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To: staff@njcul.org
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June 9th, 2015

Today's News:

- › CO-OP Shared Branch Surpasses Bank of America in Number of Branches
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- › First Financial FCU Holds Ribbon Cutting Ceremony for New Freehold/Howell Service Center
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- › Fed has 60 Days to Set Interchange Monitoring Costs
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CO-OP Shared Branch Surpasses Bank of America in Number of Branches

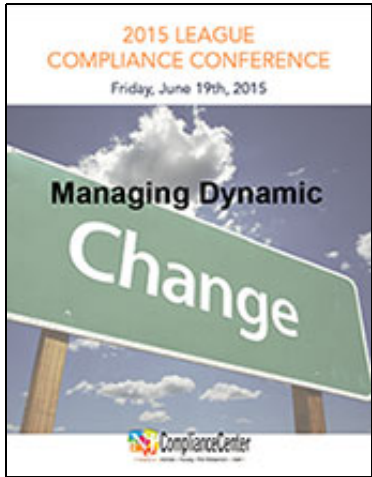
Credit Union Shared Branching Network Now Third Among Financial Institutions

RANCHO CUCAMONGA, Calif. – CO-OP Shared Branch has surpassed Bank of America in number of branch offices, and is now the nation's third largest network of financial institution branches, according to data drawn from the FDIC.

CO-OP Shared Branch comprises 5,341 branches, compared to Bank of America's 5,244 branches. The figures were compiled by CO-OP Financial Services on May 19, 2015, and retrieved from the FDIC's "Find Banks" page at www2.fdic.gov/idasp/main.asp.



"We have achieved a significant milestone by reaching more than 5,300 branches, but the sky is still the limit for our industry's unique shared branching concept," said Stan Hollen, President/CEO, CO-OP Financial Services. "There are about 1,800 credit unions participating



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
9:00 am to 2:30 pm
[More Information Click Here](#)

Financial Services. There are about 1,000 credit unions participating in shared branching, offering convenient branch access to more than 52 million members wherever they may travel in the United States.

“In addition to member convenience, shared branching offers a means of generating revenue and operational efficiencies for participating institutions,” said Hollen. “If all of the nearly 7,000 credit unions in the U.S. were part of shared branching, our locations would number about 21,000.”

The credit union industry’s shared branch network is also gaining fast on the two remaining networks with more branches. Chase has 5,892 branches and Wells Fargo has 6,392 according to the same FDIC source.

In addition to the more than 5,300 “live teller” branches, CO-OP Shared Branch also includes nearly 1,800 self-service kiosks within select 7-Eleven stores nationwide.

A business unit of CO-OP Financial Services (www.co-opf.org), CO-OP Shared Branch is the credit union movement’s national network for extending branch services to members between institutions. Members of participating credit unions can enter the branch of any other participating credit union and transact account-related business as if they were in their own home branch.

To find a CO-OP Shared Branch location, or a CO-OP ATM, visit <https://co-opcreditunions.org/locator>.

For more information, visit <http://www.co-ops.org/solutions/locations/shared-branching>.

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6 CU-Backed Bills Up for Subcommittee Consideration

WASHINGTON – Six bills supported by CUNA and the state leagues will receive subcommittee consideration this week.

The bills would reduce credit unions’ regulatory burden or improve the regulatory environment in which credit unions operate. The subcommittee votes will clear the way for full committee votes, perhaps by the end of the month. Full House consideration could come as early as July.

The credit union supported bills are:

- H.R. 766, Financial Institution Customer Protection Act of 2015, which seeks to end the Department of Justice’s Operation Choke Point. Operation Choke Point investigates whether financial institutions and payment-processing companies have enabled fraudulent activity;
- H.R. 1210, Portfolio Lending and Mortgage Access Act, which would treat mortgages held in portfolio at credit unions and other mortgage lenders as qualified mortgages for the purposes of the Consumer Financial Protection Bureau’s (CFPB) mortgage lending rules;

June 10, 2015
Decedent Accounts
Session: Handling Deposit Account
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](#)

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- H.R. 1266, Financial Product Safety Commission Act of 2015, which would replace the CFPB executive director with a commission nominated by the president and confirmed by the Senate;
- H.R. 1941, Financial Institutions Examination Fairness and Reform Act, an examination fairness bill that CUNA has supported in the past several congressional sessions. Among other things, the legislation would create an independent ombudsman and an independent examination appeals process;
- H.R. 2213, which would provide a temporary safe harbor from the enforcement of integrated disclosure requirements for mortgage loan transactions under the Real Estate Settlement Procedures Act of 1974 and the Truth in Lending Act. This legislation would address the liability issues associated with delaying enforcement of the TILA-RESPA integrated disclosures requirements. While statements from the National Credit Union Administration (NCUA) and CFPB have been helpful, more needs to be done to ensure that credit unions are not subject to legal liability during the transition period, said CUNA; and
- H.R. 2287, NCUA Budget Transparency Act, which would require the NCUA board to conduct an annual hearing on the agency's budget. CUNA has asked Congress to consider this proposal as a way to bring more transparency and greater stakeholder input into the agency's budget process.

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First Financial FCU Holds Ribbon Cutting Ceremony for New Freehold/Howell Service Center

WALL, N.J. – First Financial Federal Credit Union recently held a ribbon cutting ceremony to celebrate the opening of the credit union's newest branch at 389 Route 9 North (next to the Howell Park & Ride) in Freehold, N.J.





Pictured above: First Financial's New Freehold/Howell Service Center Ribbon Cutting Ceremony.

In attendance were several Howell Chamber of Commerce members including 2nd Vice President Tom Comer, Executive Director Susan Dominguez, John McGeehan from CentraState Health Care System, and Linda Apointe from Sam's Club. Members of the First Financial Board of Directors and Supervisory Committee were also in attendance, as well as President/CEO Issa Stephan, realtor Marshall Kern, Freehold/Howell Branch Manager Dan Dunn, and members of the First Financial corporate office staff and Freehold/Howell branch staff.



Pictured above from left to right: Compliance and Risk Officer Jennifer Spector, AVP of Marketing Jessica Revoir, and E-Marketing Specialist Nicole Andretta.

The week of the Grand Opening was highlighted with special offers and prizes for members and the community. "Our first priority is achieving our members' financial dreams by defining their financial goals and lifestyle, empowering them with financial education, helping them to plan their retirement, and manage their risk – and our newest branch will be a key vehicle in helping us to fulfill this promise with our membership," said President/CEO, Issa Stephan.





Pictured above: President/CEO Issa Stephan and Board Chair Gordon Holder cut the Grand Opening ribbon.

This branch will now be a primary banking location for approximately a quarter of the credit union's 20,000 members and features many important banking conveniences such as a drive thru, drive up and walk up ATMs, and more to come.

More photos from the ceremony are available by following First Financial on Facebook at www.facebook.com/firstfinancialnj.

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CFPB Orders RPM Mortgage to Pay \$19 Million for Steering Consumers into Costlier Mortgages

RPM CEO Erwin Robert Hirt to Pay Additional \$1 Million Civil Penalty

WASHINGTON – The Consumer Financial Protection Bureau (CFPB) filed a complaint in federal district court against RPM Mortgage, Inc. and its CEO, Erwin Robert Hirt, for illegally paying bonuses and higher commissions to loan originators to incentivize them to steer consumers into costlier mortgages. The CFPB also filed a proposed order that, if entered by the court, would require RPM to pay \$18 million in redress to consumers and a \$1 million civil penalty, and would require Hirt to pay an additional \$1 million civil penalty.

“RPM rewarded its loan officers for steering consumers into mortgages with higher interest rates,” said CFPB Director Richard Cordray. “Today we are putting an end to RPM’s unlawful practices and holding Robert Hirt personally responsible for his involvement in them.”

RPM Mortgage, Inc. is a residential-mortgage lender that is headquartered in California and operates about sixty branches across 6 states. In April 2011, RPM instituted a compensation plan that gave loan officers financial incentives to steer consumers into higher-rate mortgage loans. RPM provided its loan officers with different forms of compensation that were derived in part from the interest rates of the loans they closed.

The company sought to mask this interest-rate-based compensation by filtering it through so-called “employee-expense accounts.” RPM deposited profits from an originator’s closed loans – profits that were directly tied to the loans’ interest rates – into an expense account set up for the originator. RPM used the expense accounts to pay bonuses and higher commissions to its loan originators. The company also allowed loan originators to tap their expense accounts to offset interest-rate reductions or give credits to certain customers to avoid losing the transactions to competitors. RPM paid or financed millions of dollars in unlawful bonuses, pricing concessions, and supplemental commissions.

Starting in 2011, the Loan Originator Compensation Rule has prohibited incentivizing loan originators to steer consumers to costlier mortgages. The CFPB has enforced the rule since July 21, 2011. The CFPB found that RPM’s compensation plan incentivized loan officers to saddle consumers with costlier loans to increase the loan officers’ compensation. The CFPB also found that Hirt, RPM’s CEO, was responsible for managing the design and implementation of this illegal compensation plan. Specifically, the CFPB found that RPM and Hirt violated the Loan Originator Compensation Rule and the Consumer Financial Protection Act (CFPA). A copy of the complaint filed is available [here](#).

A copy of the proposed order filed today is available [here](#).

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Fed has 60 Days to Set Interchange Monitoring Costs

WASHINGTON – The U.S. District Court for the District of Columbia Monday said it will issue an order providing the Federal Reserve Board 60 days to resolve the final issue remaining from merchants’ lawsuit challenging its debit card interchange transaction fees regulation: how it treats transactions-monitoring costs.

CUNA attended the interchange status conference hearing Monday afternoon and will continue monitoring developments. The hearing was another phase in the National Association of Convenience Stores (NACS) et al v. Board of Governors of the Federal Reserve lawsuit.

At the hearing, the Fed said it would need at least 60 days to resolve the issue of how its Regulation II treats transactions monitoring and whether those costs should be recovered through the base interchange fee or as part of the fraud-prevention adjustment, said Luke Martone, CUNA senior director of advocacy and counsel.

Although NACS said at the hearing that 30 days should be enough time for the Fed to act, the judge indicated he would issue an order providing the Fed with 60 days. The Fed’s counsel said the issue will not require notice or comment. Instead, the Fed likely will amend its current Regulation II to provide transparency in its approach to the issue.

In the lawsuit, the merchants challenged the Fed’s regulation allowing a maximum debit card interchange fee, the fee paid to card-issuing financial institutions when their cardholders make a debit card transaction. The Fed had set a cap, as required by the Dodd-Frank

transaction. The Fed had set a cap, as required by the Dodd-Frank Act, and in 2011, it set the cap at 21 cents per transaction for issuers having more than \$10 billion in assets.

CUNA, as part of a coalition of financial services organization, has said the cap is too low. The merchants claimed the cap is too high. Although merchants argued that a lower cap would benefit consumers, no evidence exists to support that claim.

After NACS's initial lawsuit, Leon struck down the interchange fee cap in July 2013. That decision was overturned in March 2014 by the U.S. Court of Appeals for the D.C. Circuit.

In January, the U.S. Supreme Court rejected NACS's petition to hear the case.

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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.



Register Today for the 2015 Compliance Conference!

HIGHTSTOWN, N.J. – Don't miss out on NJCUL's 2015 Compliance Conference "Managing Dynamic Change" taking place Friday, June 19th at the Holiday Inn of East Windsor. [Click here for the full brochure.](#)

Hear from Gaye DeCesare of Compass 4 CUs, LLC on Compliance Hot Topics and TILA/RESPA Integrated Disclosures, hear from NCUA examiners on DORs and Supervisory Guidance, attorney Drew Edwards on Exposure to Lender Liability, Lawsuits and Losses, and more!

To register email Mary Zelinsky at mzelinsky@njcul.org or call 1-800-892-8861, ext. 100. [Or register online 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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Last Chance to Join the LSC TravelMoney Webinar!

Want to offer legendary products to your members and save up to \$500?

Some legends are make-believe—myths, folklore, heroes in capes—all dreamed up to inspire us. Other legends are very much real, such as the inspirational leaders of the credit union movement Dora Maxwell and Roy Bergengren.

You can be a true legend. Legends give their members more time—and time is freedom. They enable them to live their dreams. Visit a place they've always dreamed of. Put more miles on the tires and more wakes in the water. Now that's legendary!

Legends inspire. Legends offer security to worry less and savor more. Legends encourage others to take time out to recharge, connect with old friends, and make new ones.

Want to offer legendary products to your members and save up to \$500? Start by offering your members a product that enables them to do more of the above. To help, LSC[®] is offering a special promotion on its [CUMONEYSM Visa TravelMoney[®] prepaid card program](#). To learn more, please to join us for a free webinar on the date that works best for you:

- [Thursday, June 11, 2015, 3:00 PM EDT](#)
- [Wednesday, June 17, 2015, 12:00 PM EDT](#)

The logo for LSC consists of the letters 'LSC' in a bold, blue, sans-serif font, with a registered trademark symbol (®) to the upper right of the 'C'.

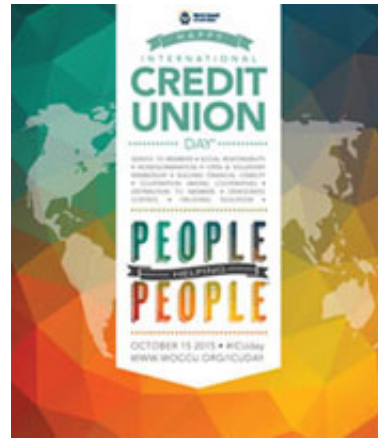
Helping Credit Unions Compete

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2015 International Credit Union Day[®] Theme and Artwork Revealed

“People Helping People[®]” Embodies Credit Union Philosophy

MADISON, Wis. — Together with Credit Union National Association, World Council of Credit Unions today announced the 2015 International Credit Union (ICU) Day® theme — “People Helping People®” — that embraces the longstanding credit union philosophy. ICU Day is celebrated annually on the third Thursday of October and will take place this year on Oct. 15, 2015.



“People helping people’ has always been central to credit unions’ existence,” said Brian Branch, World Council president and CEO. “This timeless concept resonates well with all generations, especially young adults who strongly value socially responsible organizations that put people before profit.”

Earlier this year World Council solicited theme ideas from its member organizations and the public. Out of 30 submissions, several U.S. credit unions suggested variations of this year’s chosen message including:

- Central Macomb Community Credit Union, Mich.
- Sunrise Family Credit Union, Mich.
- Santa Barbara Teachers Federal Credit Union, Calif.
- Coastland Federal Credit Union, La.

Those familiar words, “People Helping People,” are engrained in credit union speak and characterize many cooperative principles. Since appearing in several [past ICU Day themes](#) from the 1960s and 1980s, the phrase’s meaning has stood the test of time. By adding a modern and colorful design, ICU Day celebrations this year have potential to raise awareness of credit union benefits and ultimately attract more members worldwide—contributing to World Council’s goal of adding 50 million new members by the year 2020.

“Every day credit unions make an incredible difference in the lives of their members,” said Jim Nussle, Credit Union National Association president and CEO. “ICU Day celebrates the power of our movement, our dedication to the cooperative principles, and commitment to serve the best interests of the more than 100 million credit union members in the United States.”

Official ICU Day graphics and posters in English and Spanish are available for download on World Council’s website at www.woccu.org/icuday. Promotional materials and other tips to help celebrate International Credit Union Day will soon be available. Credit union representatives and members everywhere are encouraged to share photos, events and other celebration ideas on Twitter and Facebook using #ICUDay.

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

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

June 23 -- [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 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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