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From: New Jersey Credit Union League <news@njcul.org>
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To: staff@njcul.org
Conversation: The Daily Exchange -- March 30, 2015

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- March 30th, 2015
- Today's News:
 - › Flanagan Resigns from NJCUL; Open Seat in Tier A—Interested Candidates Can Submit Letter of Interest
 - › Make Your CU Reality Check Hotel Reservations ASAP! Deadline is One Week from Today!
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 - › Get Guidance on Implementing an Effective Compliance Program
 - › CFPB Considers Proposal to End Payday Debt Traps
 - › Correction to Thursday's Article "CUNJ Named Among NJBIZ's 2015 Best Places to Work in New Jersey"
 - › Senate Budget

Flanagan Resigns from NJCUL Board; Open Seat in Tier A—Interested Candidates Can Submit Letter of Interest

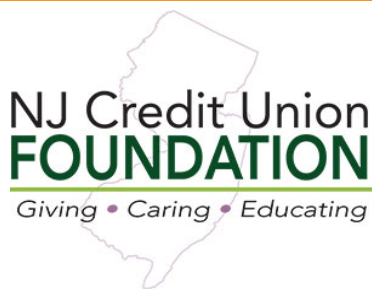
HIGHTSTOWN, N.J. – Jay Flanagan, board member of Elizabeth (NJ) Firemen's FCU, Elizabeth, N.J., has resigned from his position on the New Jersey Credit Union League Board of Directors.

"I wish to apologize for my need to leave the NJCUL Board of Directors this year. Family illness and the reoccurrence of my neck problems that cause great pain made working near impossible and I felt it was better I leave early," said Flanagan. "This was the last year of my present term and I planned to not run for reelection, so this just cuts my service by a few months. Thank you all who supported me in the past and I hope I was able to serve you well and leave the League in good condition."

The NJCUL Board of Directors will be accepting "Letters of Interest" from candidates interested in filling the vacant position on the board until April 10, 2015. According to League bylaws, "the person selected to fill the vacancy shall be required to run for election in the next election following their appointment, for the balance of the remaining term, if any." Flanagan's term is to expire after the League's annual meeting in October of this year, meaning this appointment would expire at that time.

As a part of its charter, the Governance Committee of the NJCUL Board of Directors shall review and determine candidate eligibility according to the NJCUL bylaws and Nomination/Election rules. Interested candidates should submit a "Letter of Interest" as well as complete the [CU board approval form](#), [bio](#) and [Conflict of Interest form](#) and submit to the committee, no later than April 10, 2015. The NJCUL Board of Directors will then consider the qualified candidates.

- › Senate Budget Amendment Would Establish Reg. Relief Fund
- › Free CO-OP Webinar on Mobile Momentum April 7th
- › Vote for the 2015 International Credit Union Day Theme!
- › Credit Unions, Mark Your Calendars



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

Because Flanagan was a Tier A director, the Governance Committee will accept "Letters of Interest" from qualified candidates of credit unions under \$47,561,022 in assets. For questions, please contact the committee at board@njcul.org.

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Make Your CU Reality Check Hotel Reservations ASAP! Deadline is One Week from Today!

Credit unions have ONE WEEK to reserve their hotel rooms for the exciting CU Reality Check conference taking place April 13-15, 2015 at the Golden Nugget Atlantic City!

Registration is open, seats are filling up, and time is running out to make hotel reservations!

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.

The deadline to make reservations is 5 p.m. on Monday, April 6th.

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 for the conference!



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

Upcoming Events:

April 1, 2015
Financial Fitness Day
[More Information Click Here](#)

April 2, 2015
Webinar: New Accounts
Series: Opening Trust
Accounts: Compliance,
Documentation, Signing
Authority
3:00 pm to 4:30 pm
[More Information Click Here](#)

April 6, 2015
Reality Fair at Ocean
County College
Location: Toms River, NJ
8:00 am to 3:30 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

April 13-15, 2015

Register Today!

www.CURealityCheck.com

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IRS UBIT Webinar April 8th

WASHINGTON – The IRS has announced an April 8 Webinar on unrelated business income tax (UBIT) and tax-exempt organizations.

The Webinar, offered by the IRS's Tax Exemption & Government Entities Division, will provide information on:

- UBIT;
- Three parts test;
- Common types of activities;
- Exceptions and exclusions;
- Principal form used to report; and,
- IRS resources.

Presenters for the 2 p.m. session will be [Steve Farson](#), tax law specialist, IRS Office of Exempt Organizations, and [Al Page](#), tax law specialist, IRS Office of Exempt Organizations.

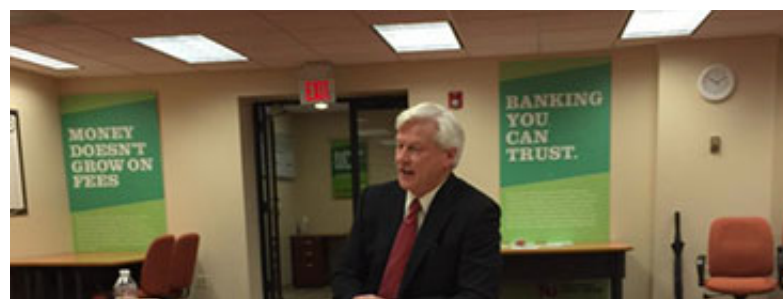
Those interested in participating can sign up [here](#).

The IRS issued a "new" UBIT memo to replace its 2014 memo on the same subject, but the new memo makes no changes in its listing of what products and services offered by state-chartered credit unions trigger UBIT.

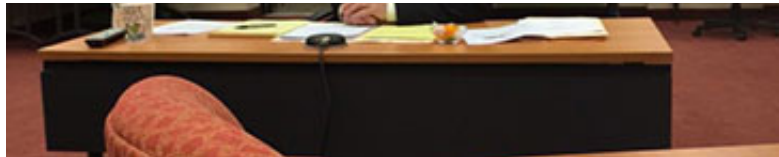
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Digital Signatures Discussed at Informative Operations Roundtable

HIGHTSTOWN, N.J. – Held live at the League Office and via Video Conferencing at Atlantic FCU and Members 1st of NJ FCU, the Operations Roundtable Session last week provided an abundance of material. The facilitator, attorney Peter Liska, provided everything from what constitutes a valid contract to the intricacies of digital signatures.



Connect with Us:



Attorney Peter Liska leading the discussion on digital signatures.

Liska stated that a signature proves the identity and shows understanding and agreement to a contract—shows consent. He reviewed the NCUA Regulatory Alert on Electronic Signatures (E-Sign Act) and stressed the importance of members signing a consent form to acknowledge that they agree to receive information electronically. Liska stated that the consent informs the member that they can withdraw the consent to receive records electronically as well.



The group "live" at the League with the two remote locations participating via video conference.

There was discussion around vendors, such as DocuSign, and Liska cautioned that you need to know how the records collected will satisfy legal requirements. Does the information verified have safeguards in place for you to know who signed? What verification steps were taken? What are different ways to identify? People can say I didn't sign anything, I didn't get copy, I don't remember...does the vendor have a consent screen (if doing loans online)? Liska referred to the student loan program as it has all the necessary components electronically.

Liska shared real situations that have occurred in credit unions and the outcomes.

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Reg. Relief Package Advances

WASHINGTON – Nine regulatory relief bills supported by CUNA were approved by the U.S. House Financial Services Committee Thursday after a two-day markup of a series of bills.

The bills that passed the committee Thursday include:

- H.R. 299, the Capital Access for Small Community Financial Institutions Act corrects a drafting oversight in the Federal

institutions not corrects a glaring oversight in the Federal Home Loan Bank Act that has resulted in a small number of privately insured credit unions being ineligible to join a Federal Home Loan Bank;

- H.R. 601, the Eliminate Privacy Notice Confusion would eliminate the requirement financial institutions currently face to send their members or customers privacy policy notifications annually, and instead would only require such notifications when the privacy policy is changed;
- H.R. 1195, the Bureau of Consumer Financial Protection Advisory Board Act would require the Consumer Financial Protection Bureau (CFPB) by law to establish the Credit Union Advisory Council, as well as the Small Business Advisory Board and the Community Bank Advisory Council. These advisory councils had previously been voluntarily established by the CFPB. The separate Consumer Advisory Board is already codified in statute;
- H.R. 1265, the Bureau Advisory Commission Transparency Act would, in effect, open CFPB advisory committee meetings to the public;
- H.R. 1259, the Helping Expand Lending Practices in Rural Community Act directs the CFPB to establish an application process determining whether an area should be designated as a rural area if the CFPB has not designated it as one;
- H.R. 1480, the SAFE Confidentiality and Privilege Enhancement Act would require that confidentiality protections provided by federal and state laws apply when state and federal regulatory officials with mortgage or financial services industry oversight authority access any information provided to the Nationwide Mortgage Licensing System and Registry;
- H.R. 1408, the Mortgage Servicing Asset Capital Requirements Act would require federal banking agencies to conduct a study of the appropriate capital requirements for mortgage servicing assets for non-systemic banking institutions;
- H.R. 1529, the Community Institution Mortgage Relief Act would exempt mortgage loans made by financial institutions under \$10 billion in assets and held in portfolio for three years from RESPA's escrow requirements and would also exempt mortgage servicers that service fewer than 20,000 mortgages annually from a number of requirements of RESPA; and
- H.R. 685, Mortgage Choice Act would make an important modification to the Truth-in-Lending Act's definition of "points and fees."

The next step in the House for these bills would be a vote on the House floor.

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Get Guidance on Implementing an Effective Compliance Program



VirtualCorps Webinar: Functional Compliance Management Program Tuesday, April 7, 2015 3 p.m. to 4 p.m.

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 in the April 7th VirtualCorps Webinar “Functional Compliance Management Program” will receive helpful hints and suggestions to implement an effective Compliance Program including; planning, auditing, monitoring, reporting and problem resolutions to include:

- Learn how to evaluate current policies, procedures and practices
- Learn how to identify changes or enhancements needed to achieve compliance
- Learn the keys to preparing thorough, compliant audits in accordance with regulations
- Learn how to successfully implement training that increases your staff’s compliance skills
- Learn how to identify risk and how to minimize compliance risk
- Create planning measures to strategize for audit
- Identify problem areas and resolve them before your audit comes

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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CFPB Considers Proposal to End Payday Debt Traps

Proposal Would Cover Payday Loans, Vehicle Title Loans, and Certain High-Cost Installment and Open-End Loans

WASHINGTON – The Consumer Financial Protection Bureau (CFPB) announced it is considering proposing rules that would end payday debt traps by requiring lenders to take steps to make sure consumers can repay their loans. The proposals under consideration would also restrict lenders from attempting to collect payment from consumers' bank accounts in ways that tend to rack up excessive fees. The strong consumer protections being considered would apply to payday loans, vehicle title loans, deposit advance products, and certain high-cost installment loans and open-end loans.

“We are taking an important step toward ending the debt traps that plague millions of consumers across the country,” said CFPB Director Richard Cordray. “Too many short-term and longer-term loans are made based on a lender’s ability to collect and not on a borrower’s ability to repay. The proposals we are considering would require lenders to take steps to make sure consumers can pay back their loans. These common sense protections are aimed at ensuring that consumers have access to credit that helps, not harms them.”

Today, the Bureau is publishing an outline of the proposals under consideration in preparation for convening a Small Business Review Panel to gather feedback from small lenders, which is the next step in the rulemaking process. The proposals under consideration cover both short-term and longer-term credit products that are often marketed heavily to financially vulnerable consumers. The CFPB recognizes consumers’ need for affordable credit but is concerned that the practices often associated with these products—such as failure to underwrite for affordable payments, repeatedly rolling over or refinancing loans, holding a security interest in a vehicle as collateral, accessing the consumer’s account for repayment, and performing costly withdrawal attempts—can trap consumers in debt. These debt traps also can leave consumers vulnerable to deposit account fees and closures, vehicle repossession, and other financial difficulties.

The proposals under consideration provide two different approaches to eliminating debt traps: prevention and protection. Under the prevention requirements, lenders would have to determine at the outset of each loan that the consumer is not taking on unaffordable debt. Under the protection requirements, lenders would have to

debt. Under the protection requirements, lenders would have to comply with various restrictions designed to ensure that consumers can affordably repay their debt. Lenders could choose which set of requirements to follow.

A factsheet summarizing the proposals under consideration is available [here](#).

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Correction to Thursday's Article "CUNJ Named Among *NJBIZ*'s 2015 Best Places to Work in New Jersey"

In last Thursday's edition of the *Daily Exchange*, the article titled "CUNJ Named Among *NJBIZ*'s 2015 Best Places to Work in New Jersey" stated that "*NJBIZ*, program sponsors and partners will honor this year's 100 Best Places to Work and announce their ranking during an awards dinner and ceremony on Thursday, April 30 at the Hyatt New Brunswick". The location is incorrect. The correct location of the event is the Hilton East Brunswick. We apologize for the mistake.

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Senate Budget Amendment Would Establish Reg. Relief Fund

WASHINGTON – An amendment to the U.S. Senate budget resolution passed last week would establish a deficit-neutral reserve fund to address disproportionate regulatory burdens on credit unions and community banks. The amendment allows for one or more bills, joint resolutions, amendments, amendments between the houses, motions or conference reports that would alleviate regulatory burden.

Both chambers of the U.S. Congress passed budget resolutions last week, and CUNA continues to analyze the budget resolutions for anything that could potentially affect credit unions.

Another amendment to the Senate resolution would end "too big to fail" bailouts of banks with \$500 billion or more in assets.

A number of other issues of note to credit unions were addressed in the Senate's "vote-a-rama", which stretched to Friday morning but weren't adopted.

The Senate passed its budget resolution by a vote of 52-46.

The House budget resolution consisted of six different budget plans; a budget developed by the House Budget Committee, and consideration of five other budgets. A version of the budget that mirrored the House Budget Committee offering with an additional \$2 billion in defense spending passed by a 228-199 vote.

The next step in the budget process is a conference committee between the House and Senate to work through details of both resolutions and come out with a common budget that will be sent to both houses for final passage.

The Senate and House will be in recess for the next two weeks for a spring district work session.

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Free CO-OP Webinar on Mobile Momentum April 7th

With so much happening in the mobile space, there's an avalanche of statistics, data, trends and innovations to sort through. How do you make sense of it all? And how do you turn big-picture information into an actionable mobile strategy?

Join CO-OP Financial Services for "From Metrics to Meaning," the latest in CO-OP's [Mobile Momentum Webinar](#) series on Tuesday, April 7. CO-OP's Senior Manager of Market Analysis, Ryan Zilker, breaks down some of the big trends in mobile for 2015 and discusses what CO-OP's own findings suggest for mobile-minded credit unions.



ALSO: Special guest Caroline Willard, CO-OP's Executive Vice President of Markets and Strategy, will provide her insights into the action-packed mobile wallet space. Find out what might be next for Apple Pay, Paypal/Paydiant, Samsung/LoopPay and more.

Title: Mobile Momentum: From Metrics to Meaning

Date/Time: Tuesday, April 7, 2015 at 1pm PT / 4pm ET.

[Register Now!](#)

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Vote for the 2015 International Credit Union Day Theme!

CUNA has issued a huge "thank you" to all who submitted theme suggestions for ICU Day 2015. CUNA has compiled all of the [fantastic suggestions](#) submitted by credit unions for the 2015 International Credit Union Day Theme.

Upon careful review, CUNA has chosen several that it thinks best fit this year's campaign. Now CUNA needs your help again!

CUNA is asking credit unions to vote for their favorite theme ideas for this year's International Credit Union Day. The number one idea will be the official recommendation from the United States to the World Committee.

[Please click here to review the top five themes and vote for your favorites.](#)

With the World Committee meeting coming up fast, CUNA needs to have all the votes in. Please make sure to vote by Thursday, April 2 to have your suggestions considered.

The U.S. will be part of the world committee that selects a theme and design, which will be revealed in May.



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

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

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

April 9 -- [Compliance Roundtable: Robbery Prevention and Safety Awareness](#)

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

June 19 -- [Compliance Conference: Managing Dynamic Change](#)

Industry Events

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](#)

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