

Subject: The Daily Exchange -- August 1, 2016

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The Daily Exchange

August 1st, 2016

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NJCUL Awards Deadline EXTENDED!

HIGHTSTOWN, N.J. – The League has extended the deadline for its 2016 Awards Program! To give our member credit unions more time to submit their awards entries, the League has pushed back its awards submission deadline to Monday, August 8th.

Visit the League's Awards Web site <http://njcul.plexcity.org/awards> to check out the categories and submit your entries.

Our 2016 awards categories are:

- [CEO of the Year Award](#)
- [Calvin Jackson Memorial Volunteer of the Year Award](#)
- [Difference Maker Award](#)
- [Credit Union of the Year Award](#)
- [Catherine L. Miller & Alexander Kosobucki Marketing & Communications Award](#)
- [Distinguished Service Award](#)

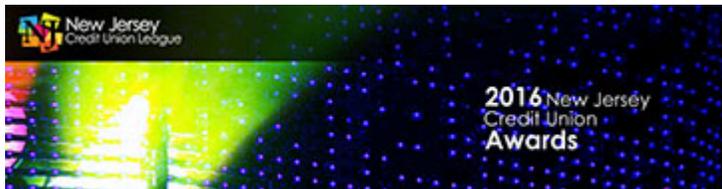
We will ONLY accept applications submitted on this platform and will also hold our judging through an online platform, asking ALL credit unions to cast their votes from the comfort of their offices.

Questions about the Awards Program, submitting entries, and requirements can be submitted to Barbara Agin at bagin@njcul.org or 800-792-8861 ext. 111.

We're looking forward to seeing your fantastic award entries and honoring winners at this year's Convention, Inspire 16!

A graphic for the 2016 New Jersey Credit Union Awards, featuring the text '2016 New Jersey Credit Union Awards' in white on a dark blue background with a starry pattern.

2016 New Jersey
Credit Union
Awards



Our 2016 Awards Program is OPEN!

Visit the League's Awards [Web site](#) to check out the categories and submit your entries.

Upcoming Events:

August 2, 2016
National Night Out
5:00 pm to 9:00 pm
[More Information Click Here](#)

August 2, 2016
Webinar: Product Terms Part 2:
Establishing New Product & Service Controls
3:00 pm to 4:30 pm
[More Information Click Here](#)

August 4, 2016
Webinar: 15 Errors to Avoid When
Conducting Internal Investigations
3:00 pm to 4:30 pm
[More Information Click Here](#)

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CUNA Analyzing CFPB Debt Collection Proposals

WASHINGTON – The Consumer Financial Protection Bureau (CFPB) released proposals it is considering for a Small Business Review panel on debt collection.

While these proposals are aimed at third-party debt collectors, it is expected that proposals for first-party debt collectors like credit unions and other financial institutions will come soon. CUNA is in the process of reviewing the proposals as they may offer clues to the approach the CFPB might take when it addresses first-party collectors.

In its proposal, the CFPB states that, "The bureau expects to convene a second proceeding in the next several months for creditors and others engaged in collection activity who are covered persons under the Dodd-Frank Act but who may not be 'debt collectors' under the Fair Debt Collection Practices Act (FDCPA) Practices. The bureau believes that holding separate Small Business Regulatory Enforcement Fairness Act (SBREFA) consultation processes is the most efficient way to proceed, particularly because it will enable participants to provide more focused and specific insights."

CUNA has urged the CFPB to distinguish between credit unions and third-party debt collectors.

The SBREFA requires that if the CFPB finds a proposed rule is likely to have a significant impact on a substantial number of small entities, it must analyze the impact on the small businesses affected. The CFPB expects to convene a SBREFA panel in this month, and the panel has 60 days to send recommendations to the bureau, which it will take into account before issuing proposed rules.

The proposals are aimed at ensuring debt collectors:

- Collect the correct debt;
- Limit excessive or disruptive communications;
- Make debt details clear and disputes easy to resolve;
- Document debt on demand for disputes;
- Stop collecting or suing for debt without proper documentation; and
- Ensure consumers do not have to resubmit information when debt is transferred to another collector.

The CFPB also released a report, "[Study of Third-Party Debt Collection Operations](#)" in conjunction with the proposals.

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CUNA Mutual Group Risk Alert: Counterfeit Check Activity Continues

Several credit unions recently reported that counterfeit cashier's checks or corporate checks that closely resemble the credit union's authentic checks have been presented for payment at financial institutions in connection with scams, according to the latest [CUNA Mutual Group](#) risk alert.

The counterfeit checks often have slight alterations in check color, check stock, logo, or location of key credit union check branding



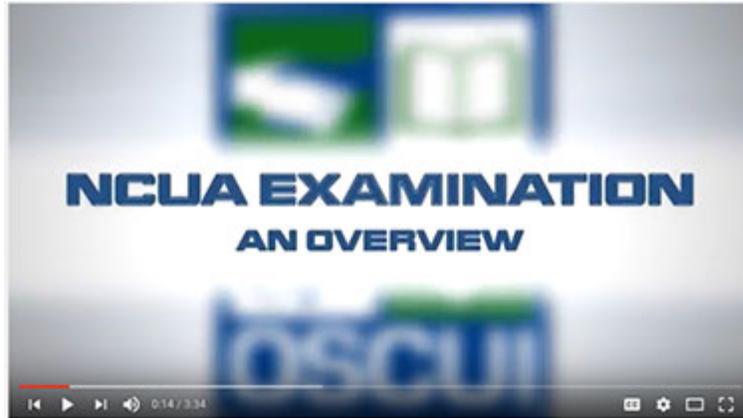
elements. In many cases, the Routing & Transit Number (RTN) and MICR information is accurate.

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NCUA Releases Videos on Exam Process

New Online Training Explains Purpose, Process and Components of an Exam for Credit Union Board Directors

ALEXANDRIA, Va. – Credit union board members can learn more about the purpose, process and components of a NCUA examination in a new four-part video released today on the National Credit Union Administration's [YouTube](#) channel.



Understanding Your Exam, available [here](#), provides an overview of the NCUA examination process, including the small credit union examination program. Viewers will learn more about:

- What risk categories NCUA assesses during the examination process,
- How CAMEL ratings are determined, and
- How a credit union can prepare for an exam.

The video also discusses the components of ongoing monitoring that credit unions should implement to improve examination results.

Created by NCUA's Office of Small Credit Union Initiatives, the online training module on the examination process is part of a video series covering a variety of subjects important to credit union boards, such as [effective board management](#), [credit union policies and procedures](#) and [mergers](#). More information is also available on NCUA's Small Credit Union Learning Center available on www.ncua.gov.

CFPB Issues CUNA-Requested TRID Clarification Proposal

WASHINGTON – The Consumer Financial Protection Bureau (CFPB) Friday issued a number of CUNA-requested [clarifications](#) to its Truth in Lending Act-Real Estate Settlement Procedures Act integrated disclosure (TRID) rule.

“We’ve been advocating for many of these proposed changes since January and initially found the CFPB hesitant to make any changes. Today’s announcement shows they are listening when CUNA, the leagues and credit unions speak,” said Jim Nussle, CUNA president/CEO. “We thank Director Cordray for proposing these changes that we believe should be, overall, helpful to credits unions by adjusting some of the issues we pointed out with the initial disclosure rule that went into effect last Oct. 3.”

CUNA is still analyzing the proposal, but several CUNA-requested changes immediately apparent are:

- Creating tolerance provisions for the total of payments that parallel existing tolerances for the finance charge and disclosures affected by the finance charge. This change would make the treatment of the total of payments disclosure consistent with what it was pre-TRID;
- Extending the rule’s coverage to include all cooperative units to simplify compliance. Currently the rule only covers transactions secured by real property, as defined under state law;
- Provide a uniform rule regarding application of the integrated mortgage disclosure requirements to cooperative units; and
- Provide guidance on sharing disclosures with various parties involved in the mortgage origination process.

CUNA continues its analysis of the proposal, but has also found positive changes in areas such as: affiliate charges; construction loans; escrow account disclosures; expiration dates for the closing costs disclosed on the Loan Estimate; lender and seller credits; model forms; partial payment policy disclosures; post-consummation fees; disclosure and good faith determination of property taxes and property value; and informational updates to the disclosures.

Comments are due Oct. 18, and according to the CFPB, comments will be “weighed carefully” before final regulations are issued.

Read the July 2016 Issue of *The Exchange*!

HIGHTSTOWN, N.J. – The latest edition of NJCUL’s monthly publication, *The Exchange*, is now available for download.

Read our feature story on the importance of the New Jersey Directors and Volunteers Alliance (NJ DNA), a story from CUNA Mutual Group on credit union disruptors, get to know the credit union-friendly VP



picks, and more!

To access the July 2016 issue of *The Exchange* click [here](#).



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Prepare for the CECL Rule Changes

Two Webinars Covering the CECL Rule Changes Available

It is possible for smaller community-based financial institutions to implement CECL's requirements in a manageable way!

On June 16th, the Financial Accounting Standards Board (FASB) issued *Accounting Standards Update 2016-13*, which finalized the Current Expected Credit Loss (CECL) model. A formal joint statement from the federal financial regulators followed. Both documents reiterate that the CECL approach represents a fundamental change in what the ALLL is to represent. However, the documents also continue to emphasize FASB's and financial regulators' desire for CECL to be implemented in a manageable way that is not overly costly or complex for community financial institutions.

The two Webinars below address this topic. If you can't wait for the August Webinar, you can order the March 2016 archive. The material is accurate and the presenter has included an update that outlines the specific changes within the final rule. The upcoming August Webinar will also be beneficial because there has been more time to understand and interpret the new rules – now is the time to start planning!

Click the links below to access these two webinars:

- 3/9/2016 Archive:
[What Directors Should Know About CECL, ALLL & New Credit Impairment Standards](#)
Tommy Troyer, Young & Associates, Inc.
- 8/15/2016 Live:
[CECL Rules Finalized: Overview, Preparation Plan & Data Collection Considerations](#)
Tommy Troyer, Young & Associates, Inc.

Watch for more Webinars offered by the **New Jersey Credit Union League** – your first resource for education. [Click here](#) for a complete list of available Webinars or to order the Webinars above.

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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July 2016 Credit Union Trends Report Now Available from CUNA Mutual Group

[CUNA Mutual Group's](#) July 2016 [Credit Union Trends Report](#) is now available.

Highlights include:

- Credit union loan balances rose 1.0% in May, faster than the 0.9% pace reported in May 2015.
- Memberships are up 4.3% during the past year due to robust demand for credit, solid job growth and credit unions having comparatively lower fees and loan interest rates.
- With loans growing faster than savings, the credit union average loan-to-savings ratio reached 77.6% in May, above the 74.8% reported one year earlier.

[To download the full report, click here.](#)

DNC 'Leave-Behind' Ready to Grow with CU Help

PHILADELPHIA – Credit unions and The Children's Hospital of Philadelphia (CHOP) joined with *RealClearPolitics* and the Democratic National Convention (DNC) Committee to open a Health and Wellness Garden at the Nicholas and Athena Karabots Pediatric Care Center in West Philadelphia Thursday at the DNC. CUNA and *RealClearPolitics* honored the DNC by taking on the project.

The garden was created in partnership with America's Credit Unions and Credit Unions for Kids, and will serve as a resource for patient and community engagement programs that aim to support education and hands-on activities around gardening and healthy nutrition.

Edward G. Rendell, former governor of Pennsylvania and chair of the Philadelphia 2016 Host Committee for the DNC, was on hand at the dedication.

A construction kick-off and multiple volunteer days took place earlier this year to help transform an open space into the garden. Hundreds of volunteers helped create about 1,200 feet of raised beds of squash, kale, cucumbers, sweet peppers, herbs, eggplant, sweet potatoes and multiple varieties of lettuce and tomatoes.

Volunteers also planted an orchard in the garden, which will produce apples and other fruits.

Much of the produce from the garden will be donated to Early Head Start, a program that serves families with children 3 years of age and under, in two specific ZIP codes of Philadelphia that are at or below the federal poverty line.

CUNA, credit unions in Ohio and *RealClearPolitics* also worked with the Republican National Convention on a companion project and hosted a ribbon cutting for a horticultural therapy suite at UH Rainbow Babies & Children's Hospital in Cleveland last week.

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.



NJCUL Business Partner LSC Reminds CUs to Prepare for the Prepaid Card Movement

A report from The Pew Charitable Trusts on prepaid, introduced as the CFPB plans to soon adopt a final rule on prepaid cards, shows that 72% of the unbanked and 45% of those with bank accounts say they use prepaid cards to avoid overdraft fees.

The study, Banking On Prepaid, also reveals that 86% of unbanked card users and 81% of those with bank accounts would rather have a transaction declined than pay a \$35 overdraft fee.

Other key findings:

- 57% of unbanked and 46% of those with bank accounts say they use prepaid cards to avoid check-cashing fees
- 67% of unbanked and 50% of banked prepaid card users say they use the card to avoid getting into debt by not having the ability to exceed their balance
- Prepaid card use jumped more than 50% between 2012 and 2014, driven primarily by increased adoption among consumers with bank accounts
- Approximately 23 million U.S. adults are regularly using prepaid cards
- 38% of unbanked and 29% of banked card users compared terms
- The unbanked, half of whom make less than \$25,000 a year, check their balances more regularly, reload more frequently, and register their cards more often than banked cardholders do



Helping Credit Unions Compete

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American Heritage FCU Celebrates Christmas in July

PHILADELPHIA, PA – On July 22, 2016, American Heritage Federal Credit Union hosted its annual Christmas in July celebration. American Heritage employees celebrated the halfway point to the holiday season with a fun filled day.



On July 22, 2016, American Heritage Federal Credit Union hosted its annual Christmas in July celebration. American Heritage employees celebrated the halfway point to the holiday season with a fun filled day.

Employees were treated to a carnival theme of activities and food which included grilled hot dogs, homemade sno cones, and various carnival style games, such as dart balloons and a fish cup game. Employees donned holiday shirts, hats, and socks along with shorts and sneakers while focusing on relief from the heat by thinking winter thoughts. A fun and festive time was had by all!

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

August 15 -- [CECL Rules Finalized: Overview, Preparation Plan & Data Collection Considerations](#)

August 16 -- [VirtualCorps Webinar: Credit Union Merger Trends](#)

August 23 -- [VirtualCorps Webinar: The BCX and Z Regulations of Lending](#)

September 13 -- [VirtualCorps Webinar: Deposit Pricing](#)

September 20 -- [VirtualCorps Webinar: Standardizing the ALCO Process](#)

Industry Events

August 2 -- [National Night Out](#)

August 8 -- [NJCUL's 2016 CU Awards Submission Deadline](#)

August 11 -- [CU4Kids Day](#)

September 13 -- [South-Central Chapter Meeting: Reality Fair Volunteerism](#)

September 17 -- [Annual RCDCU Bike-A-Thon for Prostate Cancer](#)

October 7-9 -- [DCUL's 2016 Volunteer Leadership Conference](#)

October 16-18 -- [82nd Annual Meeting & Convention at The Golden Nugget Atlantic City](#)

October 20 -- [International Credit Union Day](#)

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