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### CUNA Report Shows Strong CU Lending Despite Bumpy National Economic Recovery

MADISON, Wis. – A double dose of discouraging economic data last week—that the economy contracted in the first quarter and consumer sentiment moving forward had diminished—did not undercut a strong month of lending for credit unions in April.

CUNA's monthly credit union estimates, released this week, found that loan growth at credit unions climbed 1% in April after a 0.6% jump in March.

"The uneven macroeconomic data in the first quarter seemed to have no effect on credit union lending," said Perc Pineda, CUNA senior economist. "The Bureau of Economic Analysis revised its estimate of the first quarter GDP growth rate from an increase of 0.2% to a decrease of 0.7%. Despite weak first quarter GDP numbers, credit union lending continued to expand."

The expansion was fueled by home-equity loans, which rose by 3.5%, followed by adjustable-rate mortgages at 2.1%, new-auto loans at 1.9%, unsecured personal loans at 1.6% and used-auto loans at 1.1%.

Fixed-rate first mortgages fell by 0.5%, however.

Still, loan growth jumped 10.75% on a year-over-year basis in April, on track to reach CUNA's forecast of 11% loan growth for 2015.

"Mortgage loan data point to a housing market that is picking up steam as the unemployment rate continues to fall," Pineda said. "Housing starts, building permits and new-home sales rose 20.2%,"



### 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 10, 2015  
Reality Fair at Ewing High School  
Location: Ewing, NJ  
8:00 am to 3:00 pm

9.8% and 6.8%, respectively in April, signaling a brisk pace for the housing market ahead.”

Memberships also continued to trend upward at credit unions, climbing 0.4% in April to 103.2 million overall.

Liquidity improved as well, with the loan-to-savings ratio rising to 74.4% from 73.7% in April.

And on the savings front, credit union savings balances increased 0.1% during the month, pushing total savings nationwide over \$1 trillion.

“On the whole, CUNA’s estimates are consistent with [the National Credit Union Administration’s] estimates that credit unions posted 21 consecutive quarters of positive net income,” Pineda added. “And the impact of credit unions on their taxpaying member-owners and the macroeconomy continues to be net positive.”

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## Share Your CU's Community Outreach and Philanthropic Initiatives with CUSocialGood.com

CUSocialGood.com is a Web site that compiles “good news” stories of credit unions across the nation. There you will find stories of credit unions and credit union people being involved in their communities – helping charities, promoting financial literacy, providing scholarships, and supporting people and planet over profit.

You are welcomed and encouraged to contribute stories from your credit union, to comment on stories, and engage in discussion about how credit unions can and do help people and their communities. Stories can be about charitable giving, community outreach, CU4Kids fundraising, financial literacy education, and much more.

Visit [www.CUSocialGood.com](http://www.CUSocialGood.com) to check out the site and other credit union stories. To submit your credit union’s stories, visit [www.cusocialgood.com/your-cu-social-good](http://www.cusocialgood.com/your-cu-social-good).

CUSocialGood can also be followed on Twitter at the handle [@CUSocialGood](https://twitter.com/CUSocialGood).



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[More Information Click Here](#)

June 10, 2015  
Decedent Accounts  
Session: Handling Deposit  
Accounts  
Location: Liberty Savings  
FCU, Jersey City, NJ  
10:00 am to 3:00 pm  
[More Information Click Here](#)

June 11, 2015  
Webinar: Using the New  
Fannie Mae Collateral  
Underwriter for Mortgages  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

#### Contact Us:

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## CFPB Overdraft Research Must Not Burden CUs: CUNA

WASHINGTON – As the Consumer Financial Protection Bureau (CFPB) considers the next steps it might take regarding overdraft programs, CUNA urges the regulator to consider both the value consumers place on the programs as a convenience and the costs to credit unions associated with providing the service.

In a [June 3 letter](#), CUNA encouraged the bureau to continue its study of overdraft protection plans. Through such study, CUNA said, the CFPB will gain a better understanding of the benefits consumers derive from the products, as well as see the differences between overdraft products offered by credit unions and other financial institutions.

Further, CUNA President/CEO Jim Nussle urged the bureau to recognize that there are costs to the services that credit unions offer, including overdraft protection. "It is reasonable for credit unions to assess appropriate fees for such services, particularly in light of the fact that at a credit union, costs incurred by the institution are borne by its members," Nussle wrote.

The CUNA letter also expresses deep concern regarding a CFPB order sent to major credit union service providers seeking information on overdraft programs. The order has caused the organizations to incur costs, which, in the case of Fiserv, could potentially be passed onto credit unions and ultimately onto members.

The CFPB order may ultimately, Nussle warned, impose "yet another unplanned cost burden on credit unions, who unfortunately are already being forced to divert time and resources towards matters other than serving their members."

"Every dollar a credit union spends on issues related to unnecessary regulation is a dollar that is not used for the benefit of its members."

CUNA continues to carefully monitor this situation and inform the CFPB and members of the U.S. Congress on the distinctions between overdraft products offered by credit unions as compared with other financial institutions.

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## CUNA: CUs Need More Than 'Leniency' Pledge on TRID Enforcement

WASHINGTON – CUNA says credit unions need more than the leniency pledged by the Consumer Financial Protection Bureau (CFPB) and National Credit Union Administration regarding the new integrated mortgage disclosure rule that goes into effect Aug. 1.

Jim Nussle, president/CEO of CUNA, said Wednesday that the regulator's vow for leniency is a positive action and he thanked the CFPB for its announcement. However, Nussle also noted, "Credit unions need more as they work to hammer out the complexities of complying with the new disclosures."

"We want to see a firm safe harbor put into place, one that would protect credit unions and other financial institutions from enforcement and liability for a set period of time as they acclimate to one of the biggest changes to the mortgage market in recent memory."

The CFPB, in a letter sent to legislators Wednesday, said it would take into account "good faith" efforts to comply with its Truth in Lending Act-Real Estate Settlement Procedures integrated disclosures (TRID) rule after the rule's implementation date.

An NCUA spokesperson told News Now that the agency would approach TRID compliance similar to the way it did with the implementation of the CFPB's qualified mortgage and ability-to-repay rules in 2014. That is, NCUA examiners will be looking for reasonable good faith efforts by credit unions toward substantial compliance with the new rules, as of Aug. 1.

Reps. Blaine Luetkemeyer (R-Mo.) and Randy Neugebauer (R-Texas) released a statement Wednesday saying they were very disappointed in the lack of certainty from the CFPB.

"Nearly 300 Senators and House members have written to Director Cordray asking for a formalized hold harmless period. Anything short of that is unacceptable," the legislators said. "That request was reiterated during a bipartisan meeting with Director Cordray yesterday afternoon. Today's announcement falls far short of our expectations and runs contrary to the impression with which members were left yesterday."

Luetkemeyer and Neugebauer said the CFPB should expect "vigorous oversight and attention" from Congress in how its supervision plays out after the Aug. 1 effective date. They also asked that financial institutions keep Congress informed of any and all disciplinary actions taken by the CFPB and other financial regulators on TRID implementation.

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## GAO: Half of Pre-Retirement Households Have Little Savings

### Retirement Fair Program Available to NJ CUs to Assist Members

WASHINGTON – Roughly half of households heading into retirement have no savings in 401(k) or individual retirement accounts, according to the Government Accountability Office (GAO).

Additionally, among households with members age 55 or older, 29% have neither retirement savings nor a traditional pension plan.

What can credit unions do? The Retirement Fair program, offered through REAL Solutions Program in cooperation with CUNA Mutual Group, assists credit



with CUNA Mutual Group, assists credit unions in helping their members and staff better prepare for retirement. The fair is designed to have people think more carefully about the type of lifestyle they would like to pursue in retirement and then link it to their financial plan.



The program helps to get members of all ages, not just those nearing retirement, thinking more carefully about the type of lifestyle they would like to pursue in retirement and then link it to their financial plan.

To participate in the program, each credit union will need to sign a Memorandum of Understanding outlining the details of participation and responsibilities of the credit union as well as the Foundation.

For more information or to sign up to participate, please contact Marissa Anema at [manema@njcul.org](mailto:manema@njcul.org) or 609-448-2426 ext. 117.

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## Tuesday's VirtualCorps Webinar Offers Basic ALM Education for Board Members/Leaders

**VirtualCorps Webinar:  
Basic ALM Education for Board  
Members/Leaders  
Tuesday, June 9, 2015  
3 p.m. to 4 p.m.**

Interest Rate Risk (IRR) and asset liability management (ALM) are critical elements of risk that receive close and regular scrutiny from regulators. This is because IRR and ALM have such an impact on the viability of a credit union. Recent regulatory changes have added responsibilities for management and board members in relation to IRR and ALM.

The June 9th VirtualCorps Webinar “Basic ALM Education for Board Members/Leaders” will highlight key regulatory expectations and discuss methods for meeting them. It will also provide discussions of concepts that are foundational to these areas of risk.

It will cover:

- What are interest rate shocks and what causes them
- What is happening in the economy and how will these things effect IRR
- What leaders can do to meet regulatory expectations
- Samples of simulations and dynamic analysis

**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](mailto: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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## Possible New Interest Reporting Onerous on Taxpayers, FIs

WASHINGTON – A provision in a Senate-passed bill that would require reporting on a number of account types would be an unnecessary nuisance for nearly every American, CUNA believes.

In a [letter](#) sent Wednesday to Senate Majority Leader Mitch McConnell (R-Ky.) and Speaker of the House John Boehner (R-Ohio), CUNA and its coalition partners expressed grave concerns about the added time and money costs this requirement would bring.

The Trade Preferences Extension Act (H.R. 1295) passed the Senate on May 14. Section 603 of the bill would change current law to require credit unions, banks and broker/dealers to report to the Internal Revenue Service and consumers on all interest bearing as well as non-interest bearing accounts. This change would become effective for the current tax year 2015.

Currently, reports are not required on non-interest accounts, while there is a \$10 threshold for reporting on interest bearing accounts.

“Should this provision be enacted, taxpayers will be awash in new 1099s reporting de minimis amounts of interest. In many cases, they will report less than a one dollar in earned interest per year,” the letter reads. “Additionally, this new reporting requirement will impose substantial costs on the financial services industry that far exceed the revenue that will be gained by the proposal.”

The letter adds that many information reports will contain no interest at all, resulting in confusion for taxpayers who may not be aware of the new reporting requirements.

“This will create an environment ripe for taxpayer and IRS error and may trigger unnecessary audits,” the letter reads.

In addition to CUNA, the letter was signed by the American Bankers Association, Consumer Bankers Association, Financial Services Roundtable, Independent Community Bankers of America and the

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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: Learn How to Negotiate 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](#)

October 15 -- [NJCFE's 2015 Financial Symposium: Trending Issues in Financial Literacy: A Cross Generational Perspective](#)

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

This message was sent to staff@njcul.org from:

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