

Subject: The Daily Exchange -- June 3, 2015
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June 3rd, 2015

Today's News:

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CUs Boost Lending, Cut Long-Term Investments in Q1

NCUA Reports Loan Delinquencies Fall to Lowest Level in Eight Years

ALEXANDRIA, Va. – Federally insured credit unions relied more on lending and less on investments to generate income during the first quarter of 2015, the National Credit Union Administration [reported](#).

“Credit unions are continuing to make the loans needed to grow local economies,” NCUA Board Chairman Debbie Matz said. “As a result, their members are buying houses and cars, and they’re paying for college to give young people a better start in life. At the same time, credit unions are curbing long-term investments. The switch from long-term investments to loans is decreasing interest-rate risk, a positive development for the credit union system as a whole.”

Auto lending was a major factor in the overall loan growth during the first quarter of 2015, while total investments declined from the first quarter of 2014. Membership, assets, deposits and net worth all continued to rise. Net interest margins held steady.

NCUA released the new figures today based on Call Report data submitted to and compiled by the agency for the quarter ending March 31, 2015.

Highlights of the report include:

- Total loans at federally insured credit unions reached \$721.9 billion in the first quarter of 2015, an increase of 1.3 percent from the previous quarter and 10.6 percent from the first



Don't Miss the League's 2015 Compliance Conference June 19!

Tailored for credit union leaders, compliance professionals and stakeholders, this conference recognizes the unending pressure to achieve compliance success and to learn from and respond to challenges. We continue to look for ways to grow our organization while working smarter and more effectively, even while being bound by compliance.

[Click here to register!](#)

Upcoming Events:

June 9, 2015
VirtualCorps Webinar: Basic
ALM Education for Board

quarter of 2014.

- Federally insured credit unions continued to move away from long-term investments in the first quarter of 2015.
- Delinquency and net charge-off ratios for federally insured credit unions declined to their lowest first-quarter levels in eight years.
- Membership in federally insured credit unions grew to 99,969,794 at the end of the first quarter of 2015, an increase of more than 2.8 million from the end of the first quarter of 2014.
- Year-to-date net income for federally insured credit unions was \$2.2 billion in the first quarter, an increase of \$119 million, or 5.7 percent, from the first quarter of 2014. As a whole, federally insured credit unions have recorded positive net income for 21 straight quarters.
- Federally insured credit unions' return on average assets ratio stood at an annualized 78 basis points at the end of the first quarter, a decline of two basis points from the previous quarter but the same level as the first quarter of 2014.
- The aggregate net worth ratio was 10.81 percent at the end of the first quarter, up 20 basis points from a year earlier. The ratio declined 15 basis points from the end of the fourth quarter of 2014, consistent with first-quarter trends.
- The vast majority of federally insured credit unions remain well-capitalized, with 97.5 percent reporting a net worth ratio at or above the statutorily required 7.0 percent. At the end of the first quarter of 2014, 97.0 percent of credit unions were well-capitalized. As of March 31, 2015, less than one percent of federally insured credit unions were undercapitalized.

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Southern Chapter Holds Elections for Officials

VINELAND, N.J. – Elections were held last Wednesday, May 27th at the Southern Chapter meeting for the 2015-2016 Southern Chapter officials. Gail Marino was reelected President, Michelle Stiles was reelected Vice President, Janet Duffield was reelected Secretary, and Eileen Crean was reelected Treasurer.



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South-Central Chapter's June 9th Meeting

ALM Education for Board
Members/Leaders
3:00 pm to 4:00 pm
[More Information Click Here](#)

June 9, 2015
Webinar: BSA Compliance
Series: BSA Officer Reports
to the Board
3:00 pm to 4:30 pm
[More Information Click Here](#)

June 9, 2015
North-Central Chapter
Meeting
Location: The Barge, Perth
Amboy, NJ
6:00 pm to 8:30 pm
[More Information Click Here](#)

Contact Us:

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Driving directions

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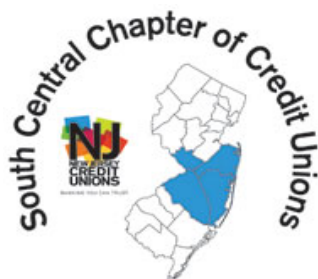
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Cancelled



TOMS RIVER, N.J. – The South-Central Chapter has cancelled its lunch meeting originally scheduled for June 9th and will reschedule for the fall.

The League will provide information as it becomes available.

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Cordray Reported to Discuss TRID Grace Period with Lawmakers

WASHINGTON – Consumer Financial Protection Bureau (CFPB) Director Richard Cordray met with lawmakers Tuesday to discuss the bureau's new mortgage disclosures rule, according to a report from *Politico Pro* (June 2).

The Truth-in-Lending Act-Real Estate Mortgage Disclosure Act integrated disclosures (TRID) rule is scheduled to become effective Aug. 1, but organizations such as CUNA, as well as a number of lawmakers, have requested a safe harbor period through the end of the year.

According to the report, the CFPB is likely to make an announcement regarding the rule in the next few days. The TRID rule is intended to make the mortgage disclosure process more transparent for consumers, with the use of universal forms and consumer access to information about a loan's true costs.

CUNA supports a bill that would provide a safe harbor from enforcement and litigation until the end of the year. That period would allow credit unions and other financial institutions to figure out the day-to-day aspects of complying with the rule without worrying about enforcement and liability.

More than 300 members of Congress wrote to the CFPB last week requesting the same safe harbor, and a number of mortgage industry stakeholders explained the importance of the grace period in a recent House Financial Services subcommittee hearing.

Rep. Blaine Luetkemeyer (R-Mo.), who reportedly was one of the legislators who met with Cordray Tuesday, has previously said he has heard from a number of businesses that the mortgage industry and vendors, despite having spent upwards of \$100 million for new systems, will not be fully ready for the change.

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NCUA Hosting Remittances Webinar June 17th

ALEXANDRIA, Va.– Credit unions that would like to know more about international funds transfers can get valuable information on an upcoming National Credit Union Administration webinar, “Remittances and Other Money Transfer Services,” scheduled for Wednesday, June 17, beginning at 2 p.m. Eastern.

Vanessa Lowe, Economic Development Specialist with NCUA’s Office of Small Credit Union Initiatives, hosts a panel of experts including:

- David Grace, Managing Partner of Dave Grace and Associates;
- Carla Decker, CEO of District Government Employees Federal Credit Union;
- Daniel O’Malley, Senior Advisor, Viamericas; and
- Roger Nettie, Senior Consultant, Risk Management, CUNA Mutual.

Topics to be covered during the webinar include:

- Which countries receive the most money transfers;
- How to choose the appropriate remittance partner;
- Bank Secrecy Act and other regulatory issues to consider; and
- Where remittances rank in priority for immigrant services.

Online registration is available [here](#). Participants will also use this link to log into the webinar. Registrants should allow pop-ups from this website. The webinar will last 90 minutes. There is no charge.

Participants may submit questions in advance at WebinarQuestions@ncua.gov. The subject line of the email should read, “Remittances.” Participants with technical questions about accessing the webinar may email audience.support@on24.com. This webinar will be closed captioned and then archived online [here](#) approximately three weeks following the live event.

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Collections Roundtable June 23rd will Provide Tactics to Improve Collections and Minimize Foreclosure, Fraud and Bankruptcy

HIGHTSTOWN, N.J. – NJCUL’s Collections Roundtable on June 23rd will focus on a number of issues including: When to sue, Credit Application, Credit History, Skip Trace, Foreclosures, Bankruptcies, The Recovery Team, and Legal Predators/Class Actions with regard to Auto Loans, The Long Pursuit of Debtors, Updating Credit, Collection Procedures, and Recapture of Dollars to the Bottom Line. We look forward to a lively



discussion of issues
confronting credit unions.



Hear from attorney Louis Mellinger on these issues and more during this “Tactics to Improve Collections and Minimize Foreclosure, Fraud and Bankruptcy” discussion.

The session will take place from 10:00 a.m. to 12:30 p.m. and will include lunch. Join us “live” at the League office or via conferencing at Atlantic FCU in Kenilworth or Members 1st of NJ FCU in Vineland. The cost to attend is \$25.

There is also a 50% discount for credit unions below \$10 million in assets. Contact Mary Zelinsky at mzelinsky@nicul.org or 800-792-8861 ext. 100 for more information.

To register and pay by check, send an email to Mary Zelinsky at mzelinsky@nicul.org and your credit union will be invoiced. To register and pay online, click [here](#).

Please Note: This Roundtable counts towards the 2016 Patronage Rebate Program.

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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CUNA Serves Up Rebuttal to Tax-Status Attack in Op-Ed

DES MOINES, Iowa – CUNA President/CEO Jim Nussle continues to dismantle claims that cooperatively owned credit unions should be stripped of their non-for-profit tax status.

His latest [rebuttal](#), published in Tuesday's *The Des Moines Register*, took on the comparison of member-owned credit unions with the NFL—the topic of a May 5 editorial piece in the Iowa paper. Iowa Credit Union League President/CEO Pat Jury also responded to the editorial's claims (*News Now*, May 11).

Credit unions' not-for-profit tax status “benefits all consumers—credit union members and nonmembers alike—to the tune of \$10 billion a year nationally,” Nussle wrote. One would have to be grossly misinformed to question the public benefits of credit unions, the piece noted.

He posited that “comparing the NFL tax status to that of credit unions is essentially comparing a lobster roll to a Maid-Rite,” the latter being

the signature sandwich of a regional restaurant chain.

Nussle emphasized that credit unions and banks both serve a purpose in the financial services market. "What makes credit unions different is that they aren't turning a profit to fatten the pockets of Wall Street like the banks do--they're returning earnings to their members through better rates and lower fees," he wrote.

"Bottom line: the more competition in the market, the better for consumers."

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CFPB Bulletin Covers Planning for 'Diminished Financial Capacity'

WASHINGTON – As consumers age, their ability to manage money and other personal assets can become compromised, which has led to the Consumer Financial Protection Bureau's (CFPB) latest bulletin, "Planning for diminished capacity and illness."

The [bulletin](#) contains a number of strategies for the elderly and their caretakers to prepare for their financial futures.

"Diminished financial capacity" is used to describe the decline in a person's ability to manage money and financial assets to serve his or her best interests, including the inability to understand the consequences of investment decisions.

The CFPB notes that this causes consumers to become more vulnerable to financial abuse.

Its checklist to minimize such risks includes:

- Organizing important documents, such as financial institution account information and statements, mortgage and credit information, insurance policies, retirement benefit and Social Security payment information, and contact information for financial and medical professionals;
- Providing financial brokers, advisers and other professionals with trusted emergency contacts. Give the professionals what information can be shared with the emergency contact;
- Considering creating a durable financial power of attorney. This gives someone the legal authority to make financial decisions; and
- Considering giving a trusted friend, relative or professional a complete overview of finances.

The bureau also recommends several actions for caretakers dealing with those who may have diminished financial capacity:

- Have an open conversation with the loved one about the steps listed above, as well as any other wishes they may have;
- Understand any responsibilities if you are named to manage

- money or property;
- Review and assess the riskiness of the individual's investment portfolio; and
- Make any professionals aware of your role going forward.

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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

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

June 9 -- [VirtualCorps Webinar: Basic ALM Education for Board Members/Leaders](#)

June 16 -- [VirtualCorps Webinar: Strategic Planning Prep](#)

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

June 13 -- [VirtualCorps Webinar: Negotiating Your Executive Compensation Package](#)

June 23 -- [Collections Roundtable: Tactics to Improve Collections and Minimize Foreclosure, Fraud and Bankruptcy](#)

June 24 -- [Marketing Roundtable: Growing Loans, Attracting New Members & Increasing Share of Wallet/Penetration](#)

July 16 -- [Business Development Roundtable: Business Development Roundtable: A Playbook for Growth](#)

Industry Events

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](#)

June 12 -- [CUNJ Foundation Designer Hand Bag/Cash Bingo](#)

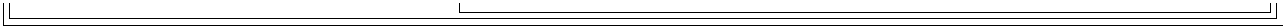
July 20 -- [Garden Savings FCU's 5th Annual Golf Outing at Fiddler's Elbow Country Club](#)

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

October 4-6 -- [NJCUL's 81st Annual Meeting & Convention](#)

November 6-8 -- [DCUL's 2015 Volunteer Leadership Conference](#)

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