



Marissa Anema &lt;manema@njcul.org&gt;

## The Daily Exchange -- May 6, 2015

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

Wed, May 6, 2015 at 1:17 PM

Reply-To: news@njcul.org

To: staff@njcul.org

To ensure that you continue receiving our emails, please add us to your address book or safe list.

[Unsubscribe](#)

[Update Your Communications Preferences](#)



The Daily Exchange

May 6th, 2015

Today's News:

- › CUNA Task Force Preliminary Findings Focused on Advocacy and Choice; Vote Likely Later this Year
- › North-Central Chapter Meeting June 9th Features Assemblyman Craig Coughlin
- › Rep. Royce Urges Vigorous, Vocal CU Dirve for MBLs, More CU Initiatives
- › Matz: Proposed Payday Rules Could Limit Credit Union Lending to Military Members
- › CUNA, State Leagues Issue Call to Action in Support of House Data Breach Bill
- › Mark Your Calendars: 2015 Small Credit Union Conference Set for June 6th
- › Annual Impact Report Released by the National Credit Union Foundation
- › Credit Unions, Mark Your Calendars

### CUNA Task Force Preliminary Findings Focused on Advocacy and Choice; Vote Likely Later this Year

WASHINGTON – CUNA's System Structure and Governance Task Force preliminary findings include that credit unions want better advocacy and more choice from their trade association. The Task Force—a 12-member group made up of credit union leaders including credit union CEOs, state league presidents, a volunteer at a credit union, and a CEO who represents a credit union not affiliated with CUNA—was appointed in September 2014 to study CUNA's structure and governance and make recommendations to the association's Board of Directors. The group commissioned several focus groups and a nationwide survey of credit unions to gather credit union feedback.

The Task Force presented its preliminary findings for discussion, led by Chairman Tom Dorety of Suncoast Credit Union, to the CUNA board, the National Credit Union Roundtable and league presidents this week in Denver. The Task Force is seeking a solution that will give credit unions an element of choice in how they belong to and interact with the system without harming the advocacy strength that comes from a unified, accountable system. In its work, the Task Force is considering how to meet of the needs of the credit union system as it evolves over the next decade.

"Several preliminary ideas were put forward for discussion and received positive feedback," CUNA President and CEO Jim Nussle said. "The focus was on how our trade association can facilitate superior advocacy throughout the credit union system while giving more choice on how to join the organization. I'm pleased that credit unions nationwide are working to help us build a better and stronger

advocacy organization.”

The discussion items included:

- Introduce some choice on how dues are allocated among three areas: the national organization, the state leagues and a System Advocacy Fund;
- Form a cooperative agreement between CUNA and the leagues to institutionalize accountability;
- Dedicate all dues to fund advocacy; and
- Establish a strong interdependence and unity between the state leagues and the national organization, to be united under the America’s Credit Unions banner.

The Task Force’s next steps are considering the feedback it received from the CUNA board, the National Credit Union Roundtable and league presidents at its next meeting to revise and refine its recommendations with the goal of producing a report to the CUNA board. The board will likely vote on these proposals later this year.

“Much was discussed and everything is on the table,” said Nussle. “There is no doubt in my mind that the leagues and CUNA are stronger together and deliver more jointly by creating powerful synergies to advance credit union advocacy. These discussions will continue and we look forward to continuing to engage with the credit union system on these issues before they are presented to the board later this year.”

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

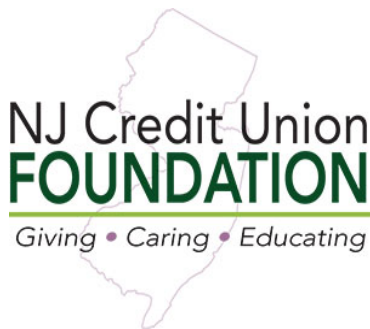


## Join the NJ CU Foundation for its 5th Annual Casino Night May 29th!

**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:

**May 5, 2015**  
**Webinar: Director Series: Strategic Planning Best**

## North-Central Chapter Meeting June 9th Features Assemblyman Craig Coughlin

PERTH AMBOY, N.J. – Join the North-Central Chapter on Tuesday, June 9, 2015 beginning at 6 p.m. at The Barge in Perth Amboy, N.J. for a meeting featuring Assemblyman Craig Coughlin (D-19), Chairman, NJ Assembly Financial Institutions & Insurance Committee.

Assemblyman Coughlin chairs the committee with primary jurisdiction over legislation impacting financial institutions in the state. He has sponsored several credit union-supported bills including electronic lien and titling (ELT) and prize-linked accounts. Other legislation that is currently pending action is his committee includes a data-breach bill, which credit unions strongly support and bills that would require various ATM security upgrades such as 911-call capability which credit unions oppose. The assemblyman will offer his thoughts on events and developments that might affect financial institutions in addition to his priorities as committee chair. This is an excellent opportunity to both hear from an important credit union supporter, and to reinforce our public policy priorities at the State House.

The registration deadline is Tuesday, June 2, 2015.

[Click here for the full registration form.](#)

Chapter meetings are not limited to credit unions in that chapter only. All meetings are open to any NJCUL member credit union, regardless of their chapter affiliation. Please feel free to attend any chapter meeting to mix and mingle!

**practices for the Board &  
Senior Management**

3:00 pm to 4:30 pm

[More Information Click Here](#)

May 11, 2015

**Webinar: The FFIEC's New  
Appendix J on Outsourced  
Technology Services**

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  
609.448.2426

**Fax**

609.448.3499

**E-mail**

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

Connect with Us:



More Chapter information as well as the dates of all upcoming Chapter meetings is available on the League Web site at [www.njcul.org/chapters.aspx](http://www.njcul.org/chapters.aspx).

**Please note: Only New Jersey Credit Union League preferred vendors are able to attend New Jersey Credit Union League Chapter events and meetings as vendors.**

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

## Rep. Royce Urges Vigorous, Vocal CU Drive for MBLs, More CU Initiatives

WASHINGTON – Rep. Ed Royce (R-Calif.), a longtime champion of credit unions and their members, has made an appeal to credit unions to renew their efforts to support his bill to remove the cap on member business lending (MBL), as well as other credit union initiatives. He delivered his message in a special communication to California and Nevada credit unions and the California and Nevada Credit Union Leagues.

Royce, who introduced the Credit Union Small Business Jobs Creation Act (H.R. 1188) in March, encouraged credit union stakeholders to urge their representatives to co-sponsor the bill.

“A large amount of members of the House of Representatives co-sponsoring this legislation will keep issues related to the MBL cap for credit unions at the top of the congressional agenda,” Royce said in his statement to the leagues.

H.R. 1188 would raise the MBL cap for eligible credit unions to 27.5% of assets, up from the current 12.25%.

Diana Dykstra, president/CEO of the California and Nevada leagues, said the leagues are continuing to make this issue a priority and are “actively engaged in this fight.”

CUNA strongly backs an increase in the MBL cap. In fact, just this week CUNA President/CEO Jim Nussle made the case for an MBL cap increase on Bloomberg Radio, reminding listeners that the current cap is “arbitrary” in the first place. Nussle also underscored that the lending limit stands in the way of credit unions getting additional capital into the economy. CUNA also wrote to members of Congress urging the bill's passage.

In his message to credit unions, Royce also reminded credit unions about the Credit Union Residential Loan Parity Act (H.R. 4226), which he and Rep. Jared Huffman (D-Calif.) introduced in March. The CUNA-backed bill would exempt credit union loans to purchase a one-to-four-unit, non-owner occupied residential dwelling from the cap on member business lending.

Royce cited the bill as a way to encourage more private sector investment in housing, as well as increased competition among lenders.

“I need your help to advance these bills and a pro-credit union agenda, I need you to ask your member of Congress for his or her support and I need you to keep up the push throughout the year,” Royce said. “Sharing the credit union narrative with Congress is the

best way to ensure that credit union-friendly legislation advances and your members remain protected.”

Royce also introduced the Credit Union Share Insurance Fund Parity Act in 2013, which was signed into law in December 2014.



***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!***

[ [BACK TO TOP](#) ]

## Matz: Proposed Payday Rules Could Limit Credit Union Lending to Military Members

ALEXANDRIA, Va. – Regulatory proposals to change payday lending rules could prevent credit unions from making affordable payday alternative loans, NCUA Board Chairman Debbie Matz said today.

“Proposals from two federal agencies could require credit unions to make major changes in their loan programs,” Matz said. “NCUA supports the intent of proposals from the Defense Department and the Consumer Financial Protection Bureau to protect consumers from predatory lending, but we are working to ensure those rules avoid unintended consequences of outlawing access to affordable credit union loans.”

Matz also warned credit unions about rising interest rates. “Just as soldiers plan ahead for coming battles, credit unions must prepare for a changing interest rate environment.”

Matz spoke on these and other regulatory issues to the Defense Credit Union Council’s Overseas Subcouncil in Dublin, Ireland. More than 200 credit unions with over 18 million members in all military branches belong to the Defense Council. The full text is available online [here](#).

### ***Proposed Rules Would Fight Predatory Lending***

The Defense Department is proposing a “military APR” limit of 36 percent on payday loans and other short-term lending products. Unlike the annual percentage rate charged to civilians, the military APR would include fees, which are normally exempt under Truth in Lending Act rules.

“We have done the math and found that when fees are included, many credit unions’ short-term loans would exceed the proposed 36-percent military APR limit,” Matz said. “Unfortunately, this proposed rule would deny access to affordable alternatives to predatory payday loans.”

In 2010, NCUA established a regulatory framework for payday

alternative loans. These loans allow federal credit unions to charge an APR up to 28 percent and an application fee of no more than \$20 to cover the processing cost. Today, more than 500 federal credit unions offer payday alternative loans, including several military-related credit unions.

The average payday alternative loan balance is \$630 with a median interest rate of 24.6 percent. And the average total cost for a 30-day payday alternative loan is \$33. However, the Defense Department's proposed rule would ban such loans for military members and their families.

"We are asking the Defense Department to modify its proposal to prevent the unintended consequence of outlawing affordable credit union loans to the very servicemembers NCUA's rule was intended to protect," Matz said.

In December, [Matz wrote](#) to the Defense Department. The [letter](#) asked the department to exempt NCUA's payday alternative loans from the final military APR rule.

Another proposal that could limit predatory lending is being considered by the Consumer Financial Protection Bureau. CFPB's advance notice of proposed rulemaking would apply "Ability-to-Repay" underwriting requirements for certain loans in addition to mortgages. CFPB, however, is considering an exception for loans that satisfy NCUA's payday alternative loan regulation, if the lender verifies the consumer's income and the new loan does not result in the consumer having more than two covered longer-term loans from any lender during a six-month period.

Matz said NCUA continues to work with CFPB and the Defense Department to resolve the agency's concerns and avoid unintended consequences. "We are making every effort with these agencies to promote your credit unions' ability to provide needed services to military members," Matz said. "I encourage all of you to do the same."

### ***Interest Rate Risk on NCUA's Radar***

Matz highlighted other issues on NCUA's radar, including guarding against cybersecurity threats, addressing capital outliers, providing regulatory relief and preparing for coming changes in interest rates.

"Interest rate risk isn't just a concern for NCUA; it's a concern for all financial institutions' regulators," Matz said. "Interest rate risk is now higher than it was before the crisis. While most credit unions managed through interest rate hikes in the past, not every credit union is as well positioned today."

Net long-term assets have risen from 25 percent of assets 10 years ago to 35 percent of assets today. Credit unions also have less flexibility to adjust to rising rates. For example, prior to the last rate cycle, before interest rates rose, only 15 percent of credit unions' investments were longer than three years. Today, 46 percent of credit union investments exceed three years.

The Federal Reserve's Federal Open Market Committee forecast anticipates that by 2017, the Fed Funds rate will rise by 300 basis points. Matz said NCUA examiners are therefore urging credit unions to shock their balance sheets with interest rate hike assumptions up to 300 basis points and to plan well ahead for that contingency.

---

## CUNA, State Leagues Issue Call to Action in Support of House Data Breach Bill

WASHINGTON – Building on the success credit union advocates are having in getting data breach legislation introduced in the U.S. Congress, CUNA and the state leagues have launched a new call to action to garner support for the recently introduced House Data Security Act of 2015 (H.R. 2205).

CUNA strongly backs the broad House bill that would establish a national data security standard.

“Credit unions work hard to protect their members’ data security. They block card usage and issue cards with new numbers quickly after breaches to prevent fraud. When fraud occurs they work with members to remove the fraudulent charges and help members keep their hard-earned money,” said CUNA President/CEO Jim Nussle. “When the merchants cause a data breach, they just pass along many of the costs of their poor security to credit unions.”

The House bill, introduced by Reps. Randy Neugebauer (R-Texas) and John Carney (D-Del.), is a companion to Senate data breach legislation (S. 961), which was introduced by Sens. Tom Carper (D-Del.) and Roy Blunt (R-Mo.).

CUNA Chief Political Officer Richard Gose praised strong credit union engagement on the issue of data breaches, particularly in recent months, and urged the credit union system to remain involved going forward and support CUNA’s Call to Action.

“We are very fortunate that over 350,000 credit union members have been engaged with this issue since the beginning of the year, and we believe this has had a significant impact in getting these bills introduced,” he said.

H.R. 2205 would require all entities that deal with consumers’ personal information to develop and maintain an effective information security program tailored to the complexity and scope of its operations and the sensitivity of its data.

Credit union stakeholders can take action by:

- Contacting their members of Congress by visiting [StoptheDataBreaches.com](http://StoptheDataBreaches.com) and clicking the [Take Action](#) link;
- Using the numerous tools and resources contained in CUNA’s [Data Breach Toolkit](#); and
- Engaging with social media using the hashtag #StoptheDataBreaches to tweet elected officials.

CUNA’s [@CUNA](#) and [@CUNAAdvocacy](#) twitter accounts and CUNA Advocacy [Facebook page](#) will be used to relay the latest information.

---

## Mark Your Calendars: 2015 Small Credit Union Conference Set for June 6th

**2015 Small Credit Union Conference: Driven to Succeed**  
**Saturday, June 6th**  
**8:30 a.m. to 3:30 p.m.**  
**NJCUL**

HIGHTSTOWN, N.J. – “An obstacle is often an unrecognized opportunity.” Come see what opportunities lay ahead for your small credit union at the League’s 2015 Small Credit Union Conference “Driven to Succeed”.

Kerri Smith of CU Exceed and Turbine Federal Credit Union will cover “Marketing Strategies that Work”, NJCUL Director of Compliance Nicola Foggie will go over “Vendor Due Diligence”, Gregg Stockdale of 1st Valley Credit Union will offer up “Payday Lending Alternatives That Work”, and Barbara Rios of Trenton NJ Police FCU will share her “NJ Credit Union Success Story”. For more information on topics and speakers, click [here](#).

For all member credit unions under \$50 million in assets, registration for this conference is free for up to 3 registrants per credit union.

This is an informative and interactive day that you can’t afford to miss!

Register by emailing Mary Zelinsky at [mzelinsky@njcul.org](mailto:mzelinsky@njcul.org).

*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.*



[ [BACK TO TOP](#) ]

## Annual Impact Report Released by the National Credit Union Foundation

MADISON, Wis. – The National Credit Union Foundation (the Foundation) has released their 2014 Impact Report entitled “Strengthening the Financial Well-being of Credit Union Members.” This report provides insight into the initiatives, programs and grants provided by the Foundation over the last year.

[Click here](#) to view/download the report or visit [ncuf.coop](http://ncuf.coop)>News & Media>Annual Impact Report.

“While we have rebranded our image in the past year, our vision to

make financial freedom achievable through credit unions has remained the same,” said Christopher Morris, Foundation Director of Communications. “As you browse the pages of our new report, you can see the progress we’ve made in improving people’s financial lives.”



Highlights of the report include:

- Infographics highlighting the impact of the Foundation’s programs & grants;
- 2014 Foundation donor listing; and
- Foundation financial summary

The National Credit Union Foundation’s Impact Report has replaced the more traditional Annual Report typically released in the summer, and provides a much cleaner, better visual representation of the Foundation.

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

---

## 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

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 6 -- [Small Credit Union Conference: Driven to Succeed](#)

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

### Industry Events

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 27 -- [Southern Chapter Meeting: Cyber Security](#)



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 9 -- [North-Central Chapter Meeting: NJ CU Legislation](#)

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](#)

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

---

This message was sent to [staff@njcul.org](mailto:staff@njcul.org) from:

New Jersey Credit Union League | [news@njcul.org](mailto:news@njcul.org) | New Jersey Credit Union League | 299 Ward Street | Hightstown, NJ 08520



[Manage Your Subscription](#)