

Subject: Friday Recap Edition of the DE -- June 5, 2015

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Conversation: Friday Recap Edition of the DE -- June 5, 2015

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The Daily Exchange

Friday Recap Edition

June 5, 2015

This Week's Top Stories:

- › Increase Your Engagement Score with...Education!
- › Finish the Sentence...'The last thing I used the League for was...'
- › 5th Annual NJ CU Foundation Casino Night a Big Success
- › Credit Unions Boost Lending, Cut Long-Term Investments in Q1
- › Congratulations to Our 2015 YIB Scholarship Winners!
- › CUNA Report Shows Strong CU Lending Despite Bumpy National Economic



Increase Your Engagement Score with...Education!

Our patronage rebate program is underway! This program will reward those credit unions that engage with NJCUL, the New Jersey Credit Union Foundation and other New Jersey credit unions, strengthening the sense of community we are working to advance.

What's one way you can increase your engagement score? Take part in our education sessions! From in-person roundtables and full-day sessions to convenient Financial Education and VirtualCorps Webinars, we have something for everyone. Check out our [calendar of events](#) to find upcoming education that's right for you.

Recovery

› CUs Help Combat

Predatory Loan Practices:
CUNA to CFPB

› Instagram This: The Week's
Best Photo

Upcoming Events:

June 9, 2015

**VirtualCorps Webinar: Basic
ALM Education for Board
Members/Leaders**

3:00 pm to 4:00 pm

[More Information Click Here](#)

June 10, 2015

**Reality Fair at Ewing High
School**

Location: Ewing, NJ

8:00 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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Driving directions

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Upcoming events for June are also listed below. Join us!

- 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](#)

Questions about this program can be directed to the VP of Member Experience & Education Barbara Agin at bagin@njcul.org or 800-792-8861 ext. 111.

Look for more tips on how you can increase your engagement and your credit union's 2016 dues rebate in future editions of the Friday Recap of the *Daily Exchange*!



• Education • Development • Growth • Essentials •

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Finish the Sentence... 'The last thing I used the League for was...'

"...BSA for Board/Staff Training. I always find great value in their services and commitment to the credit union industry."

-- Carlo Constantin, Senior Accountant, Unilever FCU



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5th Annual NJ CU Foundation Casino Night

E-mail
info@njcul.org

Connect with Us:



a Big Success

ISELIN, N.J. – Friday night's New Jersey Credit Union Casino Night brought together around 60 credit union leaders from around the state for a Texas Hold 'Em Tournament and other fun casino games, all for a great cause! The final numbers aren't yet available, but it looks like the 5th Annual Casino Night was a success for the New Jersey Credit Union Foundation.



The packed room at last Friday's Casino Night!

Players didn't walk away empty-handed either. Rob Schielke from Schielke Insurance, an event sponsor, was the first place winner in the Texas Hold 'Em Tournament; Bruce Smith from O.M. Financial took home second with Leon Maganza from United Teletech Financial FCU taking third.

XCEL FCU's Marianne Pulice was the lucky winner of the 50/50 raffle prize of \$1,502.50.

The Foundation's Casino Night supports all of the organization's financial literacy and grant-giving initiatives helping New Jersey residents and the New Jersey credit union community alike. For more information, visit www.njcul.org/foundation.aspx.

For additional photos, click [here](#).

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Credit Unions 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 today.

“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 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 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.

Congratulations to Our 2015 YIB Scholarship Winners!



NJCUL's Youth Involvement Board (YIB) is proud to announce the winners of its 2014/2015 Scholarship program! The winners are listed below:

- Alexander Brattstrom, Atlantic FCU
- Grace Carpenter, Bay Atlantic FCU
- Jacob Demree, ABCO FCU
- Molly Hatch, Picatinny FCU
- Christopher Quinones, Central Jersey FCU
- Jesse Repko, Jersey Shore FCU
- Emani Seale, New Jersey Law & Public Safety CU
- Chitya Bharat Shah, United Teletech Financial FCU
- Amy Vonder Haar, Garden Savings FCU

The YIB selected the two top scoring students in each of the four NJ CU Chapters, one attending a 4-year college/university and one attending a community college or vocational/technical school. We had a tie between two students in the South-Central Chapter, so the YIB will award both students. The winners will each receive a \$1,000 check to be applied to their student account at the school they will be attending in the fall of 2015.

We had a total of 30 credit unions from across the state participate in the scholarship this year.

Thank you to the YIB members that took time to review and score all of the applications! If you would like to join the Youth Involvement Board or would like more information on the board and/or scholarship, please contact Marissa Anema at manema@njcul.org or 800-792-8861 ext. 117.

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%, 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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CUs Help Combat Predatory Loan Practices: CUNA to CFPB

WASHINGTON – Many in the credit union movement aim to provide consumers with affordable short-term loan products, CUNA told the Consumer Financial Protection Bureau (CFPB) Monday.

CUNA's letter was sent in response to a number of proposals put forth at the CFPB's Small Business Advisory Review Panel, which CUNA believes could have unintended consequences for credit unions.

In its [letter](#) to the CFPB, CUNA commented on the proposals regarding payday, vehicle title and similar loans that can be

accompanied by predatory practices.

“Predatory lending practices have no place in the financial marketplace, and credit unions have worked to find alternative solutions for providing assistance to low-income and underserved consumers in their communities,” the letter reads. “One of the goals of the founders of the American credit union movement was to create a system of cooperative finance that provides consumers with affordable payday loan alternatives including short-term, small dollar loans on fair terms and rates.”

The CFPB is also considering adding additional conditions to the extensive requirements of the National Credit Union Administration’s payday alternative loans (PALs) program. The letter urged the CFPB to consider that any additional regulatory burdens imposed on credit unions and any additional complexities added to offering loans through this program could cause credit unions in this market to reevaluate their participation.

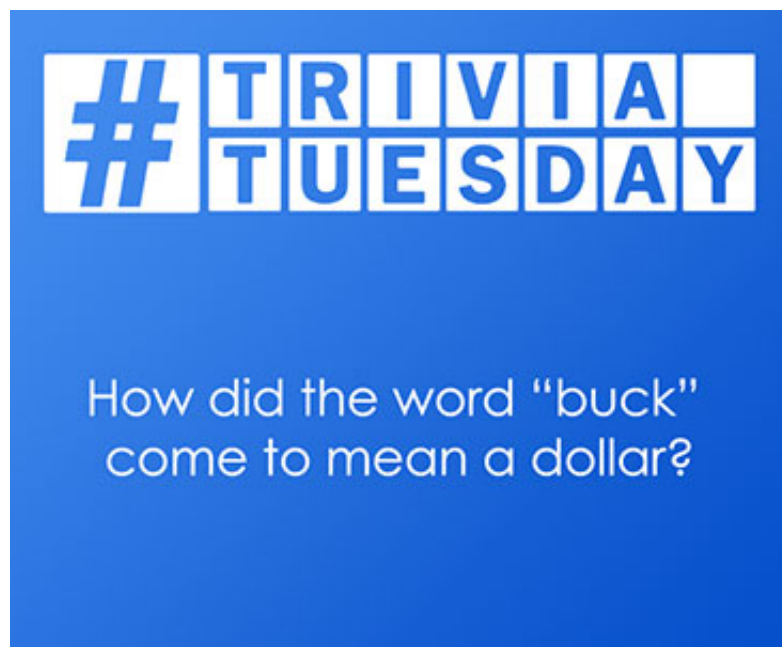
The bureau has stated that the proposals under consideration could lead to substantial consolidation in the short-term payday and vehicle title lending markets and is analyzing the potential for consolidation.

“CUNA encourages the CFPB during this further study to consider how credit unions may play a role in this market change, and how best to not inhibit credit unions from participating and continuing to effectively serve their members,” the letter reads. “In addition, CUNA encourages the CFPB to evaluate the frequent need that underserved low or moderate-income consumers have for the immediate access to credit.”

Three CUNA-member credit unions participated in the Small Business Advisory Review Panel held in April.

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Instagram This: The Week's Best Photo





Check out the latest weekly campaign being featured on our [Banking You Can Trust](#) social media channels: Trivia Tuesday! Be sure to follow us on [Twitter](#), [Facebook](#), [Instagram](#), and [Pinterest](#)!

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