

Subject: The Daily Exchange -- March 23, 2015
Date: Monday, March 23, 2015 11:54 AM
From: New Jersey Credit Union League <news@njcul.org>
Reply-To: news@njcul.org
To: staff@njcul.org
Conversation: The Daily Exchange -- March 23, 2015

To ensure that you continue receiving our emails, please add us to your address book or safe list. [Unsubscribe](#)

[Update Your Communications Preferences](#)



- March 23rd, 2015
- Today's News:
- › FOM Webinar Set for Wednesday; Still Time to Register
 - › Deadline Extended for Reality Check Hotel Rooms
 - › Collections Session Exceeds Expectations
 - › CUNA Lends Support to Residential Parity, MSA Study Bills
 - › No CU Refund Likely Until Stabilization Fund Winds Down in 2021
 - › Directors and Volunteers: Don't Miss Tomorrow's VirtualCorps Webinar on Understanding Financial Statements and Ratios
 - › House Subcommittee to Mark-Up Data Breach Notification Draft
 - › CUNA, Trades Support Senate Choke Point Provision
 - › NCUA Files Suit Against USBC as Trustee of FOM in

FOM Webinar Set for Wednesday; Still Time to Register

ALEXANDRIA, Va – There is still time to register for Wednesday's NCUA Webinar that will cover strategies for altering fields of membership (FOM).

Scheduled for 2 p.m., the Webinar will feature NCUA staff and Ynette Gibbs, CEO of Newrizons FCU of Hoquiam, Washington.

According to the NCUA, the panel will discuss how changes to FOM expansion and reaching underserved communities can be part of a credit union's strategic plan.

Topics will include:

- Using data to maximize membership growth;
- A business plan template to assist with applying for FOM changes;
- Reviewing the FOM Internet application; and
- Newrizons FCU's experience before and after its FOM change.

Registration is available [here](#), and participants will use the same link to log into the 90-minute Webinar which will be closed captioned and archived [online](#) within three weeks.

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

Deadline Extended for Reality Check Hotel Rooms

Golden Nugget Atlantic City Extended Reality

FDIC AS TRUSTEE OF FDIC RMBS

› Report Details FHFA's Progress on GSEs, Common Securitization

› Credit Unions, Mark Your Calendars

NJ Credit Union FOUNDATION

Giving • Caring • Educating

New Jersey Credit Union Foundation Board Call for Applications Open

The New Jersey Credit Union Foundation has launched a call for applications to fill three vacant seats on its Board of Directors.

Applicants must fill out the [Board Member Application](#), as well as the [Conflict of Interest Disclosure Form](#).

Return the forms to Foundation Executive Director Candice Nigro at cnigro@njcul.org or mail to the address below:
Attention: Candice Nigro, NJ CU Foundation
299 Ward Street
Hightstown, N.J. 08520

Deadline for applications is Friday, April 10th, 2015.

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!

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

[[BACK TO TOP](#)]

Collections Session Exceeds Expectations

HIGHTSTOWN, N.J. – On March 18th, the League held a full-day Collections Session live in Hightstown and via Video Conferencing at Atlantic FCU in Kenilworth and Members 1st of NJ FCU in Vineland.



Steve Peterson outlines effective elements of collection.

Facilitator Steve Peterson held the groups' attention while providing information on all the elements that make up successful collections.

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 TLocation: Crab trap,
Somers Point, NJ
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

Connect with Us:

Peterson used storytelling and an amusing style to hold the attendees' attention throughout the day, and the interaction and participation was lively. He covered the fundamentals of when to call, being professional, and knowing limitations (legal). Through role play, he demonstrated how to be more effective on the call. Peterson provided an abundance of information.

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

CUNA Lends Support to Residential Parity, MSA Study Bills

WASHINGTON – CUNA President/CEO Jim Nussle has [written](#) to several members of the U.S. Congress to express CUNA's support for two pieces of regulatory relief legislation introduced last week.

The Credit Union Residential Loan Parity Act (H.R. 1422) was introduced March 17 by Reps. Ed Royce (R-Calif.) and Jared Huffman (D-Calif.). It would amend the Federal Credit Union Act to exempt credit union loans to purchase a one-to-four unit, non-owner occupied residential dwelling from the 12.25% cap on member business lending.

Currently, those loans are classified as business loans for credit unions, while they are classified as residential real estate loans for banks.

"Enactment of this legislation would not only correct this disparity but it would also enable credit unions to provide additional credit to borrowers seeking to purchase residential units, including low-income rental units," Nussle wrote. "Credit unions would be better able to meet the needs of their members, if this bill was enacted, and it would also contribute to the availability of affordable rental housing."

The bill would also authorize the NCUA to apply strict underwriting and servicing requirements for the loans.

H.R. 1408, also introduced March 17 by Reps. Ed Perlmutter (D-Colo.) and Blaine Luetkemeyer (R-Mo.), contains a provision that directs the federal banking agencies to conduct a study of appropriate capital requirements for mortgage servicing assets for nonsystemic banking institutions.

The NCUA's risk-based capital proposal places higher risk weightings on mortgage servicing assets.

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

No CU Refund Likely Until Stabilization Fund Winds Down in 2021

ALEXANDRIA, Va. – No credit union refunds from the Temporary Corporate Credit Union Stabilization Fund (TCCUSF) are likely to be forthcoming until the fund expires in 2021, NCUA staff said Thursday.

At the agency's open board meeting, NCUA staff also said credit unions are unlikely to be charged TCCUSF assessments in the future, if current trends continue.



For the year ending Dec. 31, 2014, the TCCUSF's net position increased by \$380.7 million to a positive \$238.5 million. The change resulted from improvements in projected cash flows relating to legacy assets that secure the NCUA Guaranteed Notes, according to Chief Financial Officer Rendell Jones.

Before any refunds would be available, the NCUA must first repay the \$2.6 billion borrowed from the U.S. Treasury, staff said, in addition to other obligations.

CUNA Chief Policy Officer Bill Hampel said that the debt to the Treasury, as well as other obligations of the TCCUSF, will be paid with proceeds from the legacy assets, and leftover funds will be the source of any potential rebates.

Interest on agency borrowings from the U.S. Treasury was \$3.8 million for the year, and administrative expenses were \$4.4 million. Outstanding borrowings by the fund from the Treasury remained at \$2.6 billion at year's end.

The Corporate Stabilization Fund is scheduled to expire in 2021, as mandated by law.

For CUNA's full summary of the NCUA's March Board meeting, click [here](#).

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

Directors and Volunteers: Don't Miss Tomorrow's VirtualCorps Webinar on Understanding Financial Statements and Ratios

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

The accounting formula

- Assets
- Liabilities
- 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. To register 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.



• Education • Development • Growth • Essentials •

[[BACK TO TOP](#)]

House Subcommittee to Mark-Up Data Breach Notification Draft

WASHINGTON – U.S. House Energy and Commerce Committee lawmakers continue their scrutiny of The Data Security and Breach Notification Act of 2015 this week as that panel's subcommittee conducts a scheduled markup of the discussion draft on Wednesday.

Due to the direct and detrimental impact merchant breaches have on credit unions and banks, CUNA is asking the House Financial Services Committee to take a leadership role in the effort to design a legislative response to the problem.

CUNA and the state leagues back legislation with these principles:

- Strong national data protection and consumer notification standards with effective enforcement provisions must be part

of any comprehensive data security regime, applicable to any party with access to important consumer financial information;

- Banks and credit unions are already subject to robust data protection and notification standards. These Gramm-Leach-Bliley Act requirements must be recognized;
- Strong federal data protection and notification standards should preempt inconsistent state laws and regulations;
- In the event of a breach, the public should be informed where it occurred as soon as reasonably possible to allow consumers to protect themselves from fraud. Banks and credit unions, which often have the most direct relationship with affected consumers, should be able to inform their customers and members about the breach, including the entity at which the breach occurred; and,
- As credit unions and banks too often bear a disproportionate burden in covering the costs of breaches occurring beyond their premises, all parties must share in protecting consumers. The costs of a data breach should ultimately be borne by the entity that incurs the breach.

In addition to weighing-in on the federal side, the NJCUL is actively supporting state legislation in Trenton.

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



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.

CUNA, Trades Support Senate Choke Point Provision

WASHINGTON – CUNA has joined with other financial services trade organizations to support an amendment to the U.S. Senate budget resolution that would end the U.S. Department of Justice's (DOJ) Operation Choke Point. The amendment was approved by the U.S. Senate Finance Committee Thursday by a 13-9 vote.

Operation Choke Point allows the DOJ's Financial Fraud Task Force to investigate whether financial institutions and payment processing companies are enabling fraudulent activity.

"We are concerned that Operation Choke Point's broad enforcement

tactics could undermine effectiveness and create risks to consumers and the economy," the letter reads. "Operation Choke Point activities have resulted in some financial institutions suspending access to financial services for certain legal businesses."

Sen. Mike Crapo (R-Idaho) proposed the amendment, which the organizations say would "in no way" inhibit enforcement of anti-fraud laws because Bank Secrecy Act and other such statutes would still remain in effect.

The amendment would prevent the DOJ from pressuring a financial institution into terminating specific accounts or business relationships.

"We strongly believe that before a law enforcement agency or regulator requires that a relationship be terminated with a credit union member or bank customer, the law enforcement agency or regulator must have and provide to the credit union or bank a material reason clearly related to a specific violation of the law," the letter reads.

The committee voted 12-10 to approve the Senate Finance Resolution as a whole Thursday, and the resolution is likely to be heard on the Senate floor next week.

CUNA also supports a bill introduced in February by Rep. Blaine Luetkemeyer (R-Mo.) that would limit regulators' ability to pressure financial institutions to restrict services.

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

NCUA Files Suit Against HSBC as Trustee of \$2B in RMBS

ALEXANDRIA, Va. – The NCUA has filed a lawsuit in federal court against HSBC Bank USA, National Association, alleging the bank violated state and federal law by failing to fulfill its duties as trustee for 37 residential mortgage-backed securities trusts.

The agency is suing in its capacity as liquidating agent for five failed corporate credit unions—U.S Central, WesCorp, Members United, Southwest and Constitution—and on behalf of certain NCUA Guaranteed Notes trusts.

"As with the other trustees we have sued, HSBC failed to live up to its obligations under federal and state law, and we want the bank held accountable," NCUA Board Chair Debbie Matz said. "As our complaint states, instead of protecting the trusts and the certificate holders, HSBC sat by as the trusts wasted away. This failure caused significant harm to trust beneficiaries, including the corporate credit unions and ultimately consumer credit unions."

The five corporate credit unions purchased roughly \$1.97 billion in residential mortgage-backed securities issued from the trusts between 2004 and 2007. Those securities lost value, contributing to the failure of all five corporate credit unions.

The [complaint](#) states the value of the securities depended on the quality of the pooled mortgage loans the trusts contained, and HSBC, as trustee, had contractual, statutory and common law duties to protect the interests of certificate holders.

The complaint charges that despite knowing about defects in the mortgage loans, HSBC failed to:

- Provide required notices to certificate holders and other parties;
- Properly monitor loan servicers;
- Take timely action to force the repurchase, substitution or cure of defective mortgage loans or otherwise preserve trust remedies.

The NCUA's complaint seeks damages to be determined at trial.

The case, *National Credit Union Administration Board v. HSBC Bank USA NA*, was filed in U.S. District Court for the Southern District of New York.

In December, NCUA sued Wells Fargo Bank, National Association, alleging it failed to fulfill its duties as trustee for 27 residential mortgage-backed securities trusts.

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

Report Details FHFA's Progress on GSEs, Common Securitization

WASHINGTON – A report from the Federal Housing Finance Agency (FHFA) released last week highlights the activities the agency took in 2014 to further its goals regarding government sponsored enterprises (GSEs) Fannie Mae and Freddie Mac.

The FHFA previously released a strategic plan regarding its conservatorship of the GSEs in 2014, and this [report](#) describes how the agency has been meeting its stated goals to "maintain, reduce and build."

The strategic plan aimed to maintain credit availability and foreclosure prevention activities; reduce taxpayer risk by increasing the role of private capital in the mortgage market; and build a new infrastructure for GSE securitization functions, which includes developing a common securitization platform (CSP).

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

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 10 -- [Deadline for NJ CU Foundation Board Member Applications](#)

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](#)

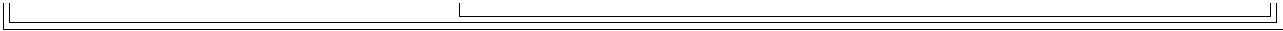
July 20 -- Garden Savings FCU's 5th Annual Golf Outing at Fiddler's Elbow Country Club

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](#)

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



This message was sent to staff@njcul.org from:

New Jersey Credit Union League | news@njcul.org | New Jersey Credit Union League | 299 Ward Street | Hightstown, NJ 08520



[Manage Your Subscription](#)