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- March 19th, 2015
- Today's News:
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Deadline Extended for Reality Check Hotel Room Reservations!

Golden Nugget Atlantic City Extended Reality Check Deadline to April 6th

Seats are filling up for the 2015 CU Reality Check conference taking place April 13-15, 2015 at the Golden Nugget Atlantic City, and so are the hotel rooms! Time is running out to make hotel reservations, but Golden Nugget Atlantic City has extended the deadline to April 6th.



To make reservations, please call the Golden Nugget Reservation Department directly at 1.800.777.8477 and select option 3 to be connected with a Reservation Agent. Reference Reality Check Conference or group code ACRED over the dates of: April 12-16, 2015 (Sunday arrival – Thursday departure). Conference concludes on Wednesday, however rate is available for one additional night.

Nightly room rate is \$55 plus Atlantic City, New Jersey State, and luxury taxes, and Resort Fee. Please have a credit card at the time of making your reservations and the card will be charged the first night's room and tax to guarantee the reservation.

As usual, Reality Check is chock full of influential speakers on hard-hitting topics! Don't miss out on this hard-hitting conference taking on all the issues that you need to know about!

Programs

- › CUNA Mutual Group Risk Alert: Minimize Risks During March Madness
- › March NCUA Report and February Board Meeting Video Now Available
- › Credit Unions, Mark Your Calendars



**Register Today for
NJCUL's 27th
Annual Golf
Tournament on
April 28th**

**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.**

Check out www.curealitycheck.com for more information and to register.



April 13-15, 2015

Register Today!

www.CURealityCheck.com

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Financial Services Committee Leaders Invite Strong Relief Bills, CUNA Testifies

WASHINGTON – The top lawmakers on the U.S. House Financial Services Committee said they both would welcome regulatory relief legislation for community financial institutions during a hearing Wednesday. Rep. Jeb Hensarling (R-Texas), the committee chair, and Maxine Waters (D-Calif.) both said in their opening statements that they would welcome bipartisan regulatory relief legislation.

"The rule is going to be that any member who brings a legitimate bipartisan piece of legislation to provide needed regulatory relief to community financial institutions—we will mark it up," Hensarling said.

Waters added that inclusion of too-big-to-fail banks in any sort of regulatory relief intended for community financial institutions would not be acceptable.

Patrick Miller, president/CEO of CBC FCU, Oxnard, Calif., testified on behalf of CUNA. His testimony featured a number of regulatory relief proposals, which included reforms to the Federal Credit Union Act, changes to the Consumer Financial Protection Bureau (CFPB) structure, examination fairness legislation, and legislation to protect financial institutions in the event of merchant data breaches.

"There is no such thing as 'the cost of doing business' because that's passed on directly to our members," Miller said. "We pass on roughly 25 basis points on every loan in higher interest rates because of compliance costs. We pay our members roughly 25 basis points less on deposits because of compliance costs."

During Wednesday's hearing, all four witnesses said they have increased their compliance staff in recent years due to regulations in the Dodd-Frank Act.

Upcoming Events:

March 24, 2015
VirtualCorps Webinar:
Understanding Financial
Statements and Ratios:
Part 1
3:00 pm to 4:00 pm
[More Information Click Here](#)

March 25, 2015
Webinar: The TILA/RESPA
Integrated Disclosure
Line-by-Line Part 1:
Loan Estimate
3:00 pm to 4:30 pm
[More Information Click Here](#)

March 25, 2015
Southern Chapter Meeting:
Compliance Update
6:00 pm to 8:30 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

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A number of House Financial Services Committee members gave specific examples from consumers who are unable to procure financial services at the community financial institution of their choice due to onerous regulations.

Rep. Bill Huizenga (R-Mich.) said he had heard from a Michigan credit union serving a small, rural area that makes 60% of its mortgage loans to members with credit scores less than 600 at the same interest rates as qualified mortgages. He said that credit union is considering dropping those credit opportunities due to the regulatory burden and asked the witnesses if their institutions were considering anything similar.

"We'll do about half what we were doing before, frankly, because we are fearful of the regulatory scrutiny," Miller said. "We may even lose a relationship because of a business decision, not made in Oxnard, Calif., but it was made for us in Washington.

"The member gets mad at us because we've said no, even though we said yes the last three times for the past 20 years. That's very frustrating, and they have to go somewhere else, and it's going to cost them more, if they can get it at all."

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The nationwide [Stop the Data Breaches](#) grassroots campaign continues. CUNA and the NJCUL are encouraging all credit union professionals, volunteers and members to [email](#) their lawmakers in Congress.



Will You Take Home the President's Trophy this Year?

MONROE TOWNSHIP, N.J. – Back for another year is the President's Cup Trophy! The team with the best score at the NJ CU League's 27th Annual Golf Tournament on April 28th will receive a beautiful President's Cup trophy.

It's a traveling trophy, and each year it will be passed along to the new winning team. Wouldn't you like bragging rights for a year? There will also be chances to win great door prizes.



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](#).



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Senate Bill 'Strong Step' Toward Improving Exam Process

WASHINGTON – Sens. Jerry Moran (R-Kan.) and Joe Manchin (D-W. Va.) Wednesday reintroduced a bill (S. 774) intended to enhance safety and soundness by increasing the consistency and fairness of the regulatory examination system.

CUNA supports the legislation as a needed step toward improving the federal examination process, and testified in support of it as recently as yesterday's U.S. House Financial Services Committee hearing on regulatory relief.

"This is a needed step toward improving the federal examination process that would provide regulatory relief to credit unions," said Jim Nussle, president/CEO of CUNA. "Examinations should be based on the laws Congress passes and the regulations that NCUA enacts, not on examiner interpretation of 'best practice' or guidance."

The 2015 exam fairness bill is nearly identical to the senators' 2013 legislation and would:

- Make available to financial institutions the information used to make decisions in their examination;
- Codify certain examination policy guidance; and
- Establish an ombudsman at the Federal Financial Institutions Examination Council to which financial institutions could raise concerns with respect to their examination.

CUNA has said that the legislation will help to ensure the federal financial institution regulatory agencies conduct fair exams for those they supervise, which are consistent with the law and regulation and ensure safety and soundness.

CUNA President/CEO Jim Nussle sent a strong letter of support for

the bill, applauding the chief sponsors' leadership. He also said CUNA would like to work with the lawmakers and their staffs to enhance the legislation as it goes through the legislative process.

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Hold a Financial Fitness Day on April 1st and Raise Funds for Financial Education!

Want to easily help raise awareness of credit unions' financial education activities as well as support them? Here is your chance.



The New Jersey Credit Union League has been working with the National Credit Union Foundation on "Financial Fitness Day", a fundraising and awareness campaign taking place April 1, 2015. Americans spend months getting their physical health into shape as part of their New Year's resolutions. Kicking off National Financial Literacy Month,

Financial Fitness Day is dedicated to helping members get their financial health in shape.

It's easy to participate! Just hold one (or more) of the following at your credit union organization on Financial Fitness Day - 4/1/15:

- **Jeans or Casual Day** for staff
- **Bake Sale** for staff and/or members
- **Deduct or Donate a Buck** - Ask staff and/or members to consider a voluntary contribution of \$1 or more either in cash as they complete their transaction and/or deducting from their checking or saving account as often as they choose.

By your participating, you'll be raising funds for the National Credit Union Foundation and the New Jersey Credit Union Foundation in support of their critical financial education initiatives, raising awareness of credit unions' financial education activities, and the importance of financial education.

All donations from credit unions for this campaign will be split 50/50 between the National Credit Union Foundation and the New Jersey Credit Union Foundation in support of their financial education initiatives to help consumers of all ages achieve financial freedom.

For more information and a variety of downloadable resources to get involved, visit financialfitnessday.com.

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Royce Unveils Additional Measure with MBL Cap Relief

WASHINGTON – Rep. Ed Royce (R-Calif.) reintroduced the CUNA-supported Credit Union Residential Loan Parity Act Wednesday (H.R. 1422).

Under current law, when a bank makes a loan to purchase a 1-to-4 unit, non-owner occupied residential dwelling, the loan is classified as a residential real estate loan. However, when a credit union makes the same loan, it is classified as a business loan and is therefore subject to the 12.25%-of-assets cap on member business lending under the Federal Credit Union Act.

"I thank Rep. Royce for his continued support to help bring parity to residential loans made by credit unions," said Jim Nussle, president/CEO of CUNA. "This much needed legislation would enable credit unions to better serve members who purchase rental properties and contribute to the availability of affordable rental housing."

When introducing the bill, Royce said, "At a time when the construction sector is still faltering during a tepid economic recovery, policymakers should be doing everything possible to encourage more private sector investment in housing."

"The Credit Union Residential Loan Parity Act means billions of additional dollars of capital for small businesses and increased competition between lenders, all of which benefits consumers."

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Tuesday's VirtualCorps Webinar Gives Directors Required Financial Training

VirtualCorps.com™

VirtualCorps Webinar: Understanding Financial Statements and Ratios: Part 1 **Tuesday, March 24, 2015** **3 p.m. to 4 p.m.**

Federal Regulations require that directors be well versed in basic financial analysis. Using these analytical skills, board members are required to ask substantive questions relating to the financial condition and performance of the credit union. The March 24th VirtualCorps Webinar "Understanding Financial Statements and Ratios: Part 1" delivers the tools, knowledge and analytical foundations to empower directors to assure compliance with these regulatory requirements. All board members, regardless of experience in the industry, will benefit from this training.

Participants will learn how to understand and define the following foundational terms and concepts:

- The accounting formula
- Assets
- Liabilities
- Equity/Capital

- Equity/Capital
- Measuring and Assessing Performance
- Standards – Peer and Criterion
- Measurement tools – rates, ratios, completion, and period comparisons
- Using assessments to identify and measure risk
- Types of risk
- Measurement to apply to risk types
- Practice in financial calculations
- Examining and interpreting Trends and Outcomes

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.



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NCUA Cites Improvements in Corporate Resolution, Guaranteed Notes Programs

The upper and lower ends of the projected Temporary Corporate Credit Union Stabilization Fund assessment range remain negative, from a negative \$2.5 billion to a negative \$700 million, the NCUA announced Tuesday. According to the agency, as long as both ends of the range remain negative, it is unlikely credit unions will be charged future stabilization fund assessments. The announcement came as part of a release of updated information about the costs of the NCUA's [Corporate Resolution Program](#) and the performance of the agency's [Guaranteed Notes Program](#).

Credit unions have paid \$4.8 billion in assessments since the creation of the stabilization fund in 2009. The fund is scheduled to expire in 2021. "The good news is that the assessment range became even more negative over the latest six-month reporting period," said Bill Hampel, CUNA's Chief Policy Officer. "From the second to the fourth quarter of 2014, the mid-point of the assessment range 'fell' from negative \$1.2 billion to negative \$1.6 billion, an improvement of \$400 million. Since a negative assessment is a likely future rebate, this is

...positive news: it means the expected size of future rebates has increased. However, it will likely be several years before any rebate is paid to credit unions."

According to the NCUA, it is still obligated to repay \$2.6 billion in outstanding borrowings from the U.S. Treasury. Principal and interest on the NCUA Guaranteed Notes, as well as other obligations of the stabilization fund, also must be fully repaid before NCUA can distribute any remaining funds to credit unions. "These debts will be paid with proceeds from the legacy assets from the closed corporates," said Hampel. "Funds left over after paying these obligations will be the source of rebates."

The NCUA has pending litigation against several Wall Street firms, seeking recoveries on faulty securities purchased by the failed corporate credit unions as well as separate litigation alleging violations of federal and state anti-trust laws by manipulation of interest rates in the London Interbank Offered Rate system. The agency is also pursuing or participating in repurchase actions and litigation against trustees. Net recoveries from this litigation will help reduce the assessments credit unions will need to pay over time.

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CUNA Mutual Group Risk Alert: Minimize Risks During March Madness

As the NCAA men's and women's basketball tournament is about to begin, it is important you protect your credit union from potential legal issues. While sponsoring any sports betting pool or bracket wager in your credit union is a risky proposition, don't be afraid to use March Madness as a way to boost morale and workplace camaraderie. You can even consider sponsoring a watch party as a reward for good work.

With over 70 million individuals participating in NCAA March Madness bracket wagers, it's unreasonable to assume that none of your credit union employees will be filling out or monitoring their brackets on company time and with company equipment. While you may not want to interfere, you should consider clearly communicating expectations or recommendations to your credit union employees as a means to protect your credit unions from potential legal liabilities.

Risk Mitigation Tips

Consider implementing these recommendations to minimize any potential issues:

- If you allow credit union office pools or March Madness bracket wagers, the winner should receive a non-monetary prize or money is donated to the charity of choice of the winner.
- Remind employees that March Madness cannot interfere with productive work time.
- Provide paper copies of the bracket and encourage your employees to fill them during their break or at home.
- If you have a concern about illegal gambling in the workplace,

remind employees of your policy prohibiting gambling.

- Provide an area where your employees can watch the games during breaks; do not allow employees to stream the games over their personal computers. If concerned, consider blocking access to websites that provide streaming video.
- If your employees watch the games off-site during a lunch break, remind them of your policy regarding alcohol consumption.



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March NCUA Report and February Board Meeting Video Now Available

ALEXANDRIA, Va. – The NCUA has made the March 2015 issue of *The NCUA Report* is now available as well as the video recording of its February 2015 open meeting.

This [latest issue](#) of the *Report* includes columns from NCUA Board Chairman Debbie Matz, Vice Chairman Rick Metsger and Board Member J. Mark McWatters. Additionally, it includes articles from several NCUA offices on the agency's initiatives and information on supervisory, regulatory and compliance issues that are important to all federally insured credit unions.

The articles in this month's edition include:

- Funnel Accounts: A Funny Name, but a Serious Concern
- Chairman's Corner: Volunteers: Inspire and Question Management
- Loan Growth at a Nine-Year High
- Vice Chairman Metsger's Perspective: Charter Choice and the Law of Natural Selection
- Board Member McWatters' Perspective: True Transparency and Real Regulatory Relief
- Board Actions: NCUA Board Proposes \$100 Million Threshold for Regulatory Relief
- A Quick Guide for New Supervisory Committee Members
- Cyber Vulnerabilities and the Real Exposures

The February open Board meeting's agenda included three items:

- A proposed rule and policy statement to provide special consideration for regulatory relief in future rulemakings to more than three-quarters of federally insured credit unions by raising the asset ceiling of a “small entity” to \$100 million from the current \$50 million.
- A request from Taunton Federal Credit Union of Taunton, Massachusetts, to expand its community charter.
- A briefing on the performance of the National Credit Union Share Insurance Fund, which showed positive fourth-quarter results.

For previous issues of *The NCUA Report*, click [here](#).

Archived videos of past Board meetings may be viewed [here](#).

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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 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](#)

March 25 -- [Free CUNA Mutual Group Webinar: Offset Increasing Employee Benefits Costs with Total Benefits Pre-Funding](#)

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

April 6 -- [Reality Fair at Ocean County College](#)

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

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

April 28 -- [N.ICUI '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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New Jersey Credit Union League | news@njcul.org | New Jersey Credit Union League | 299 Ward Street | Hightstown, NJ 08520

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