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# The Exchange

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## XCEL FCU's Michael Mahiya: A Rockstar Uniting Service, Technology, and Collaboration...

...And Having A Little Fun Along the Way

BLOOMFIELD, N.J. – Before picking up the phone for his interview for this story, Michael Mahiya was busy at dance rehearsal...at the credit union. "I kept looking at my watch and saying to the other guys, 'I got to get back to my office soon for this call!'," he says, laughing.

He and his fellow XCEL Federal Credit Union IT department dance group members were rehearsing for the credit union's upcoming holiday party, where each department takes part in a dance competition. Interrupting dance rehearsal for an interview would be the norm for any rockstar, but perhaps not a [Credit Union Magazine](#) Rockstar, a title Mahiya earned this year for his help in propelling XCEL FCU into the future with technology.

But this rockstar wasn't an overnight sensation; he worked in the IT department at a medical billing office part-time while he earned his bachelor's degree in computer science from William Paterson University, then full-time right out of college, but he realized his career wasn't going anywhere and—he admits—he got bored. He realized he needed something a bit more exciting. He sent out resumes to "everybody", and XCEL FCU called for an interview. The rest is history.

The credit union itself became involved in a piece of history when disaster struck the World Trade Center in New York City a little over a year after Mahiya started at XCEL. The 9/11 attack wiped out one of the credit union's branches there and temporarily closed another nearby NYC branch.

The credit union, and Mahiya, sprang into action to help its members in the face of tragedy. "In less than a week, we had to find ways to serve our members," says Mahiya, who then was the credit union's one-man IT department. "We put into place a shared service network enabling members to go to other financial institutions and joined the CO-OP ATM network, allowing members to access their money at other financial institutions' ATMs."

It wasn't until a few years later that the credit union hired two additional IT staff members to support the credit union's tech-heavy structure, which helped Mahiya bloom on the project management side as he became more of a "big picture guy", envisioning the credit union's future as its membership evolved.

Now overseeing three IT employees, Mahiya, now XCEL's Vice President and Chief Information Officer, has the freedom to branch out to conferences and events that give him ideas and offer inspiration, instead of focusing on education and growth strictly in the IT sector. In particular, he was inspired by Filene's presentation at the 2014 CU Reality Check Con-



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# League Education is Changing to Better Meet the Needs of its Members

The credit union industry is credited with embracing the collaborative spirit, yet some would state that collaboration does not occur as much as it should.

League education has recently embraced collaboration as a means to bring education based on an expressed need rather than an assumed interest.

The first project, which is in the final stages, involves bringing the Brett Christensen Lending School to New Jersey. This need was introduced by three credit unions that will be "sponsors" of this education and be involved in the selection of dates, a location, and curriculum. While these three credit union leaders are the stakeholders, the education will be offered to all N.J. member credit unions. Look for more information on this coming soon.

During this process, a second training need was brought to the table from a different credit union. Fortunately, due to availability of resources and a great League relationship, we were able to put together the Decedent Account Training within 30 days. This session was very well received by the stakeholders and very timely for all who attended. Drew Edwards, a partner in the law firm Edwards & Edwards, facilitated a lively discussion filled with facts and legal considerations. He took a complex topic and broke it down into manageable segments to prepare credit union staff for inevitable situations.

For deposit accounts, Edwards' instruction was focused on "who gets the money and when they get it." Edwards also discussed Decedent Loans and the methods that should be pursued in order to get paid. The information was explained in an easy-to-understand format and Drew's delivery style kept the audience engaged.

The League will continue to hold roundtable sessions by profession and its signature sessions such as the Executive Leadership Series and annual Small Credit Union Conference. For other educational needs, in-person sessions will be scheduled in most cases only after there has been an expressed need.

We hope this new focus opens up dialogue between the League and our members and has us more top-of-mind as a valued resource for education and training.



*CU attorney Drew Edwards facilitating the informative Decedent Accounts session for those "live" at the League and those tuning in via video conference at Atlantic FCU and Members 1st of NJ FCU.*

## Marketing Roundtable: What's Working for Today's CU Marketers?

January 7, 2015

10 a.m. to 12:30 p.m.

NJCUL and via Video Conference

Are you curious about the marketing apps that credit unions like yours are using? Are you wondering how much time and money you could be saving on your marketing...if you just knew about the right technology? After speaking with diverse credit unions throughout the U.S., Laura Enock, founder of CUContent.com, came up with the best 10 marketing apps credit unions are using—and most are low cost—or even FREE!

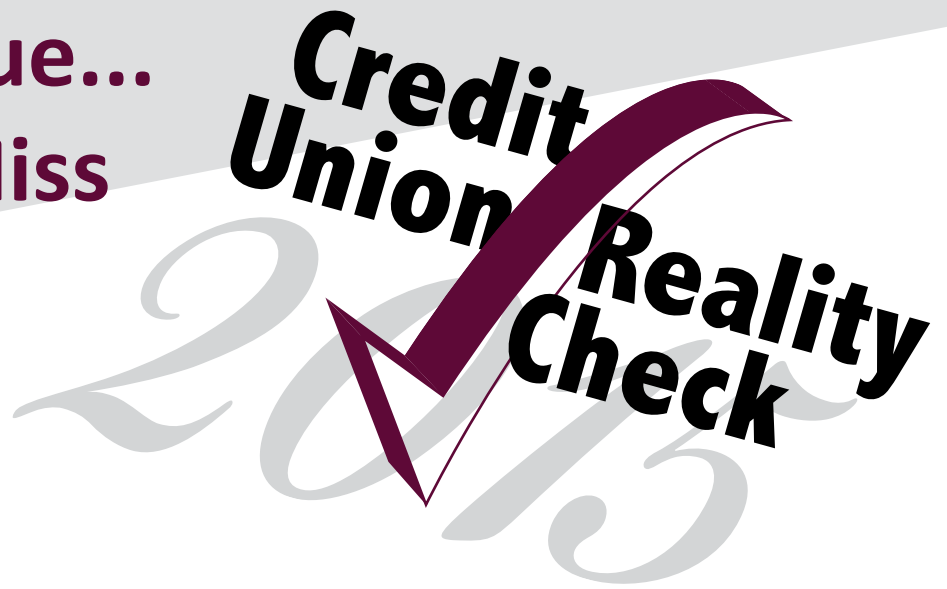
From digital marketing to creating forms and social media tools, this live event features credit unions and the apps they're using, plus the pros and cons for each of them. Includes a Q and A session!

**Facilitator:** Laura Enock, CUContent.com

**Cost:** \$25 per person

**Register:** To register and pay by check, email [mzelinsky@njcul.org](mailto:mzelinsky@njcul.org) and your credit union will be invoiced. To purchase and register online, click [here](#).

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## NJ to Have Three New Faces on Capitol Hill, Two Old Friends and One New

HIGHTSTOWN, N.J. – There will be many fresh faces in the 114th Congress set to convene next month. But for New Jersey, two of those faces aren't so new, and a third became well acquainted with New Jersey's credit unions while running. So while they may be new to Capitol Hill, credit unions are not new to them.



*Congressman  
Donald Norcross*



*Congresswoman-Elect  
Bonnie Watson Coleman*



*Congressman-Elect  
Tom MacArthur*

Former State Senator Donald Norcross (D-1) was elected to complete the term of Rob Andrews, who resigned earlier this year, as well as to a full term in the 114th Congress. He's already been sworn into office. Congressman Norcross was a strong voice for credit unions while serving in the state legislature.

Assemblywoman Bonnie Watson Coleman (D-12) was elected to succeed retiring Rep. Rush Holt (D), a long-time credit union supporter. While serving in the state Assembly, Watson Coleman voted in favor of bills to enable credit unions to become eligible municipal depositories and to expand the state's Credit Union Advisory Council to provide for representation of federally chartered credit unions.

In the third district, two relative newcomers vied for the seat held by Rep. Jon Runyan (R), who decided not to seek a third term. The League interviewed both candidates and found Republican Tom MacArthur had a stronger understanding of credit union issues and appreciation for credit union values than his Democrat opponent, Burlington County Freeholder Aimee Belgard. Congressman-elect MacArthur (R-3) is a former insurance company CEO who had served as a community mayor.

In all, ten New Jersey delegation members were elected or re-elected with the help of CULAC, a clean-sweep for CULAC in the Garden State.



**KEEP  
CALM  
BUT  
ACT  
NOW**

**stop the  
data breaches**

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.**

# NJ NCUA Examiners Discuss Exam Issues, NJCUL Shares CU Concerns

EDISON, N.J. – New Jersey credit unions soon will benefit from better examinations and service from NCUA examiners. That's because earlier this month, a group of New Jersey NCUA examiners and supervisory examiners hosted a three-day meeting to discuss important exam issues and to receive industry updates and training.



*NJCUL Director of Compliance Nicola Foggie shares credit union concerns with New Jersey's NCUA examiners.*

The New Jersey Credit Union League's Director of Compliance, Nicola Foggie, was invited to speak to the group of about 25 examiners and supervisory examiners to share compliance issues and exam challenges that New Jersey credit unions are experiencing. The 60-minute presentation titled "Compliance Matters" focused on the real-world issues and challenges that credit unions must deal with on a regular basis when it comes to complying with the evolving and fast-changing regulations that come from, not just NCUA, but many different federal agencies, i.e. CFPB, Federal Reserve Board, FFIEC...the list goes on. Resources and programs that the League has to offer our credit union members to help them proactively prepare for and keep up with their compliance needs were also shared with the group.

The presentation went on to discuss challenges that face, not just New Jersey credit unions, but credit unions across this nation consisting of new and rapidly changing regulations. An example is recent mortgage rules issued by the CFPB. In 2013 alone, the CFPB issued

eight new mortgage rules! Credit unions' staff and resources are stretched to the limits preparing for and striving to keep up with compliance, not to mention the costs that go into updating forms and systems, when required. Since the financial crisis, exams went from taking place every 18 months to every 12 months, which requires credit union staff to spend more time and resources preparing for exams and then responding to and taking actions based on exam results.

It is very encouraging that this group of NCUA examiners and supervisory examiners invited the League to speak about what credit unions are really facing when it comes to compliance. Earlier this year, NCUA Executive Director Mark Treichel said, "Providing the credit union system with well-prepared and knowledgeable examiners is essential to protecting safety and soundness." Agreed! Reaching out to the League to get a better understanding of what credit unions are enduring when it comes to compliance and hosting proactive meetings like this week's only lends to NCUA's efforts to make the examination process operate more efficiently and provide greater consistency.

For more information on NJCUL Compliance Center resources and programs, and how we can help your credit union comply, contact Nicola Foggie, Director of Compliance, at [nfoggie@njcul.org](mailto:nfoggie@njcul.org) or call 800-792-8861, ext. 112.



## FHLBNY Credit Union Members Doubled Since the Start of the Financial Crisis.

At a period of unprecedented stress in the capital markets, when our members needed liquidity, we were able to step up and meet the demand. With new regulatory and interest rate risk concerns, having access to reliable wholesale liquidity is essential.

Like you, we are privately owned by our members and accountable to them, so we fully understand the cooperative business structure. We strive to offer quality credit products at flexible terms, mortgage finance products, and correspondent services to meet the financial needs of local community lenders like you.

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# Rethink Your CU's Retirement Plan Goals



By: Rob Peters

For credit union executives and directors, the list of priorities for a credit union's defined contribution retirement plan probably goes something like this:

- Provide a competitive program that helps you attract and retain quality employees.
- Control the plan's expenses.
- Meet the fiduciary duties to monitor the program's investment performance and ensure that the plan is legally compliant.

All of these are important. But one key element is too often missing from the priorities for a retirement plan—following through to see that the program is actually preparing employees to replace their paychecks by the time they retire.

If your retirement plan isn't accomplishing this goal—or if you don't know whether it is—it's time to rethink how you measure the program's success.

## Four Serious Downsides for Credit Unions

A natural concern about an ineffective retirement plan is that individual employees and their families will suffer financial hardship in retirement. But credit unions must consider other potentially serious negative consequences, such as:

### 1. Career Log Jam

You've got talented middle managers ready to move up. They've paid their dues. They get results. But senior managers of retirement age aren't retiring. According to a 2013 survey by the Associated Press-NORC Center for Public Affairs Research, 47% of working Americans 50 and older now plan to retire at a later age than they expected when they were 40. The top reason they gave for the change is simple—they need the money.

It's not that you want experienced senior managers to leave—you just don't want them to stay only because they're not prepared financially. And the longer they stay, the more young talent you'll lose.

### 2. Higher Expenses

Delayed retirements also increase expenses for salaries and health care. Again, this isn't a matter of pushing out older employees. Your goal is to help them end their careers on their own terms, rather than staying longer than they'd planned.

### 3. Financially Stressed Employees

An April 2014 Gallup Poll confirms what we in financial services already know—Americans' greatest financial worry is not having enough money in retirement. The poll ranked concern about eight financial hardships, such as inability to pay for medical costs, monthly bills, college expenses, etc.

Fifty-nine percent of all those surveyed said they were "very worried" or "moderately worried" about not having enough money for retirement. This result increased to 70% for respondents 30 to 49 years old, and 68% for ages 50 to 64.

Stress can reduce productivity, impair service to members, and increase healthcare costs.

### 4. Damaged Community Reputation

Think of employees who have worked for you for decades and can't retire with a decent income from your retirement plan. What do they say to their families, friends, and others about their experience? Word of mouth is a crucial channel for credit unions to recruit employees and members.

## Track Retirement Plan Success—Beyond Participation

Participation percentage is useful for tracking a retirement plan's success, but it doesn't tell the important part of the story.

Pay attention to the level of employee contributions. For most employees, contributing 3% or 5% isn't going to cut it. If you currently match dollar-for-dollar up to a certain percent, consider matching 50 cents on the dollar and double the percent—you'll increase contributions without increasing your expense.

Monitor how many employees are taking 401(k) loans. You may need to work with your plan provider to educate employees about the consequences of these loans.

The most important retirement plan metric may be the percentage of employees who've set reasonable retirement savings goals AND are contributing enough to meet those goals. Be sure they have the tools and education to set adequate goals, and to see clearly each month whether their account is on track.

*Rob Peters is the Retirement Solutions Senior Marketing Strategist for CUNA Mutual Group. Reach him at [Rob.Peters@cunamutual.com](mailto:Rob.Peters@cunamutual.com).*

*continued from page 1* ference. "They were talking about innovative ideas," he says, "And it got me thinking 'we need to be innovative'. We can't just offer all of the normal products that everyone else does. I think we need to do something that's a little more out there."

XCEL is not a normal credit union, he says. Yes, it tries to do all of the normal things, Mahiya explains, like implementing mobile remote deposit capture for example, but there comes a point where it strays and goes a little "outside of the box".



*Mahiya showing off some dance moves at the credit union's 2008 holiday party.*

Besides, the credit union's members aren't exactly normal, either. Over 90% of XCEL's members do their transactions through electronic means. Convenience is vital to keeping members, and keeping them happy, explains Mahiya. "Our members are all over. We don't have any choice other than to be mobile, like our members."

"Mobile is the future; every possible transaction that you could do at a branch you must be able to do on your phone."

The credit union hasn't done away with its brick and mortar branch locations, though; in addition to its headquarters in Bloomfield it has two: one that's in a federal building (Fed Plaza, NYC) and one in the heart of Jersey City at Journal Square. But it's also everywhere thanks to Shared Branching, the CO-OP ATM Network, and its own mobile app for smartphones and tablets.

In 2015, the credit union is looking to push its mobile accessibility even further with its XCEL-lent mobile app that it introduced and developed through the NJCUL's Creative You program this year. "We're at the point where we need to stop talking about it and let's make it happen," says Mahiya.

Its advanced mobile app is one example of how XCEL marries both innovation and collaboration. It's vetting vendors and developing the app not only for the good of its own members, but also for other credit unions, to whom this app will be available free of charge. "We're all about what we can do together and that's where we're trying to go next in addition to being innovative at the same time," Mahiya says.

Another area in which XCEL is helping its fellow credit unions is disaster recovery. By partnering up with Ongoing Operations, a CUNA Strategic Partner, XCEL is offering office space and equipment—a Hot Site location—to credit unions to use when disaster strikes their locations and they need to stay connected to their systems and their members. Mahiya and his team have been performing disaster recovery testing ever since the 9/11 attacks, and he realized that the empty space at the credit union's Bloomfield headquarters could be put to better use by credit unions that need the space during potential disasters.

Mahiya is also looking into partnering with other credit unions to share IT/back office services to reduce overhead costs for CUs that may not be able to afford/keep on-site IT staff members. He's playing with the idea of creating a CUSO that can perform data processing for a number of credit unions as well as IT services—an alternative to looking to a service bureau, where, as Mahiya puts it, "you become a person in a queue", which is unacceptable when it comes to IT. "I hate being a person in a queue," he says. "I want to be able to get instant results." XCEL FCU's model would also include a reporting dashboard service which was developed in-house that would offer detailed reports that service bureaus lack.

This all stems from XCEL FCU's commitment to collaboration for the good of all credit unions, says Mahiya. "We ask ourselves 'what skills does XCEL have in-house that it can build, develop, and grow and try to help other credit unions at the same time? Collaboration is the key; people work together and everybody excels at the same time.'"

XCEL itself lives, works, and plays by that philosophy. Mahiya says everyone there refers to their co-workers as their family and though they work hard, they also know how to have fun...and even cut a rug.

When asked about being labeled a "rockstar", Mahiya gets a bit bashful and humble. "I'm here to do my job," he says. He likes to show off the technological advancements he implements, but he likes being "the man behind the curtain."

And he shares the glory with his extended family at the credit union, of course. "XCEL is the rockstar, not me!" he says.



*The XCEL family at its Bloomfield headquarters.*