



Marissa Anema <manema@njcul.org>

## The Daily Exchange -- April 27, 2015

New Jersey Credit Union League <news@njcul.org>

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The Daily Exchange

April 27th, 2015

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### NJCUL Submits RBC2 Comment Letter

#### CUNA Reports More than 1,650 RBC2 Comments Filed by Friday: Deadline is Today

ALEXANDRIA, Va. – As of late Friday afternoon, credit unions, state credit union leagues, CUNA and other stakeholders had sent 1,654 comment letters on the NCUA revised risk-based capital proposal (RBC2), including the New Jersey Credit Union League, whose comment letter was submitted on April 23rd.

Member credit unions can download the NJCUL comment letter at [www.njcul.org/RBCtools.aspx](http://www.njcul.org/RBCtools.aspx). Access to the League's comment letter and RBC2 resource packet is limited to members only and requires a password. To request a login, visit [www.njcul.org/Secure/Register.aspx](http://www.njcul.org/Secure/Register.aspx).

The comment period ends at 11:59 p.m. (ET) today. New Jersey credit unions can use the Sample CU Comment Letter Content, Sample Small Asset CU Comment Letter, and Sample Large Asset CU Comment Letter provided in the NJCUL's RBC2 resource packet to send a comment letter.

CUNA continues to believe the proposal is a solution in search of a problem, but should the NCUA proceed with the rule, CUNA believes a number of changes are necessary.

This includes:

- Dropping the new proposed capital adequacy provisions, which are beyond net worth and risk-based capital ratio requirements;
- Reduction of a number of the risk weights;

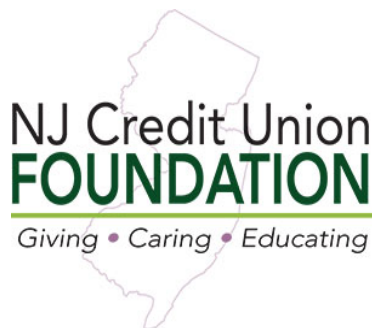


Join the NJ CU Foundation for its 5th Annual Casino Night May 29th!

Registration materials for the NJ CU Foundation's Casino Night are now available!

The event will be held on Friday, May 29th at 6 p.m. at the Renaissance Woodbridge Hotel in Iselin, N.J.

Join us and support a great cause!



Upcoming Events:

**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](#)

- Identifying "complex" credit unions on more than asset size, and the definition should only apply to credit unions of at least \$500 million in assets;
- Expansion of the conditions under which goodwill could be included in the risk-based capital ratio;
- Minimizing the burden of expanding the call report for purposes of RBC2; and
- Allowing credit unions to use supplemental capital in meeting risk-based capital requirements;
- Delaying implementation of RBC2 until 2021, to coincide with expected refunds from the Corporate Stabilization Fund.

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## Next NJ DNA Meeting Set for May 13th at Credit Union of New Jersey

EWING, N.J. – Directors and volunteers, don't miss the next NJ DNA meeting on Wednesday, May 13th being held at Credit Union of New Jersey (CUNJ) in Ewing, N.J.

The dinner meeting will be hosted by CUNJ director Gary Chizmadia. Join sponsoring credit union CEO, Andy Jaeger for networking at 5:15 prior to a catered dinner.

The roundtable discussions will include the following topics:

**Topic #1:** Board Succession Planning

**Topic #2:** CEO Compensation

There is a cost of \$25.00 per credit union.

To register for this event please send an email to Mary Zelinsky at [mzelinsky@njcul.org](mailto:mzelinsky@njcul.org).



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## Final FOM Rule Tops April 30 NCUA Agenda

ALEXANDRIA, Va. – Consideration of a final rule that would change field-of-membership (FOM) regulations tops the agenda for NCUA's April 30 board meeting.

NCUA Director of Examination and Insurance Larry Fazio provided some insight into the final rule during testimony before a House subcommittee Thursday.

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

**May 12, 2015**  
**Lending Roundtable: Taking**  
**a Look at Auto Lending**  
**Trends**  
**Location: NJCUL and via**  
**Video Conference**  
**10:00 am to 12:30 pm**  
[More Information Click Here](#)

Contact Us:

**Address**

299 Ward Street  
 Hightstown, NJ 08520  
[Driving directions](#)

**Phone**

[800.792.8861](tel:800.792.8861)  
[609.448.2426](tel:609.448.2426)

**Fax**

[609.448.3499](tel:609.448.3499)

**E-mail**

[info@njcul.org](mailto:info@njcul.org)

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"The final rule will include substantially more regulatory relief than the proposed rule as NCUA responds to the comments received," Fazio said. "For example, the Board will likely add five additional types of groups that will automatically satisfy the associational common bond provisions."

Other items on the agenda are:

- Final rule on corporate credit unions concerning technical amendments;
- Proposed rule on aggregate lending limit for corporate credit unions;
- Proposed rule on adding share insurance coverage under interest on lawyer trust accounts;
- An exemption request by the State of Connecticut Department of Banking;
- Board briefing on a final interagency rule concerning minimum requirements for appraisal management companies; and
- National Credit Union Share Insurance Fund quarterly report.

[Registration](#) is still open for the live video feed of the meeting. Reminder, individuals interested in watching the meetings online must register each month.

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## Tee Up for a Good Cause! CUs Have Great Golf Events Lined Up This Season!

New Jersey credit unions once again have a great line-up of golf events scheduled for this season with proceeds going to good causes.

Greater Alliance FCU is holding its annual Golf Outing on May 18th at the Apple Ridge Country Club in Mahwah, N.J. Click [here](#) for more information and to register.

Join the North Jersey Federal Credit Union Foundation for its 6th Annual Above & Beyond Golf Classic on June 1st. Click [here](#) for more information and to register.

On July 20th, join Garden Savings FCU for its 5th Annual Golf Outing at Fiddler's Elbow Country Club.

Picatiny Federal Credit Union will hold its 17th Annual Golf Outing on September 28th.

If you would like your credit union's golf outing listed in the *Daily Exchange*, please email the information to Marissa Anema at [manema@njcul.org](mailto:manema@njcul.org).



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## Nussle Highlights CU Data Breach Costs, Reg. Relief on Bloomberg Radio

WASHINGTON – CUNA President/CEO Jim Nussle took to the airwaves Friday to highlight the massive costs facing credit unions due to the increasing number of merchant data breaches. Nussle also explained the consumer benefits of regulatory relief measures for credit unions and how easing regulatory burden would help credit unions serve their members even better.

Nussle was interviewed by Vonnie Quinn on "Bloomberg Advantage."

The CUNA CEO explained to Quinn and her national audience that merchants are the weak link when it comes to data security.

He highlighted CUNA's efforts, both in Congress and in the courts, to push for stronger merchant standards that protect consumers as well as credit unions and other financial institutions.

"We're saying that somebody has got to put the merchants into a more responsible position, they should be responsible for the data if people are coming and using their credit cards, that needs to be protected," he said. "The same way every credit union and bank must protect the information of its customers, merchants need to do the same."

Nussle added that few breaches occur at credit unions and other financial institutions because of the standards laid out in the Gramm-Leach-Bliley Act, but merchants have no such standards.

"This is a situation where the bad guys are getting to the data through merchants, they're not getting into the data through credit unions and banks," he said. "The only way for us to protect it is to make sure merchants have the same standards we have."

Quinn asked about the general outlook for credit unions, and while Nussle said demand for loans is going up, easing of regulatory burdens is essential for credit unions to meet that demand.

"We'd obviously like to see a reduction in the regulatory burden that just adds costs and paperwork and sometimes doesn't allow us to make a student loan or do a mortgage because of the costs," Nussle said. "But we're working with other small financial institutions to work with Congress to try and lessen some of those regulatory issues so we can get more capital out into the marketplace to create jobs."

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The nationwide **Stop the Data Breaches Call-to-Action** has been renewed. CUNA and the NJCUL are encouraging all credit union professionals, volunteers and members to **email** their lawmakers in Congress today, even if they've done so already!

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# Archived Webinars

Did you know you can order archived webinars long after the live program is over? Since the archived links are available for six months following the live broadcast, you can order any time during that six months. In addition, the archive page has a search function where you can search by key word or topic for archived or upcoming webinars.

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The archived webinar link is a recording of the live event, including audio, visuals, handouts, and the speaker's email address for follow-up questions. Archive orders also include a free CD ROM.

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## House Passes 2nd Cyber Bill to Promote Info Sharing

WASHINGTON – The U.S. House passed the National Cybersecurity Protection Advancement Act of 2015 (H.R. 1731) Thursday by a 355-

63 vote.

It was the second cybersecurity-related piece of legislation passed by the House last week. The Protecting Cyber Networks Act (H.R. 1560) was passed Wednesday.

H.R. 1560 would allow enhanced sharing of information about cybersecurity threats, while H.R. 1731 amends 2002's Homeland Security Act to enhance multi-directional sharing of cybersecurity risk information.

CUNA supports both pieces of legislation. The bills are expected to be combined, and the House will begin discussions with the Senate on a final legislative package.

The Senate is expected to act on cyberthreat information-sharing legislation in the coming weeks and CUNA and the state leagues have renewed the nationwide Call-to-Action for all credit union professionals, volunteers and members to [contact](#) their lawmakers on this vital issue.

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## NCUA's Fazio Highlights Agency Support for Reg. Relief Legislation

WASHINGTON – The NCUA supports several CUNA-backed regulatory relief bills, including ones that would raise the member business lending cap and allow supplemental capital.

Larry Fazio, director of NCUA's Office of Examination and Insurance, testified before the U.S. House Financial Service subcommittee on financial institutions and consumer credit at a hearing designed to get regulators' perspectives of regulatory burden.

"NCUA encourages Congress to consider providing regulators like NCUA with flexibility to write rules to address such situations, rather than imposing rigid requirements," Fazio said. "Such flexibility would allow the agency to effectively limit additional regulatory burdens, consistent with safety and soundness."

Fazio said the NCUA supports three bills:

- The Credit Union Small Business Jobs Creation Act (H.R. 1188), which would raise the member business lending cap to 27.5% of assets;
- The Credit Union Residential Loan Parity Act (H.R. 1422), which would 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; and
- The Capital Access for Small Business Act (H.R. 989), which would allow credit unions to raise supplemental capital.

Fazio outlined other areas the NCUA is pushing for regulatory relief, including a finalized rule that will be presented to the board April 30 regarding field-of-membership rules.

Subcommittee chair Rep. Randy Neugebauer (R-Texas) asked Fazio if he believed NCUA is "getting it right" when it comes to its revised risk-based capital proposal, and about a "capital cushion" that might

be required of credit unions should the rule be finalized.

Fazio said the rule would likely have a "relatively modest impact," but it would be effective in picking up outliers.

Rep. Mick Mulvaney (R-S.C.) inquired as to why NCUA stopped holding public meetings regarding its budget and asked if the agency would hold a meeting for its 2016 budget. Fazio said board has not made a decision on that yet.

For some on the committee, regulatory relief cannot come soon enough for constituents. Rep. Frank Guinta (R-N.H.) said he has had many discussions in recent months with credit unions and community banks about regulatory burden.

"I'm actually a little discouraged, and I remain discouraged, with some of the things I've been hearing relative to the regulatory burdens," he said. "This is the single issue that I hear about from institutions in New Hampshire, more than any other issue."

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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 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 -- [Lending Roundtable: Taking a Look at Auto Lending Trends](#)

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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