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The Exchange

January 2015 | Volume 3 | Issue 1

"New Beginnings"

NEW YEARS RESOLUTIONS

My resolutions are to take better care of myself by trying to eat healthier, and exercise. I've decided to make certain I take time just to breathe, and not sweat the small stuff. No longer will I allow people or things to "get to me" – easier said than done! Also, help with providing our credit unions the best MEMBER EXPERIENCE they are so deserving of from their League. Finally, I'll try not to worry whether or not I'm following my resolutions!



-- Yvette Segarra, Manager of Special Events/Meeting Planner

My New Years resolution is to learn to be a better writer, specifically in food blogging. I would like to find some more time in my schedule to read more and, through that, learn how to become a better writer. I know through practice and persistence, this can be accomplished, so it is truly about "getting on the horse." Food and cooking are huge passions of mine and I would love to translate that better through writing and blogging.



-- Juliana Stephan, Credit Union Services Consultant

To be more open and adventurous and try new things, visit new places, and taste different foods.

-- Cindy Rashkin, Executive Assistant/Officer Manager



NEW YEARS RESOLUTIONS

**Quit smoking.
Done!**

-- Chris Abeel,
VP, Corporate &
Governmental
Affairs



**I do not typically
make New Year's
Resolutions; how-
ever, now that I am
beyond my 50th
year, I do have
one that I should
implement: to stop
buying bogus anti-
aging products.**



**In an effort to fight the impending
aging process, while I am trying to do
the right things such as keeping hy-
drated, eating right, and exercising,
I can't seem to fight the occasional
urge to purchase "as seen on TV"
products and other miracle cures.
This is challenging since I most likely
will not have any age-reversing pro-
cedures (although I do think about
it), which makes these products so
tempting!**

-- Barbara Agin, VP, Member
Experience & Education

**One of my resolu-
tions is to be more
creative—or I guess
to give myself more
time to be creative—
in both my personal
and professional life.
I began painting last
year with watercol-
ors but I definitely don't allot enough
time for that. I've also started tinkering
around again on my keyboard at
home, after many years of not play-
ing a note of music, and I want to set
aside time each week to practice.
I'd also love to write and read more. I
need more hours in the day, it seems!
But I'm going to make a conscious
effort to set aside time to have fun
and be creative.**



-- Marissa Anema, Marketing &
Communications Coordinator

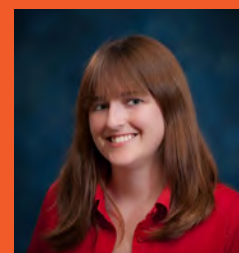
**My resolution for 2015
is to have more per-
sonal fulfillment; to do
more of the things that
make me happy!**



-- Adrienne Bell,
Director of Finance for
Plexicity @ NJCUL

**When I am at home during the week, to spend less time online while
the kids are awake.**

-- Sabrina Forano, Shared Compliance Specialist



NEW YEARS RESOLUTIONS

The loss of my mother in November of last year and the inevitable navigation of her “life” and the “things” she left behind has me taking a hard look at my own life and priorities. She lived simply, was deeply family oriented and just such a “people person” as evidenced by the number of individuals, literally all over the globe, who have reached out since her passing to consistently say, no matter if it was a brief encounter or a life-long relationship, the interaction with her was meaningful and in some cases changed their outlook or the course their lives.



This reflection led me to decide that starting with 2015, whether at work or home, it was high time to de-clutter (literally and figuratively) the ‘things’ in my life that distract me from having more positive and meaningful interactions with people!

“The best things in life are the people you meet, the places you’ve seen, and the memories you’ve made along the way.”
~ UNKNOWN

-- Nicola L. Foggie, Director of Compliance

My resolution is to make more time for myself to read outside of the work-place. While some may be business-related, I most enjoy biographies of historical figures and leaders.



-- Greg Michlig, President/CEO

I don't believe in resolutions. However, I do believe in improving myself whenever I am presented with an opportunity. While everyone is always resolving to eat better, workout more, etc., I am working towards improving my life and the lives of my family members. I am only keeping healthy snacks in the house, like more fruit and veggies, and challenging my family members to take classes with me at the local YMCA. It's little changes that can make a big difference over time. I did not tell them that we are “getting healthy”, I am just simply eliminating the “unhealthy” items, gradually, that allow poor habits to continue and offering alternatives that I know will be accepted over time.



-- Donna Pancoast, Shared Compliance Specialist

My resolutions are to take time out to enjoy soap making and get to the other projects on my to-do list like staining bathroom cabinets along with getting in touch with my crafty side. I purchased two soap kits months ago, I was very excited about the idea and now the kits are gathering dust. Putting this in writing may help me stay committed.



-- Erika Miller, Shared Compliance Specialist

NEW YEARS RESOLUTIONS

I've really never been a huge fan of New Year's resolutions but I do think it's important to learn from situations that don't go as expected.

Some know of my light passion for sharing inspirational thoughts. Here are a few examples:

"Let it go...let it go. Today can be amazing if you let go of a bad yesterday. Start each day with a positive outlook and give each day its own chance to be amazing".

For those of us who worry, this one caught my eye: "Worrying is the dark room where negativity is developed."

Another powerful one I think is worth sharing: "In the blink of an eye, everything can change. So forgive often and love with all your heart. You may not have that chance again."

My all-time favorite, though, is: "Inhale the future, exhale the past." A simple message to remember and one that makes a lot of sense.

So if you were to ask me what my 2015 New Year's resolution is, I would answer: I am really going to try to incorporate those compelling words of wisdom into my life on a daily basis and hope for the best.

-- John Hendery, Senior Credit Union Services Consultant



Over the year, my resolution is to disconnect a bit from my devices which I have become increasingly more dependent on as time goes on. I plan to take baby steps and just try to shut off my phone for at least a half hour per day. I will increase this to hopefully about three hours per day (more on the weekends) by the end of the year. This will hopefully give me some more time to focus on my family and myself, even if they are just short periods of time throughout the day that are uninterrupted by my device addiction. Maybe I will even take up a hobby or finish a book that I start reading.

-- Candice Nigro, VP, Marketing, Communications and Business Development



In the fall, I ran into a situation at a Dunkin Donuts where a rude, visibly jittery person cut in front of myself and a few others in line to buy cigarettes. The man in front of me didn't say a word, so I—being as outspoken, as I am—told this rude guy that we were in line and he had to wait his turn. He sneered and said some choice words to me then walked out. After the incident, and while telling it to my kids that day, they made me realize that I am not that young, tough girl anymore. I have to now think before I act, remember my age, and realize that I can really get hurt by some crazy person who wouldn't be satisfied just to call me a few names.

So....my New Year's resolution is to think before I speak when I get into a situation like this, unless I have Bubba and his cellmates along with me. Have I kept my resolution? It remains to be seen! I'm not betting on myself just yet, but I hope I can think first and act later. To be continued...

-- Mary Zelinsky, League Services Coordinator



Technology is the Focus as the New Year Unfolds

"Apps, Tools, and More" was the topic of the January 7th Marketing Roundtable. Led by Laura Enock from CUContent.com and Karen Velasquez from Liberty Savings FCU, the discussions covered the top 10 apps in the industry with demonstrations of each. Attendees were encouraged to share some of their preferred digital tools and the League's own Marketing and Communications Coordinator Marissa Anema demonstrated how she uses Hootsuite to manage social media marketing.

Not a week later, the League held an Information Session on the CU Wallet. This session held Monday, January 12th, was led by Paul Fiore, Founder of Digital Insight. He discussed the progress of mobile payments and the impact of Apple Pay entering a forum that was once controlled by Google Wallet, FreedomPay, Loop, and others. He discussed the opportunities



Digital Insight's Paul Fiore introduces N.J. credit union leaders and marketers to CU Wallet.



Liberty Savings FCU's Karen Velasquez and CUContent.com's Laura Enock review their picks for the top 10 marketing apps at the Marketing Roundtable.

to invest in a solution that could create a new revenue stream, help a credit union's bottom line, reduce the potential for in-person fraud, and make the credit union card "top of wallet".

The focus on technology continues with an upcoming [CFO Roundtable](#) on Feb. 10th where attendees will discuss how to manage operating costs and will include how to best allot funds for investments necessary for future growth, such as investments in technology or other products, services or processes.

With technology comes risk, which makes the March 3rd [Executive Leadership Series \(ELS\) Session](#) very timely. The session will cover how new innovations in technology have changed consumer customer expectations, and the challenges presented by increased cyber security threats.

Executive Leadership Series Session: Six Essentials for Keeping Your FI Relevant

March 3, 2015

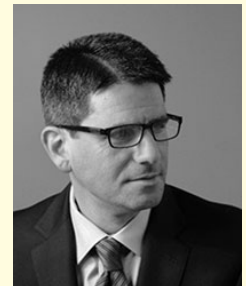
10 a.m. to 2:00 p.m.

New innovations in technology, shifting customer expectations, cyber security threats and economic pressures have dramatically changed financial institutions. Organizations are now challenged with balancing cost reduction against new investments in innovation to better capture, service, support, and protect the modern customer. Do you have a plan in place to stay ahead of these challenges?

Speaker: Joel Abramson

Cost:

Over \$150 million	\$209.00
\$50 - \$150 million	\$149.00
Under \$50 million	\$ 69.00



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

A New Beginning, Or Another Same Old Lang Syne?

By: Bo McDonald, President of Your Marketing Co.

The Dan Fogelberg song "Same Old Lang Syne" seems to be a pretty accurate description of the relationship between credit unions and their members today. If you're not familiar, here's a brief synopsis of the song from Wikipedia:

In the song, Fogelberg is reunited with an old flame at a grocery store on a snowy Christmas Eve. She doesn't recognize him at first glance and when the two reach to embrace, she drops her purse causing them to laugh until they cry. They eventually decide to have a drink somewhere, but are unable to find an open bar. Settling on a six-pack purchased at a liquor store, they proceed to drink it in her car while they talk and are toasting to innocence of the past as well as the present. The lover went on to marry an architect and is seemingly content with her life, though it is implied that she married for security instead of love. After a second toast, the conversation runs its course. They exchange their goodbyes and the woman kisses him before he gets out of the car. As she drives away, the narrator contemplates the good times they'd had long ago, hence the meaning and reference to the song's title, Old Lang Syne.

Too often we circle back to what's comfortable instead of embracing progress. I can certainly say this with grace because I'm guilty of this in my own life just as we so often are in our credit unions. Let me cut to the chase and give you a few examples over the next few weeks. Here's the first in the series of examples of Same Old Lang Synes of Credit Unions:

"We can't do away with paper newsletters because..."

I'm not picking on paper newsletters. It's just one example of a stumbling block toward progress. Take a look at your invoices for printed newsletters from 2014. How much did you spend? A few thousand, or maybe for larger credit unions tens of thousands of dollars? Can you clearly identify a return on your investment in those newsletters?

Now let's look at a stumbling block for many credit unions, in saying that updating member-facing technology is just out of the budget. Are there things in your current budget that could be reallocated without having to add dollars for these expenses investments?

"Well, we certainly can't do away with paper newsletters because our older members would have a fit." Please don't misinterpret this as meaning that our heritage members don't matter. However, we're appeasing our older "deposit" members at the expense of younger members in the buying stage of their lives who truly need a financial institution looking out for them, just like our heritage members once needed us.

The topic arises at every roundtable and conference I attend in regards to reaching younger members and growing loans. "You have to go fishing where the fish are," is usually the answer. However, I hardly ever hear the second part of that statement — the need for using the right bait. You wouldn't go fishing by just throwing an empty hook in the water, would you? Well, perhaps you could, but you wouldn't be very successful.

The bait in this case is technology and culture. Younger members are demanding convenience and an experience, neither of which will come from paper newsletters and statement stuffers. "I just don't understand why we can't get younger members interested in the credit union..." It's because you're not yet relevant to them. Make 2015 the year that you invest in technology and developing your brand story with a message that resonates with younger members. Most credit unions have a great story to tell. We just do a less than stellar job of telling it in a way that resonates with young consumers.

Confused about where to start? My team loves talking about this. But first, read part 2 of this series on our Web site at www.yourmarketingco.com.



Get to Know Bo and Your Marketing Co. at a FREE information Session February 24th

Date: Tuesday, February 24, 2015

When: 11 a.m. to 1 p.m.

Locations: NJ Credit Union League "live" and via Video Conferencing at Atlantic FCU and Members 1st of NJ FCU.

Register: Please send an email Mary Zelinsky at mzelinsky@njcul.org.

Interest Rates Will Be Rising...Perhaps

Provided by: Gary Tantleff, Managing Director – Wealth Management, UBS Financial Services Inc. The Credit Union Advisory Group at UBS



Ever since the recovery from the “Great Recession” began approximately mid-2009, many individuals have been forecasting that interest rates will soon be on the rise. During recent years, we have seen rates increase somewhat, only to fall back to unprecedented levels. But if we take a longer view of interest rates, we might reexamine our outlook.

For example, let’s look at a history of 10-year US Treasury yields. The high point for this Treasury was 15.84% on September 30, 1981. During January 2015, yields dipped below 2%. But what was the general course of yields during the almost 34 years between those two points? Perhaps a story is being told that might be considered.

Below please find a screen from Bloomberg that looks at that 34 year history.



We see that while over time, rates go up and rates come down, there does appear to be an overall (downward) trend during the last 34 years. Given that, if you sat on the sidelines with investable funds in cash waiting for rates to rise during the past few years, there was a “cost of waiting” in lost investment returns.

Along with that, every month Bloomberg provides an economists’ survey of where they foresee key financial indicators over the next 2 years or so. If we look at the Bloomberg Survey of (55) economists’ forecasts for the 10-year Treasury from January 16, 2014, we see their forecasted yields for first quarter 2015, ranged from a high of 4.00%, to a low of 2.60%, with an average of 3.48%.

On January 22, 2015, the actual yield for the 10-year Treasury was 1.89%! Not one of the 55 economists was even close.

For a point of comparison, as this article is being written the yield on the 10-year bond in Germany is 0.45% and in Japan it’s 0.25%. In Switzerland it is actually negative 0.16%.

We often hear prognosticators making their predictions on where interest rates are headed. But realistically based on what? Is it just a gut feeling that what comes down must go up? It reminds me of the characters in the Samuel Beckett play, “Waiting for Godot”, when they are

continued on page 8

continued from page 7

repeatedly told that "Godot will not be arriving tonight, but surely tomorrow."

No one can accurately predict the direction of where interest rates are headed, but 34 years of history might give a good starting point for a general trend of future rates.

So in keeping with this month's theme of "New Beginnings" for the newsletter, maybe we should begin to take a fresh look at "past news" to how we might see the future.

Gary has more than 28 years of experience in the financial industry and has worked with more than 500 of the top credit unions in the country since 1987. If you have any questions regarding this article or other issues, please feel free to contact him at 877-269-1776 or gary.tantleff@ubs.com.

Note: The information contained in this article is based on sources believed reliable, but its accuracy cannot be guaranteed. This article is for informational and educational purposes only and should not be relied upon as the basis for an investment decision. Consult your financial advisor, as well as your tax and/or legal advisors regarding your personal circumstances before making investment decisions.

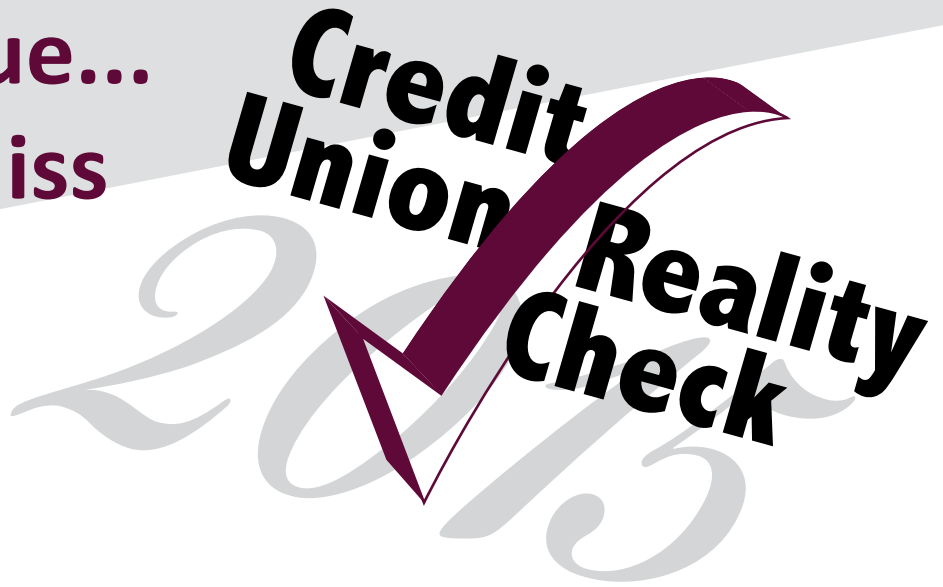
New Jersey Credit Union League 27th Annual Golf Tournament

April 28, 2015

**Registration Materials Available at:
www.njcul.org/golf.aspx**



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RBC2 Improves: Still Solution in Search of Problem, CUNA Says

April 27 is Comment Deadline

ALEXANDRIA, Va. – While the NCUA's revised risk-based capital (RBC2) proposal contained many changes wanted by CUNA and the Leagues, CUNA believes further changes are needed.

The proposal was approved by the NCUA board Thursday by a 2-1 vote, with board member J. Mark McWatters casting the dissenting vote.

CUNA President/CEO Jim Nussle called the proposal a "solution in search of a problem," particularly given the likely costs to credit unions.

NCUA Director of Examination and Insurance Larry Fazio estimated that the one-time costs for credit unions to read the rule and make the appropriate operational changes to be approximately \$5.1 million. He also estimated an annual cost of less than \$1 million from credit unions in labor for new call report requirements.

This has led Nussle, along with National Association of Federal Credit Unions President/CEO Dan Berger, to again question the necessity of having the rule at all.

"Based on the healthy capital levels across the credit union industry and the millions of dollars in costs associated with this proposed rule, our respective organizations still have serious issues with it and continue to question the necessity of the proposal," the two said in a joint statement.

However, the rule does contain many improvements sought by CUNA in its original comment letter, and in its advocacy efforts throughout last year.

These include:

- Lowering the requirement to be well-capitalized to 10%, from the originally proposed 10.5%;
- Lowering of risk weights for mortgage loans, member business loans, long-term investments and credit union service organizations. CUNA pushed for a lower weight for mortgage servicing assets as well, but this was not lowered;
- Removal of interest-rate risk from the proposal. The NCUA has said interest-rate risk may be addressed in a separate rulemaking, which CUNA is against;
- Removal of the individual minimum capital requirement; and
- Changing the implementation period to Jan. 1, 2019. An 18-month period was originally proposed.

"The changes respond to the major criticisms we levied against the original proposal. As a result, it is a step toward a more palatable final rule, and the entire NCUA board is to be commended," Nussle said. "However, RBC2 is far from perfect, and CUNA and the leagues will again provide analysis and support for credit unions to generate comments to drive further improvements."

The 90-day comment period for the proposal began as of January 27th, when it was published in the Federal Register. The comment period will close April 27th.

For more information, check CUNA's [Risk-Based Capital Action Center](#), [Risk-Based Capital blog](#) and NJCUL's publications and [RBC Tools page](#).



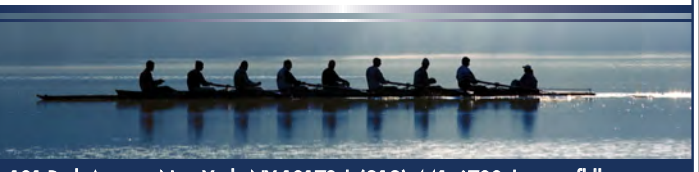
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GAC Roster Growing with Keynoters Arianna Huffington and Gen. McChrystal

WASHINGTON – Entrepreneur Arianna Huffington and retired U.S. Army General Stanley McChrystal will deliver keynote addresses CUNA’s 2015 Governmental Affairs Conference (GAC), scheduled for March 8-12 in Washington, D.C.

Huffington is the co-founder and current editor-in-chief of *The Huffington Post*. She has written more than a dozen books, and her latest debuted at No. 1 on *The New York Times* bestseller list. She also heads a public interest group dedicated to alternative-fuel cars, is a board member for the Center for Public Integrity and ran as an independent candidate for governor of California in 2003.

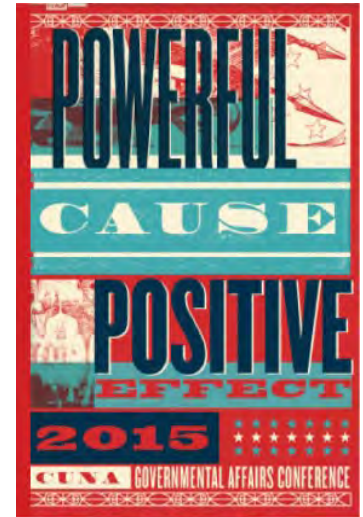


Huffington was named to the *TIME* 100 in 2011, *Vanity Fair*’s 2011 Powers That Be list; *Fast Company*’s list of the 100 Most Creative People in Business; *Financial Times*’ 50 Faces That Shaped the Decade, *Newsweek*’s Top 10 Thought Leaders of the Decade, and *Forbes*’ Most Influential Women in the Media (2012) and *The World*’s 100 Most Powerful Women (2012 and 2013).

Stanley McChrystal’s 34 years of military service culminated in a remarkable record as a four-star general who commanded U.S. and International Forces in Afghanistan, before that leading the Joint Special Operations Command responsible for identifying and eliminating terror cells worldwide.



The author of *The New York Times* best-selling leadership book *My Share of the Task: A Memoir*, McChrystal shares his experiences serving with many outstanding leaders and the few leaders he learned not to emulate. He paints a vivid picture of the trials and tribulations that led to his successful and innovative, going-the-distance leadership skills.



The credit union movement’s premiere event, the CUNA GAC gathers more than 4,000 credit union supporters and activists in the nation’s capital to bring their message to Congress and federal regulators, create awareness about credit unions generally, remove barriers to credit union service for more consumers, and discuss topics and techniques that serve to foster service excellence to credit union members.

The GAC also provides credit union participants the opportunity to network with their peers, attend hot-issue educational sessions and hear from key members of Congress and top federal regulators about the issues facing credit unions.

Additional information about speakers and sessions at CUNA GAC, as well as registration is available [here](#).

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.