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**From:** New Jersey Credit Union League <news@njcul.org>  
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**To:** staff@njcul.org  
**Conversation:** The Daily Exchange -- June 8, 2015

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### Small CUs Gather to Share Strategies to Succeed at League's Annual Small CU Conference

HIGHTSTOWN, N.J. – The New Jersey Credit Union League held another successful Small Credit Union Conference this past Saturday at its headquarters in Hightstown.



*Kerri Smith from CU Exceed sharing marketing strategies that work.*

Leaders of small credit unions from across the state gathered for the full-day event, sponsored by Professional Services Group of New Jersey (PSG) and CUNA Mutual Group, to hear from Kerri Smith, CEO, CU Exceed, on marketing strategies; Nicola Foggie, CUCE, VP of Compliance & Regulatory Affairs, NJCUL, on vendor due diligence and small credit union resources; Gregg Stockdale, LICU/ CDCU/ CDFI, President and CEO, 1st Valley Credit Union, on payday lending alternatives; and Barbara Rios, CEO, Trenton NJ Police FCU, on her credit union's success story.



Rewards Program Overview  
Webinar this Thursday  
› Financial Education  
Exchange Launched by  
CFPB  
› NJ-Based Mortgage  
Lender Fined \$100M for  
Illegal Kickbacks  
› Credit Unions, Mark Your  
Calendars



**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!](#)



*West Orange Municipal FCU President/CEO Sandy Mullins sharing some key points on communicating vendor due diligence with examiners.*

Thank you to all who took time out of their busy schedules to participate!

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

Look for in-depth coverage in the June edition of the monthly Exchange newsletter.

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## Interchange Status Hearing Today

WASHINGTON – The U.S. District Court for the District of Columbia will conduct a status conference today on a case involving the Federal Reserve's rules regarding debit card interchange fees.

CUNA will be monitoring the meeting, which is the latest legal hearing involving the Fed's interchange regulations.

*The National Association of Convenient Stores (NACS) et al v. Board of Governors of the Federal Reserve* seeks to resolve whether the Federal Reserve's regulation allowing a maximum debit card interchange fee is unlawful.

The U.S. Supreme Court rejected NACS's petition to hear the case in January, a decision that CUNA President/CEO Jim Nussle called "the correct decision for credit unions and consumers."

An interchange fee occurs when a debit card transaction takes place, with the fee going to the financial institution that issued the card. Generally it is used to pay for the cost of providing the card and other transactions services.

The Dodd-Frank Act called for a cap on the fees and required the Fed to implement the cap, which it did in 2011 by announcing a cap of 21 cents per transaction for issuers with more than \$10 billion in assets.

CUNA, as part of a coalition of financial services organizations, has said the cap was too low. While merchants have argued that a lower cap would benefit consumers, there has been no evidence that it would cause prices to come down.

## 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 9, 2015**

**Webinar: BSA Compliance Series: BSA Officer Reports to the Board**  
3:00 pm to 4:30 pm  
[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](#)

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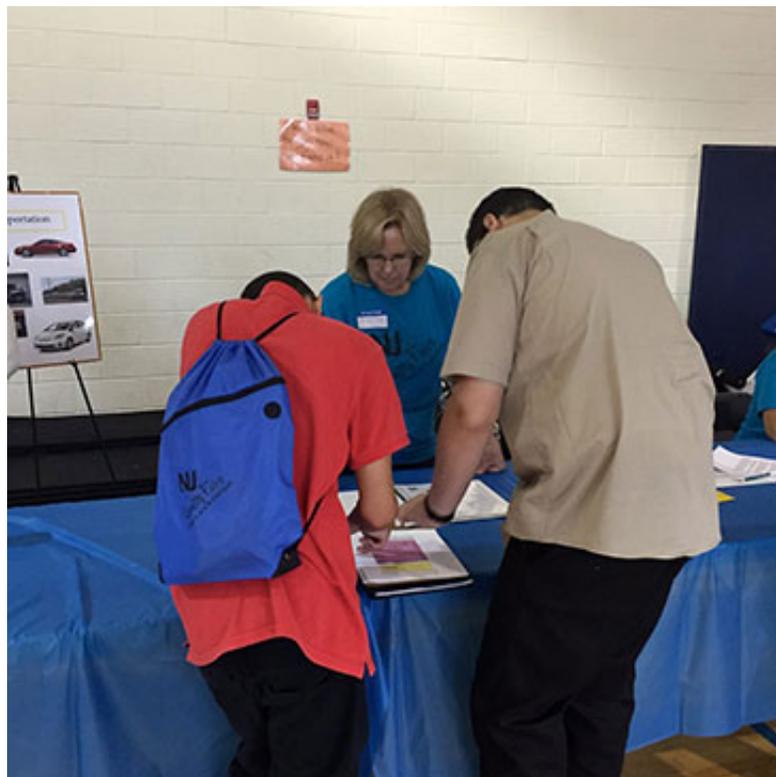


A U.S. District Court struck down the cap in July 2013 after an initial lawsuit brought by NACS. That decision was overturned in March 2014 by a three-judge panel of the U.S. District Court of Appeals.

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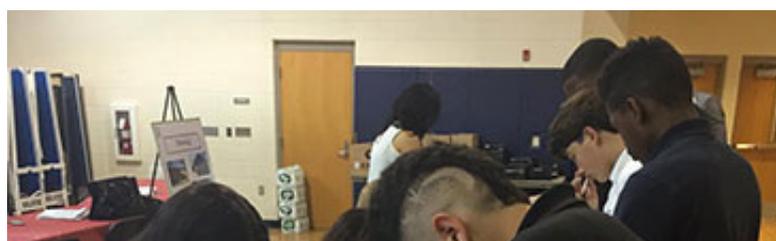
## Members 1st of NJ FCU and Bay Atlantic FCU Team Up for Third Reality Fair at Thomas Wallace Middle School

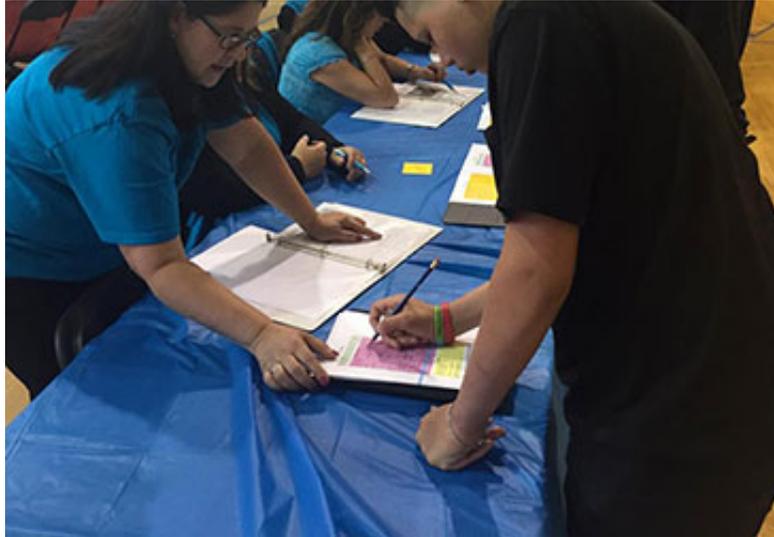
VINELAND, N.J. – Eighth grade social studies classes at the Thomas Wallace Middle School in Vineland, N.J. got the hands-on experience of managing a monthly budget Friday when Members 1st of NJ FCU and Bay Atlantic FCU teamed up to bring the Financial Reality Fair program to the school for the third year in a row.



*Wallace School students visit the transportation booth to choose cars and public transportation options.*

Students, totaling around 160, visited the auditorium for a brief orientation before heading down the gym where they stopped by the various lifestyle booths to make financial choices using their customized budget worksheets.





*Financial counselors helping students learn from the experience.*

Each student then sat down with a financial counselor to review the experience and their choices.

Thank you to everyone who volunteered their time!

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

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## **NCUA Sets 60 Days for CUs' Response to Complaints**

ALEXANDRIA, Va. – Credit unions have 60 days to respond to consumer complaints before the National Credit Union Administration's Consumer Assistance Center (CAC) gets involved, the agency said in a Letter to Credit Unions (15-CU-04) letter last week.

The [letter](#) was sent to federally insured credit unions to describe recent agency changes intended to streamline and improve its consumer complaint handling process.

The complaint process involves two separate phases: attempted resolution by the credit union and CAC investigation.

In the initial phase, the CAC will assign a case number and forward the complaint to the credit union's CEO and to the chair of the credit union's supervisory committee. The committee will have the opportunity to review and, if appropriate, attempt resolution of the matter within 60 calendar days of the date of the forwarded letter.

If the CAC is notified within 60 days that the matter is resolved, the case will be closed. The CAC will begin a formal investigation if no written response is given, the credit union indicates that it cannot resolve the matter or the consumer disputes the resolution.

The credit union, along with the consumer, will be notified of the investigation.

The investigation will consist of an assessment of all issues in the complaint, leading to five possible findings:

- The complaint does not involve a federal financial consumer protection law or federal consumer compliance regulation for which NCUA has enforcement authority;
- The complaint is the subject of a pending lawsuit;
- The credit union has resolved the complaint with the consumer;
- The credit union's actions in this matter either did not violate or were not inconsistent with a federal financial consumer protection law or federal consumer compliance regulation; or
- The credit union's actions in this matter either violated or were inconsistent with a federal financial consumer protection law or federal consumer compliance regulation for which NCUA has enforcement authority.

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## McGraw-Hill FCU's 55 Water Street Branch Come-Back Highlighted on CUBroadcast

From 30 feet underwater to drying out and rebuilding a shiny, new Financial Wellness Center, CUBroadcast last week featured a resurrection story of McGraw-Hill Federal Credit Union's 55 Water Street, NYC, branch, deluged from 2012's Hurricane Sandy. An inspiring story of how this credit union rebuilt and reopened to serve as example of resilience to its members.



CUBroadcast gets the inside scoop on this amazing chain of events from McGraw-Hill FCU President/CEO Shawn Gilfedder on the show. He provides the devastating details of destruction to the long road back to serving its members in a new and exciting way at 55 Water Street, building a Financial Wellness Center that houses the latest technology services and gadgets to serve its downtown NYC members.

Host Mike Lawson and Gilfedder also touch on what other CUs can learn from McGraw-Hill FCU's return-from-the-great-flood experience.

[Check out the interview here.](#)

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## Tomorrow: VirtualCorps Webinar Offers Basic ALM Education for Board Members/Leaders

**VirtualCorps.com™**

**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;*



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## OIG Studies Coordination Between CFPB, Other Regulators

ALEXANDRIA, Va. – The Consumer Financial Protection Bureau (CFPB) and prudential regulators generally coordinate their regulatory oversight activities but further opportunities to work together exist, according to a joint report released last week from the regulators' Offices of the Inspectors General (OIG).

The [report](#) (OIG-15-08), which comes from the OIGs of the NCUA, FDIC, Federal Reserve Board and Department of the Treasury, is intended to examine regulatory effectiveness and potential overlap in the wake of the Dodd-Frank Act's consolidation of consumer financial protection authorities.

"Officials from the CFPB and prudential regulators reported that they were generally satisfied with the level of communication and coordination occurring, which has continued to improve since the inception of the CFPB," the report reads. "These officials also identified challenges to coordinating certain supervisory activities and stated that they continue to discuss opportunities for improved coordination."

The report adds that none of the officials interviewed identified any instances where institutions received duplicative or conflicting supervisory guidance from the CFPB and a prudential regulator.

While the report declined to make any official recommendations, it did identify a number of opportunities that are available for improved coordination between the CFPB and prudential regulators.

These include:

- Conducting additional simultaneous examinations;
- Better communicating matters identified in draft supervisory letters among the regulators;
- Establishing a framework to address the potential for conflicting supervisory determinations;
- Developing a standard CFPB process for notifying the prudential regulators of federal consumer financial law violations by other institutions; and
- Timely notifying the prudential regulators of CFPB information requests to their regulated institutions.

According to the report, the CFPB and prudential regulators must

According to the report, the CFPB and prudential regulators meet periodically to discuss these and other matters.

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## Free Love My Credit Union Rewards Program Overview Webinar this Thursday

This Thursday, join the Love My Credit Union Rewards Program Partner Directors who will show you how this program provides credit unions the opportunity to enhance member value, increase auto loans, increase debit and credit card usage, and earn non-interest income, all while saving your members money on things they purchase every day. This interactive webinar will provide you with an overview of the program benefits and participation options.

Come see why over 3,400 credit unions are participating in a program that has helped members save over \$1 billion!

**Event Start Date/Time: Thursday, June 11th, 2015 2:00 PM Eastern**

[Click here to register today!](#)



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## Financial Education Exchange Launched by CFPB

WASHINGTON – The Consumer Financial Protection Bureau has [launched](#) a Financial Education Exchange to assist financial educators. The exchange features access to numerous bureau resources and tools, and allows feedback on those resources for further fine-tuning from the bureau. Besides tools for counselors to use with clients, the web page offers free and publicly accessible research data on financial education and consumer decision making.

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The nationwide [Stop the Data Breaches](#) grassroots campaign continues. CUNA and the NJCUL are encouraging all credit union professionals, volunteers and members to [email](#) their lawmakers in Congress.

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## NJ-Based Mortgage Lender Fined \$100M for Illegal Kickbacks

WASHINGTON – A New Jersey-based mortgage lender will be required to pay \$109 million to the Consumer Financial Protection Bureau (CFPB) as a result of illegally referring consumers to insurers for kickbacks.

The [decision](#) involved the first-ever appeal of a CFPB administrative enforcement proceeding.

CFPB Director Richard Cordray's decision relates to a November 2014 verdict from an administrative law judge that PHH Corp. violated the Real Estate Settlement Procedures Act (RESPA).

It was alleged that PHH accepted kickbacks in the form of mortgage reinsurance premiums that mortgage insurers paid to a PHH subsidiary after July 2008.

Cordray's decision upheld the ruling that PHH violated RESPA with each acceptance of a kickback payment, and the bureau issued a final order requiring PHH to pay \$109 million, an amount equal to the total of reinsurance premiums it received.

The order also bars PHH from violating the provision of RESPA that forbids kickbacks. It also prohibits PHH from referring any consumer to a provider of a real estate settlement service that has agreed to purchase any service from, or make any payment to, PHH.

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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 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](#)

July 10 -- [Business Development Roundtable: Business Development Roundtable: A Playbook for Growth](#)

### Industry Events

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](#)

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