
Video Conference
10:00 am to 3:00 pm
[More Information Click Here](#)

March 24, 2015
**VirtualCorps Webinar:
Understanding Financial
Statements and Ratios:
Part 1**
3:00 pm to 4:00 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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NJCUL President/CEO Greg Michlig Recaps GAC and NJ Happenings on CUBroadcast

WASHINGTON – NJCUL President/CEO Greg Michlig sat down with Mike Lawson of CUBroadcast for a [2015 CUNA GAC interview](#) this week.



Michlig gives a recap of hot topics discussed at GAC as well a number of events and meetings.

Bringing it home to New Jersey, Michlig encourages credit unions from all over the country to check out the upcoming CU Reality Check conference taking place Atlantic City, N.J. that any and all credit unions can attend.

[Check it out!](#)

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NJ Joins Annual GAC Hike-the-Hill, Gets Face-Time with Sen. Booker

WASHINGTON – Nearly 5,000 credit union representatives, with an advocacy strategy of visiting each of the 535 U.S. Senate and House offices, descended on Capitol Hill during CUNA's annual Governmental Affairs Conference (GAC) and Hike-the-Hill this week.



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Pictured left to right with Sen. Booker in rear: Grant Gallagher, External Affairs Specialist, Affinity FCU and New Jersey's GAC "Crasher"; Stacey Walker, Board Member, XCEL FCU; Sandy Mullins, President/CEO, West Orange Municipal FCU and NJCUL Political & Legislative Action Network (NJ CU PLAN) member; Greg Michlig, President/CEO, NJCUL; and Tom Quigley, Director of Marketing, XCEL FCU and NJ CU PLAN chairman. Mullins was unable to spend the full four days in Washington for the GAC but made the trip Wednesday to participate in the Hike-the-Hill.

Twenty-one professionals and volunteers from 11 N.J. credit unions joined NJCUL President/CEO Greg Michlig and Vice President of Corporate & Governmental Affairs Chris Abeel in meetings with the offices of 12 of the state's 14-member delegation. Discussions centered on preservation of the CU tax exemption, data security, growing regulatory burden and potential relief options, housing finance reform, and credit union charter enhancements such as MBL reform and supplemental capital.

Senator Cory Booker (D) took time to meet personally with New Jersey credit union advocates.

Several New Jersey delegation members hold significant committee assignments when it comes to financial services issues and legislation. Sen. Menendez (D-NJ) is a senior member of the Senate Banking Committee and Sen. Booker serves on the Senate Small Business Committee. On the House side, Rep. Scott Garrett (R-5) sits on the House Financial Services Committee and chairs the key sub-committee dealing with housing finance reform, and Rep. Bill Pascrell (D-9) is a senior member of the House Ways & Means Committee which has primary jurisdiction over all tax legislation.

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Greater Alliance FCU Chairman Richard Vega Inducted into CU House Hall of Leaders

WASHINGTON – Long-time Greater Alliance FCU board member and current Chairman Richard Vega was inducted into the Credit Union House's Hall of Leaders this past weekend.



Greater Alliance FCU President/CEO Glenn Guinto and former long-time CEO Jerry D'Ambrosio with Chairman Richard Vega at Credit Union House.

In 2014, Vega was the first recipient of the New Jersey Credit Union League's newly-established Distinguished Service Award. His nomination was then submitted to the Credit Union House's Hall of Leaders.

Vega has been a board member of Greater Alliance FCU for 41 of the credit union's 77 years of service. He joined the credit union as a member in October of 1971, shortly thereafter in 1973 he joined the Board, and in 1994 was elected Chairman. "Through his years on our Board, Mr. Vega has consistently cared about the credit union's direction, progression, and overall service to our valued membership," said the credit union in its nomination of Vega. "As Chairman of our Board, Mr. Vega has led with professionalism, leadership, and a willingness to change with the times."

Vega has also been involved with the credit union's community events. In 1997 he, along with the remaining Board members and Leadership team, started "The Rocco Montesano Scholarship Fund" in honor of Rocco Montesano, an educator, and long-time Director-Emeritus of Greater Alliance FCU. Vega and the Board of Directors have also given tremendous support to employees taking part in initiatives and organizations such as The ARC, MS Walk, and The ACS Breast Cancer Walk.

The NJCUL Distinguished Service Award recognizes a New Jersey credit union leader that has provided a substantive influence on the New Jersey credit union community, beyond an individual credit union.

The Credit Union House Hall of Leaders provides lasting recognition for credit union leaders whose commitment has made a significant impact on the credit union movement at the local, state, or national level.

Look for more coverage and photos in the March edition of the League's *The Exchange* newsletter.

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CFPB Holds Field Hearing in Newark on Arbitration; Releases Study that Finds Arbitration Agreements Limit Relief for Consumers

Garden Savings FCU President/CEO Louis Vetere's Participation in Arbitration Panel Noted

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

Companies can easily extend the benefits of arbitration to consumers without depriving them of court rights by making the choice voluntary, when a dispute arises, consumer advocates said. Vetere said that was his policy. "I am a huge believer in arbitration to settle disputes," he said, "but that should be the decision of the customer."

Vetere was quoted in a [NASDAQ.com](#) article Wednesday and was recognized by the CFPB. Noting Vetere's participation on the panel, Zixta Martinez, Associate Director of External Affairs for the CFPB, in her remarks to the CUNA GAC on Wednesday morning, stated that credit unions were strongly represented at the meeting.

Following the hearing, the CFPB released a study Wednesday indicating that arbitration agreements restrict consumers' relief for disputes with financial service providers by limiting class actions. The report found that, in the consumer finance markets studied, very few consumers individually seek relief through arbitration or the federal courts, while millions of consumers are eligible for relief each year through class action settlements. The Bureau's report also found that more than 75% of consumers surveyed did not know whether they were providers, and fewer than 7% of those covered by arbitration clauses realized that the clauses restricted their ability to sue in court.

The Bureau first launched a [public inquiry](#) on arbitration clauses in April 2012 and released [preliminary research](#) in December 2013. This week's report uses a careful analysis of empirical evidence, including consumer contracts and court data, to understand the resolution of consumer finance disputes – both in arbitration and in the courts.

The report results indicate that:

- Tens of millions of consumers are covered by arbitration clauses.
- Consumers filed roughly 600 arbitration cases and 1,200 individual federal lawsuits per year on average in the markets studied.
- Roughly 32 million consumers on average are eligible for relief through consumer finance class action settlements each year.
- Arbitration clauses can act as a barrier to class actions.
- No evidence of arbitration clauses leading to lower prices for consumers relative to those that made no change in their use of arbitration clauses.
- Three out of four consumers surveyed did not know if they were subject to an arbitration clause.

A fact sheet on the report is available [here](#).

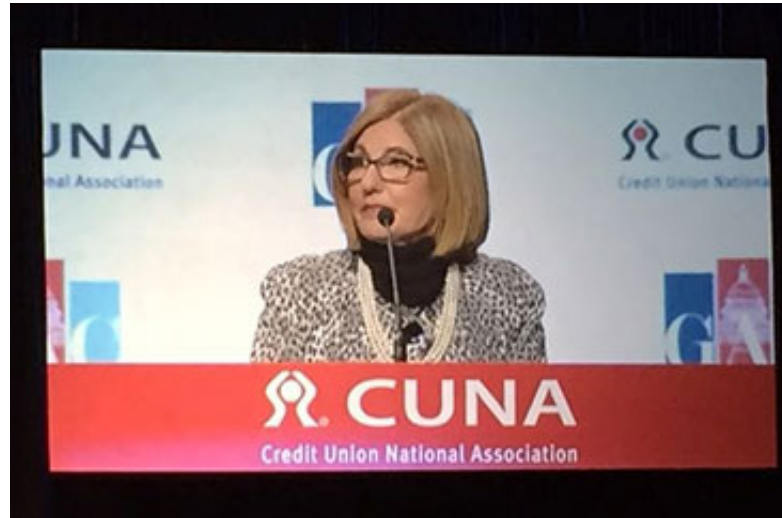
The complete report on arbitration is available [here](#).

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Matz: 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.

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.

Matz concluded her remarks by reminding her audience she will always listen to stakeholders' concerns and ideas about removing regulatory burdens.

"We will listen, and, where sensible, we will act," Matz said. "Our number one goal is to keep the credit union system safe, sound and sustainable. You will have greater freedom in pursuit of that goal."

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Instagram This: The Week's Best Photo



Our GAC Crasher for New Jersey, Grant Gallagher, External Affairs Specialist at Affinity FCU (right), snaps a selfie with CUNA President/CEO Jim Nussle at the Thunderpunch event at GAC!

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