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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 -- April 22, 2015

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April 22nd, 2015

Today's News:

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- › Join NJCUL and CU Social Good for a Free Webinar April 30th
- › Matz Details Potential Supplemental Capital Changes in April NCUA Report
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- › Monday: Important Webinar on SAR Procedure Updates from the Revised BSA/AML Examination Manual
- › Drive '15: The Lending Conference You Don't Want to Miss! Still Time to Register

Q1 2015 League/CUNA Update with Q4 2014 NJ CU Stats Now Available to Members

The 1st Quarter 2015 New Jersey Credit Union League and CUNA [Membership@Work Update](#) is now available to member credit unions.

The joint update includes an overview of League and CUNA happenings, a message from NJCUL President/CEO Greg Michlig, and New Jersey credit union statistics compiled by CUNA for year-end 2014.

Click [here](#) to download the update or visit www.njcul.org/njcul-quarterly-updates.aspx.

This aspect of the NJCUL Web site is limited to members only and is password protected. If you do not have an account for the site, visit www.njcul.org/Secure/Register.aspx to request a login.



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United Poles FCU Celebrates 50 Years of Service

Register!

- › House to Vote on CFPB Council Bill Today, Last Minute Amendment Puts Outcome in Question
- › Still Time to Register for this Afternoon's NCUA Financial Literacy Webinar
- › NCUA Does Not Participate in Operation Choke Point, Matz Tells Hensarling
- › Credit Unions, Mark Your Calendars



Tuesday: NJCUL's Golf Outing!

Spring has sprung and it's time to get on the greens!

Join us for our 27th Annual Golf Tournament on April 28th at Forsgate Country Club for a day on the greens, lunch at the turn, an awards dinner, and more!

[Credit union golfers can register here!](#)



United Poles FCU was presented with a 50th Celebration of Service Anniversary Plaque at their Annual Meeting, which was held this past Sunday at the ZPA Crystal Ballroom in Perth Amboy, N.J. Pictured above from left to right: Voytek Wicinski, Thomas Kazalski, Barbara Agin (NJCUL), Konrad Kolodziej, Iwona Karpeta, Maria Grzegorski, Walter Szuba, Teresa Rybinski, Zbigniew Grochowski, and Weslaw Cwiek.

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Join NJCUL and CU Social Good for a Free Webinar April 30th

Thursday, April 30th
Morning Session at 10 AM
Afternoon Session at 3 PM

The New Jersey Credit Union League will be hosting two webinars with a social impact specialist from [CU Social Good](#) on Thursday, April 30th at 10:00 AM and 3:00 PM Eastern Standard Time. Please join us for a brief walk-through of CU Social Good to learn more about how your credit union, the New Jersey Credit Union League, and credit unions nationwide can benefit from your participation in this robust online platform.

Please register for the time that works best for you at: <https://attendee.gotowebinar.com/rt/4109325019003811841>

After registering, you will receive a confirmation email containing information about joining the webinar.

About CU Social Good

Traditionally, credit unions have not brought attention to the work they are doing in their communities because, as credit unions, it's just who we are. Now more than ever, we need to show potential members and lawmakers the impact we have on our own communities. That's why CU Social Good was created, and that's why the New Jersey Credit Union League has partnered with them.

How does it work?

CU Social Good aggregates data submitted by individual credit unions into Social Impact Reports, or, simply put, a national picture of how credit unions are supporting their local communities. This valuable information will demonstrate to lawmakers the necessary role credit unions play in the

Upcoming Events:

April 29, 2015
VirtualCorps Webinar: EMV & Debit Cards: Preparing for the October 1, 2015 Liability Shift
3:00 pm to 4:30 pm
[More Information Click Here](#)

April 30, 2015
Free CU Social Good Webinar
AM: 10:00 am to 11:00 am
PM: 3:00 pm to 4:00 pm
[More Information Click Here](#)

May 5, 2015
Webinar: Director Series: Strategic Planning Best Practices for the Board & Senior Management
3:00 pm to 4:30 pm
[More Information Click Here](#)

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will demonstrate to lawmakers the necessary role credit unions play in the lives of their members.

CU Social Good also creates state-specific Social Impact Reports, a valuable tool for advocates meeting with their state legislators on behalf of credit unions.

At the credit union level, data is aggregated to show each individual credit union the impact they have on their local community. Used locally, this information will raise awareness of the credit union difference.

How will my credit union benefit?

Information from Social Impact Reports will help you develop your credit union's brand within your community.

Social media content is easily generated to support your awareness campaign.

Data tracking allows you to quickly determine the impact your credit union's efforts have on your community.

Your participation supports the advocacy efforts of the New Jersey Credit Union League, who advocates on behalf of credit unions both at the state level and at the national level.

Your data contributes to the national snapshot of credit unions' social impact, supporting advocacy and awareness efforts nationwide.

Credit unions nationwide will recognize the important role your credit union plays in your community, and will glean inspiration from your example.

Creating a profile to add your credit union to CU Social Good's Impact Map and sharing your data and stories are free and take less than five minutes to complete, while Social Impact Reports are available to you for a nominal fee and are generated quarterly with just the click of a button.



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Matz Details Potential Supplemental Capital Changes in April NCUA Report

ALEXANDRIA, Va. – NCUA Chair Debbie Matz went into some specifics on how the agency could allow for supplemental capital in this month's

Connect with Us:



On how the agency could allow for supplemental capital, in the month's [edition](#) of *The NCUA Report*.

Matz uses her column this month to elaborate on the five areas of what she previously referred to as "the year of regulatory relief."

Matz said there is a clear need for supplemental capital in certain circumstances, and she is committed to allowing it to be counted in full.

"For example, NCUA could count certain forms of subordinated debt as supplemental capital for the risk-based capital ratio," Matz wrote. "It could be issued to members and non-members, but it would be uninsured."

Matz added that for this to happen, three changes beyond risk-based capital the NCUA would need to:

- 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, to ensure supplemental capital is available to cover losses during times of stress.

Matz said effective dates of these changes could coincide with the proposed implementation of the agency's risk-based capital proposal in 2019.

Elsewhere in the publication, board member J. Mark McWatters reflects on his experience at CUNA's Governmental Affairs Conference last month. McWatters said he was "energized" by speaking to thousands of credit union leaders and said he is committed to "a growth oriented regulatory environment that will protect the Share Insurance Fund."

Other highlights of this month's *The NCUA Report* include:

- An economic report from NCUA Chief Economist John Worth;
- Information on identifying and preventing common recordkeeping deficiencies;
- A summary of actions from the NCUA board's March meeting; and
- A look at mortgage disclosure changes coming in the second half of 2015.

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CUNA, Trades Urge House Leaders to Act on Info-Sharing Bills

WASHINGTON – CUNA's continued advocacy efforts helped push much-needed cybersecurity legislation through committees and in a [letter](#) sent to U.S. House leadership Tuesday, CUNA urged passage of information-sharing legislation.

In a letter sent to House Majority Leader Kevin McCarthy (R-Calif.) and Minority Leader Nancy Pelosi (D-Calif.), CUNA and other financial services organizations expressed support for the National Cybersecurity

Organizations expressed support for the National Cybersecurity Advancement Act of 2015 (H.R. 1731) and the Protecting Cyber Networks Act (H.R. 1560) passing committee.

The bills would allow sharing of information between private sector and government entities about cyberthreats. According to the letter, if passed, the bills could help foster a more robust cyberthreat information sharing ecosystem.

"The existing bodies of law and regulation do not do enough to foster information sharing or to establish clear lines of communication with the various government agencies responsible for cybersecurity," the letter reads. "It is critical that Congress pass threat information sharing legislation to address today's challenges and stay ahead of tomorrow's threats."

The letter was signed by the American Bankers Association, American Financial Services Association, American Insurance Association, The Clearing House, Consumer Bankers Association, Electronic Transactions Association, Financial Services Roundtable, Independent Community Bankers of America, Investment Company Institute, NACHA-The Electronic Payments Association, National Association of Mutual Insurance Companies, Property Casualty Insurers Association of America, Securities Industry and Financial Markets Association, and NAFCU.

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Monday: Important Webinar on SAR Procedure Updates from the Revised BSA/AML Examination Manual

The interagency anti-money laundering updates were finalized in December 2014, and there have been billions of dollars in fines and several notable sanctions and enforcement actions since the 2010 manual was issued. The long-awaited update contains 440 pages with 320 pages of examiner expectations and another 120 pages of reference material. There are five key components for suspicious activity monitoring and reporting systems in the revised manual (versus only four in the 2010 manual.) Because the components are interdependent, an effective suspicious activity and reporting process should include "successful implementation of each component." What policy/procedure changes should be made to prove compliance with this process?

Another significant focus area the 2014 manual highlights is the importance of the timely filing of SARs. There is also emphasis on the quality of the investigation and the information provided in the SAR narrative.

NJCUL's must-attend Webinar "Important SAR Procedure Updates from the Revised BSA/AML Examination Manual: Ensuring Compliance & Avoiding Violations" being held on April 27th will ensure compliance with SAR rule changes. [Register Here](#)

This informative session is designed for BSA officers and staff, compliance officers, auditors, branch managers, new account representatives, deposit and loan operations personnel, security officers, and risk managers.

Time: 3 p.m. to 4:30 p.m. ET

Presenter: [Susan Costonis, CRCM](#), Compliance Consulting and Training for Financial Institutions

Cost:

- \$200.00 Live Webinar
- \$200.00 Archived Webinar + Free CD ROM
- \$250.00 BOTH Live Webinar and Archived Webinar + Free CD ROM
- \$169.00 Archived Webinar ONLY (for CUs < \$20M in Assets)

[Register 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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Drive '15: The Lending Conference You Don't Want to Miss! Still Time to Register!

Delivering the ultimate credit union lending expertise, best practices and networking opportunities all in one place: CU Direct's Drive '15 Conference. [Register Now.](#)

Gain insight on proven best practices and the latest lending tools – presented by industry experts at the Drive '15 Lending and Marketing Conference taking place Wednesday, May 20, 2015 - Thursday, May 21, 2015 at the Cosmopolitan of Las Vegas.

Don't miss your chance to get up close with an impressive speaker lineup, focused on a deep wealth of lending topics for credit union professionals.

This year's conference is designed to address today's most pressing challenges and trends, as well as tomorrow's opportunities in the areas of lending, regulatory, technology, dealer relations and portfolio management.

With an array of innovative sessions and speakers, you'll walk away with concrete strategies you can implement at your credit union for long-term growth and profitability.

[Keynote speakers](#) include: Bob Lutz, one of the world's most experienced and high-profile auto executives, retired Vice Chairman of General Motors Corporation, and regarded as Detroit's "ultimate car guy;" renowned media and marketing strategist, Andrew Davis, recognized as one of today's top 3 most influential marketers by CMWorld, best-selling author, co-founder of Tippingpoint Labs, and CEO of Monumental Shift; and Mike Maddock, self-proclaimed "*Idea Monkey*," entrepreneur, inventor, author, and founding partner/CEO of Maddock Douglas.

Additional [headline speakers](#) include Georae Hofheimer, Chief Knowledge

Additional [speakers](#) include George Henninger, Chief Knowledge Officer, Filene Research Institute; Jeff Marcoux, CMO Lead for Worldwide Enterprise Marketing at Microsoft; Keith Watts, Financial Services Industry Lead, Facebook; and Jeff Schood, founder and CEO of Intuvo.



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House to Vote on CFPB Council Bill Today, Last Minute Amendment Puts Outcome in Question

WASHINGTON – As the U.S. House prepares to vote on the Bureau of Consumer Protection (CFPB) Advisory Act (H.R. 1195) today, CUNA has [written](#) to House leadership encouraging its passage.

In a letter sent to Speaker John Boehner (R-Ohio) and Minority Leader Nancy Pelosi (D-Calif.), CUNA President/CEO Jim Nussle called the bill an important step in protecting credit union interests.

The bill, passed by the House Financial Services Committee March 26, would codify the CFPB's Credit Union Advisory Council (CUAC) and Small Business Advisory Board, which are currently established on a voluntary basis.

"The CUAC is not required by law, therefore, it could be abolished at any time," Nussle wrote. "We believe the CUAC is an important resource for the bureau because it provides a forum for credit union officials to provide direct feedback to the bureau on how its proposals and final rules will affect how credit unions serve their members."

Nussle added that the bill would allow credit unions "the ability to have a permanent voice" in the bureau's rulemaking process.

In recent days, the dynamics of the bill have changed because of an amendment that was added by the House Rules Committee, according to Ryan Donovan, CUNA's chief advocacy officer.

The amendment, which was offered by House Financial Services Committee Chair Rep. Jeb Hensarling (R-Texas), would limit the amount of money the CFPB can draw from the Federal Reserve in 2020 and 2025.

"In the last week or so, this legislation has turned from one that has enjoyed broad bipartisan support to one which has significant partisan overtones," Donovan said, noting that today, the chief Democratic sponsor of the bill, Rep. Denny Heck (D-Wash.), sent a letter to his colleagues urging them to vote against the bill.

The White House has stated that if President Barack Obama was

presented the currently amended version of the bill, his senior advisers would recommend he veto it. According to the White House, the administration supported the original bill, before the addition of an amendment limiting the CFPB budget.

"We are going to continue to advocate for a permanent credit union advisory council at the CFPB because it's the right public policy," said Donovan. "There's still a long way to go, and we will continue to work Congress and the administration to get this provision in law one way or the other."

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Still Time to Register for this Afternoon's NCUA Financial Literacy Webinar

ALEXANDRIA, Va. – Financial Literacy Month continues today with a NCUA webinar and Twitter chat designed to promote financial literacy.

Titled "Your Mission in Action: Developing Youth Financial Literacy and Savings Programs," the webinar will begin at 2 p.m. (ET).

NCUA's Office of Consumer Protection Director Gail Laster; NCUA Consumer Affairs Director Morgan Rogers; Louisa Quittman, director of the U.S. Treasury's Office of Financial Education; Gigi Hyland, executive director of the National Credit Union Foundation; and Katie Bryan, communications director for the Consumer Federation of America, will participate.

Financial Literacy Month takes place every April to highlight the importance of financial literacy and to give consumers an opportunity to establish and maintain good financial habits. It kicked off April 1 with Financial Fitness Day.

The webinar will feature strategies, research and a discussion of effective outreach, all pertaining to developing new youth financial literacy programs or enhancing current programs. [Registration](#) is still open.

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NCUA Does Not Participate in Operation Choke Point, Matz Tells Hensarling

ALEXANDRIA, Va. – The NCUA does not, and will not, participate in programs such as U.S. Department of Justice's (DOJ) Operation Choke Point, agency Chair Debbie Matz told a prominent lawmaker last week.

Matz wrote to Rep. Jeb Hensarling (R-Texas), chair of the House Financial Services Committee, in response to his April 8 request about the NCUA's relationship with Operation Choke Point.

Operation Choke Point allows the Financial Fraud Enforcement Task Force to investigate whether financial institutions and payment processing companies are enabling fraudulent activity. Critics say it is being used to separate consumers from access to financial services.

According to Matz, the NCUA "has not and will not participate in Operation Choke Point or any other similar operation."

She cited DOJ testimony from a July 2014 House Judiciary Committee hearing on Operation Choke Point, in which the DOJ listed the regulators with which it communicated on Operation Choke Point. The NCUA was not listed.

Hensarling's second request was that NCUA issue a letter to credit unions and a memo to employees clarifying the agency's Operation Choke Point policy. Per Matz's response, the agency issued its most recent anti-money laundering guidance in December 2014, acknowledging that money service businesses (a frequent Operation Choke Point target) provide necessary and valued financial services.

The NCUA also issued a memorandum to all field staff in August 2014 indicating the agency's policy is that a decision to open, close or decline an account or relationship is generally made by the individual credit union without the agency's involvement.

"The decision may be based on the credit union's particular business objectives, its evaluation of the risks associated with offering particular products or services and its capacity and systems to effectively manage those risks," Matz wrote, adding that going forward the NCUA will continue to ensure all materials and guidance clearly outline this policy.

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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

April 23 -- [BSA Training for Frontline Staff \(AM Session\)](#)

April 23 -- [BSA Training for Frontline Staff \(PM Session\)](#)

April 27 -- [Webinar: Important SAR Procedure Updates from the Revised BSA/AML Examination Manual](#)

April 30 -- [CU Social Good Webinar \(Morning Session\)](#)

April 30 -- [CU Social Good Webinar \(Afternoon Session\)](#)

May 12 -- [VirtualCorps Webinar: Millennials Want Convenient Access to...Products and Services We Don't Have?](#)

May 13 -- [NJ DNA Meeting at Credit Union of New Jersey](#)

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

Industry Events

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

July 30 -- [American Dream 5K Sponsored by Affinity FCU](#)

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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