

Subject: Friday Recap Edition of the DE -- July 29, 2016

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From: New Jersey Credit Union League

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The Daily Exchange

Friday Recap Edition

July 29, 2016

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Upcoming Events:

August 11, 2016

Call for Nominations for the NJCUL Board of Directors Deadline TONIGHT!

HIGHTSTOWN, N.J. – It is once again time to elect those who will represent credit unions from across the state as members of the New Jersey Credit Union League (NJCUL) Board of Directors. Pursuant to the NJCUL Board of Directors Nomination and Election Rules, we are issuing a call for nominations. All directors elected during this balloting will serve immediately following the annual meeting or election runoff closes. The Election Committee of the NJCUL Board will review and validate the nominations and ensure that the Nomination and Election Rules are followed by all candidates.

Information has been sent to each member credit union; anyone interested should review this information carefully and submit your nomination no later than 5:00 PM this evening.

The Election Committee of the NJCUL Board will review and validate the nominations and ensure that the Nomination and Election Rules are followed by all candidates.

The Board of Directors consists of nine members. Three directors are chosen each year to fill a three-year term. In addition, this year there is one Director who was appointed to the first year of a three-year term. A Director must be chosen to fill the remaining two years of this term. Thus this year there are four seats up for election.

There is one open seat in each of two director categories (Tiers): Tier A and Tier C. There are two open seats in Tier B. The candidate who receives the most votes will serve a full three-year term. The candidate in Tier B who receives the second most votes will serve the final two years of an unexpired term.

The Tier into which a credit union falls depends on its asset size. For 2016 the Tiers are as follows:

Webinar: Saving for Education:
Coverdell & College Savings Plans
3:00 pm to 4:30 pm
[More Information Click Here](#)

August 23, 2016
Webinar: Complying with Final
Military Lending Act Rule Changes
Effective October 3, 2016
3:00 pm to 4:30 pm
[More Information Click Here](#)

August 31, 2016
Webinar: IRA Conversions &
Recharacterizations: Understanding
Requirements & Avoiding Errors
3:00 pm to 4:30 pm
[More Information Click Here](#)

Contact Us:

Address

299 Ward Street
Hightstown, NJ 08520
[Driving directions](#)

Phone

800.792.8861
609.448.2426

Fax

609.448.3499

E-mail

info@njcul.org

Connect with Us:



- Tier A: Credit unions under \$47,561,022 in assets
- Tier B: Credit unions \$47,561,022 and over in assets
- Tier C: At-Large, credit unions of any asset size

In order to qualify to run for the position of Director, a nominee must be a United States citizen and either a CEO, "senior management employee" (as defined in NCUA regulation 12 CFR 701.21), or a member of the board of directors of a credit union in Good Standing in the League.

Candidates must complete and submit the following documents:

- Board of Directors Candidate Nomination form
- Board of Directors Candidate Profile form
- The Conflict of Interest Questionnaire (pages 5 and 6) and the Acknowledgement (page 7) from the NJCUL Code of Ethics Policy and Conflict of Interest Directors Annual Certification

Copies of these documents have been sent to each member credit union and are also available for download from the [NJCUL Web site](#). If you are unable to log in as a member credit union or if you have difficulty finding the documents there, contact Marissa Anema (manema@njcul.org) for assistance.

Credit unions may return the completed forms in one of three ways:

- By mail or other delivery method to the following address:
David Ardire, Chairman
New Jersey Credit Union League Election Committee
c/o Campbell Employees FCU
P.O. Box 2737
Camden, NJ 08101
- By e-mail to dardire@campbellcu.org
- By fax to 856-486-3257

All nomination forms must be received by the Committee no later than 5:00 PM TONIGHT, July 29, 2016.

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CUNA Discusses Presidential Cybersecurity Directive at Treasury

WASHINGTON – The White House issued a Presidential Policy Directive this week designed to clarify roles and responsibilities while improving coordination before and during a cyber incident.

The [directive](#) outlines the importance of public-private coordination in the face of potential significant cyber incidents.

Cybersecurity is a top concern of CUNA and the state leagues which continue to work closely with state and federal lawmakers and regulators to ensure that credit unions and the financial services sector remain secure. In April, the NJCUL partnered with the NJ Bankers Association and NJ State Chamber of Commerce to host a cybersecurity and reputational risk summit.

According to the directive, the principles guiding incident response are:

- Shared responsibility between individuals, the private sector

- and government agencies;
- Risk-based response based on an assessment of the risks posed to an entity, national security, foreign relations, the broader economy, public confidence, civil liberties, or public health and safety;
- Respecting affected entities by safeguarding details of the incident, privacy and civil liberties and sensitive private sector information;
- Unity of governmental effort to achieve optimal results. Whichever federal agency first becomes aware of a cyber incident will rapidly notify other relevant agencies in order to facilitate a unified response; and
- Enabling restoration and recovery, balancing investigative and national security requirements, public health and safety and the need to return to normal operations as quickly as possible.

The directive was discussed a cybersecurity meeting Wednesday at the U.S. Treasury that CUNA attended as a member of the Financial Services Sector Coordinating Council. The FSSCC coordinates the development of critical infrastructure strategies and initiatives.

CUNA supported the Cybersecurity Information Sharing Act (CISA), which is aimed to facilitate public-private coordination, and federal agencies issued guidelines for implementing CISA in February.

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NCUA Board Votes to Remove Calendar-Year Exam Requirement, Adopts New Strategic Plan...Premium Assessment in September?

2016 Mid-Session Budget Review Projects \$2.7 Million in Reduced Spending

ALEXANDRIA, Va. – The National Credit Union Administration Board held its seventh open meeting of 2016 at the agency's headquarters and unanimously approved one item:

- The agency's *2017–2021 Strategic Plan*, which updates NCUA's performance goals for measuring annual examinations and describes the agency's strategic goals in the areas of safety and soundness, consumer protection and financial literacy, and workforce development and diversity.

The Board also received briefings from the Chief Financial Officer on the revised 2016 agency budget estimates and the performance of the National Credit Union Share Insurance Fund, which grew to more than \$13 billion in the second quarter of 2016.

Strategic Plan Fulfills Commitment to Provide Examination Flexibility

NCUA's *2017–2021 Strategic Plan*, approved unanimously by the Board, updates the agency's performance goals for examinations. The plan is part of NCUA's overall efforts to



modernize the examination process.



“The agency’s new strategic plan prioritizes continual quality improvement to make our operations both more efficient and effective, rather than the adoption of new rules and regulations,” NCUA Board Chairman Rick Metsger said. “We will focus on upgrading our technology, systems and processes to improve the quality of our examinations and supervision, while simultaneously reducing the on-site burden on credit unions and improving the quality of life for our examiners.”

In adopting the plan, the Board retired two agency performance goals requiring the examination each calendar year of all federally insured, state-chartered credit unions with more than \$250 million in assets and every federal credit union. The Board then established an interim goal of completing an efficient and effective federal and state examination process through the end of 2016.

“This change will give our regional offices greater flexibility to schedule exams when they are needed, and when they make the most sense, rather than basing them on an arbitrary calendar-year requirement,” Metsger said. “This change alone does not extend the examination cycle. How and whether we further change the exam cycle will be determined by the Board after we have received recommendations from the Exam Flexibility Initiative.”

In May, Chairman Metsger established an internal working group known as the Exam Flexibility Initiative to obtain stakeholder feedback and evaluate the agency’s examination and supervision program. The Board expects to receive recommendations from the working group in September.

The new strategic plan also summarizes internal and external factors affecting the agency and the credit union system, evaluates NCUA programs and risks and provides goals and objectives. The agency’s three strategic goals described in the five-year plan are:

- Ensuring a safe and sound credit union system;
- Promoting consumer protection and financial literacy; and
- Cultivating an inclusive, collaborative workplace that maximizes productivity and enhances impact.

To view the full NCUA Board Action Bulletin click [here](#).

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The *Press of Atlantic City* Highlights Thunderbolt Area FCU's President/CEO and Upbringing

MILLVILLE, N.J. – Bob Millard got an early start on his business career at what was then called the Airwork Employees Federal Credit Union.

He was 8 years old when he used a hand-cranked adding machine to calculate dividends for members of a Millville institution, which his father founded and where his mother was a longtime volunteer.

This is how a recent *Press of Atlantic City* article begins as it highlights the origin of Thunderbolt Area FCU. The story was sparked by the New Jersey Credit Union League’s first edition of its [Legacy](#)

[Series](#), which highlights NJCUL member credit unions' founding stories on its Banking You Can Trust Blog.

The article continues by explaining that sixty-five years later, Millard is president of that same operation, now called the Thunderbolt Area Federal Credit Union.

The credit union is an entirely different place from the one the Millard family started in 1951, as the industry evolves and matures.



Robert A. Millard's parents, Asher and Helen Millard are displayed on a wall at Thunderbolt Area Federal Credit Union in Millville. (Craig Matthews / Staff Photographer—Press of Atlantic City)

Thunderbolt members have their own office now, near the entrance to Millville Airport, but they can bank at more than 5,500 “shared branches” across the U.S. That gives these cooperative credit unions the country’s third-biggest branch footprint, behind only banking giants Wells Fargo and Chase, according to CO-OP, which runs the credit-union network.

This credit union and others have kept up with the times, because they’ve had to. Sure, they offer credit and debit cards, and ATMs where members can use them.

“And we have online banking, and online bill-paying. You can use your iPhone or Android to access your account and pay bills,” says Millard, who’s seen another major culture change from years ago.





Robert A. Millard (right), President and CEO of Thunderbolt Area Federal Credit Union in Millville with long-time member, James Harden of Millville inside the credit union. (Craig Matthews / Staff Photographer—Press of Atlantic City)

“We have a huge amount of safety requirements,” including paying people to test the computer security by trying to get around it. “I have people who spend weeks trying to get into our systems...But they’ve never been able to get in, and they’re pretty good sleuths.”

David Frankil, the president and CEO of the New Jersey Credit Union League, counts about 190 credit unions around the state today. He says that number has come down in recent years, in many cases likely because of the expense of keeping up with federal financial regulations — which are largely the same rules analysts say are driving the ongoing consolidations of commercial banks around the country and South Jersey.

“But the assets don’t disappear,” Frankil says. “Typically, they get merged with other credit unions.”

Frankil’s organization is encouraging member credit unions to join that shared-branch network that Thunderbolt joined earlier this year, offering a discount on membership in the network. Frankil figures only about a third of NJCUL members have joined that CO-OP network so far, but he expects that number to grow, and quickly.

“Shared branching is a really innovative business model, because you get the same convenience as you get with a global or national bank,” Frankil says. “It allows you to walk into any shared branch and do the same transactions you do at your home branch.”

To see the full story featured on the *Press of Atlantic City’s* Web site click [here](#).

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CFPB Turns 5, CUNA Urges Understanding of CU Difference

WASHINGTON – As the Consumer Financial Protection Bureau (CFPB) marked its fifth year of existence Thursday, CUNA President/CEO Jim Nussle wrote to the bureau about increasing concerns about regulatory burden. The CFPB’s creation was authorized by the Dodd-Frank Act as a legislative response to the financial crisis.

“We are concerned that credit union members are becoming collateral damage in the CFPB’s attempts to regulate the ‘banks, lenders and other financial companies’ in the industry,” Nussle wrote. “Credit unions recognize that they operate in a highly regulated industry and must bear the reasonable costs of regulation. However, unnecessary, overly burdensome, and duplicative regulations mean that credit union members are not able to fully access the high-quality that credit unions provide.”

According to Nussle, the CFPB should focus on a few specific areas to better serve credit union members going forward:

- Directly target problems in the financial service marketplace by using its exemption authority to protect credit union members (more than 75% of Congress has written to the bureau

- requesting the same thing);
- Analyze the cumulative impact of rulemakings on credit unions and their members, before finalizing or proposing any new regulation that would affect them;
 - Work more closely with other regulators, including NCUA, in order to learn how recent regulations have impacted credit unions and their ability to provide consumer-friendly products and services; and
 - Work to understand the credit union difference by visiting credit unions and becoming more familiar with their operation and how regulations, such as the new mortgage disclosure rules or the Home Mortgage Disclosure Act reporting requirements, affect day-to-day operations.

“Overall, it has been a long five years for credit unions, the institutions that are owned by the consumers they serve,” Nussle wrote. “The “one-size-fits-all” and product-based approach to rulemaking simply does not work for credit union consumers, which are more than 100 million Americans. These consumers need the CFPB’s protection too, and we hope that moving forward, they get it.”

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Need Help with Convention Registration?



We recently opened [registration on Cvent](#) for the 82nd Annual Meeting & Convention. Should you need help with the registration process please see the video above.

Feel free to contact Baraba Agin by email at bagin@njcul.org or call her at 800-792-8861 Ext. 111 should you have any questions or concerns.

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