Revised RBC Rule to be Unveiled Jan. 15 with 90-Day Comment Period

ALEXANDRIA, Va. – Jan. 15 is the likely date that NCUA will take up a new risk-based capital (RBC) proposal for discussion. NCUA Chair Debbie Matz announced that she will ask the agency board to consider a revised RBC plan at that time, and said a 90-day public comment period would likely follow.

CUNA President/CEO Jim Nussle responded immediately to the announcement: “We appreciate that the NCUA intends to support a 90-day comment period, which is consistent with how we thought this process would work. CUNA looks forward to seeing the details of the revised rule when it is proposed. We plan to be an active participant in what we hope will be an open process that will fully examine the effect the revised proposal will have on credit unions.”

Responding to an inquiry by CUNA after the chairman’s announcement, NCUA Vice Chair Rick Metsger said he supports Matz’s position. He stated that with the arrival of the holiday season, he and his senior policy advisor want to make sure all have time to evaluate the “voluminous material” associated with a new plan.

He said that putting the RBC discussion on the January meeting agenda, rather than December as some were anticipating, “allows all three board members two months to evaluate the final proposal and make suggested changes before it is presented.”

The third NCUA board member, J. Mark McWatters, was sworn into his post at NCUA in late August. He also has voiced support for a 90-day comment period. He told CUNA that he will carefully review and analyze the revised RBC proposed rule once he receives it.

Earlier this month he outlined his areas of focus for revised RBC plan.
Earlier this month, NCUA Chairman Debbie Matz indicated in a Nov. 19 letter to Sens. Debbie Stabenow (D-Mich.) and Thad Cochran (R-Miss.) that a revised RBC plan could be issued by NCUA “before the end of 2014.” Her letter to the senators responded to the lawmakers’ concerns that the new plan keeps in mind any potential effects on agricultural lending.

In making the timing announcement Friday, Matz said, “During the six months since the comment period closed on the original proposed rule, we’ve taken the time to carefully review and methodically evaluate the many thoughtful comments received from stakeholders.

“We’ve also considered the input received during three Listening Sessions across the U.S. this summer. We’re getting closer to issuing the revised proposed rule, which I now anticipate will be presented in January 2015, one year since the original proposed rule.

“To provide the public ample time to review this important safety and soundness rulemaking, I intend to support a 90-day comment period,” she added.

CUNA has strongly advocated for a reasonable comment period of at least 60 days, given the amount of structural changes that had been mentioned by NCUA, including longer implementation period and revised risk weights for mortgages, investments, member business loans, CUSOs, and corporate credit unions.

More than 2,000 comments were received from credit unions, members of the U.S. Congress and other stakeholders during the proposal’s original comment period.

Movember is in the Homestretch!

This marks the last week of the hairy month of Movember! As you gather ‘round with family and friends this weekend for Thanksgiving and some holiday shopping, take a look around for the final signs of the Movement Movement coming to a close this Sunday, the final day of the month.
conference to Atlantic FCU and Members 1st of NJ FCU. Register by sending an email to Mary Zelinsky at mzelinsky@njcul.org.

Check out details of the 2015 round of Creative You are available here.

Upcoming Events:
December 2, 2014
VirtualCorps Webinar: Expanding Your CU into Non-Conventional Financial Services
3:00 pm to 4:00 pm
More Information Click Here

December 3, 2014
Webinar: Frontline Series: Opening Accounts for Nonprofit Organizations
3:00 pm to 4:30 pm
More Information Click Here

December 9, 2014
South-Central Chapter Meeting:
Networking/Christmas/Holiday Gathering
12:00 pm to 3:00 pm
More Information Click Here

Contact Us:
Address
299 Ward Street
Hightstown, NJ 08520
Driving directions

Phone
800.792.8861

A HUGE thank you to everyone who participated in the League’s Movember Challenge! We’re excited to have collaborated with our member credit unions on this important, albeit fun, initiative to raise awareness and funds for men’s health.
Take a look at some of the final shots sent in by participants.

Keep an eye out next week for more final shots before the men shave it all off for the holidays.

Be sure to check out our Facebook page to see their progress!

And read NJCUL President/CEO Greg Michlig's latest Collaborative Connection blog post on Movember.
CUNA/CFA Survey Predicts Bump in Holiday Spending

WASHINGTON – More consumers say they plan to spend less money in 2014 compared with 2013, according to a survey conducted by CUNA and the Consumer Federation of America (CFA). However, such good intentions don't always translate into thrifty actions. This is the 15th year the two organizations have conducted the annual holiday spending survey, which interviewed 1,009 adults by phone from Oct. 30 to Nov. 2.

CUNA Vice President of Economics and Statistics Mike Schenk and CFA Executive Director Stephen Brobeck held a press conference Monday morning to discuss the results. A number of media outlets were in attendance, including CNBC, ABC Radio, Voice of America, and American Banker.

"Top-line results from an economic perspective are encouraging, and holiday spending almost certainly will increase this year," said Schenk.

"However, elements of our survey underscore the fact many consumers continue to reflect significant concerns about their personal finances—most especially in the realm of weak income gains.

"Because of this we expect the increase in holiday spending this season to be modest."

Schenk said the projected increase in spending this holiday season will be approximately 3% to 3.5%, adding that the survey responses don't always correlate with an increase or decrease in spending.

"What consumers say they'll do doesn't always correspond to what they actually do. Over time, consumers generally say they'll reduce spending rather than increase spending, often by a wide margin. For most, it's almost instinctive not to plan to overindulge," he said.

"However, actual holiday spending almost never decreases. In fact, in
every year of our survey, there's been only one period where holiday spending declined, that was 2008 in the teeth of the recession," he added.

According to the results, 10% of consumers said they would spend more, compared with 13% in 2013. Approximately 33% said they would spend less, compared with 32% in 2013. In 2008, 55% said they planned to spend less.

Cautious financial attitudes may have helped credit union growth over the past year. Credit union membership, which recently passed the 100 million memberships mark, grew by approximately 3% last year, compared with an approximate 1% growth in population.

For the full CUNA release, click here.

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**NJCFE Hosting Financial Capability Upgrade Symposium December 12th**

Join the New Jersey Coalition for Financial Education (NJCFE) for its Financial Capability Upgrade Symposium on Friday, December 12th at the Raritan Valley Community College Conference Center in Branchburg, N.J. from 8 a.m. to 2 p.m.

There are a number of scholarships available to NJCFE through the NJCFE’s partnership with the New Jersey Credit Union Foundation.

Topics will include financial literacy with a grassroots point of view, identity theft, financial principles of saving, student loans from an economist’s point of view, and much more. The agenda also includes a curriculum showcase and technology session.

The morning keynote presentation will be given by Eric Scott of New Jersey 101.5 and the afternoon will include the Muriel Siebert Awards & Mini-Grant Presentation.

For more information and to register, click here.

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**Huffington Joins GAC Roster, Senate will be in Session**

WASHINGTON – Entrepreneur Arianna Huffington will speak at CUNA’s 2015 Governmental Affairs Conference (GAC), scheduled for March 8-12 in Washington, D.C.

The Senate will also be in session during the GAC, according to the 2015 schedule released by incoming Senate Majority
incoming Senate Majority Leader Sen. Mitch McConnell last week.

"Efforts to reach out to Congress during the GAC will be strong, despite the release last week by the House majority leader of a schedule showing the House out of session during the conference," said CUNA President/CEO Jim Nussle. "The Senate will be in session during those dates, and key House and Senate staff members will certainly be on the Hill. Our meetings with these professionals have traditionally been very valuable."

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).

Last week it was announced that Stanley McChrystal, retired U.S. Army general and former commander of U.S. and international forces in Afghanistan, would also speak at the conference.

"There is plenty going on at the GAC, and I hope to see a large portion of the credit union community join us to take part in the full range of activities and advocacy on behalf of credit unions," Nussle said.

More than 4,000 credit union stakeholders are expected to attend the conference, which will be held at the Walter E. Washington Convention Center. Registration for the GAC is currently open.

Discover How to Expand Your CU with Non-Conventional Financial Services

VirtualCorps Webinar:
“Expanding Your CU into Non-Conventional Financial Services”
Tuesday, December 2, 2014
3 p.m. to 4 p.m.

VirtualCorps.com

The “Great Recession” has shifted the financial needs of credit union members. Many members are less prepared to face the future
members. Many members are less prepared to face the future financially than before. This shift poses many challenges and opportunities for credit unions.

The next VirtualCorps Webinar titled “Expanding Your CU into Non-Conventional Financial Services” on Tuesday, December 2nd, will review these challenges and opportunities.

By the end of this session, attendees will understand:

- There are many possible products members need
- The potential profitability of each service and product
- Pros and cons of expanding into these services
- Forecasting profitability and monitoring returns on investment
- In-house or outsourcing considerations
- How to launch new services and programs
- Board members, CEOs, CFOs, Marketing Managers, Compliance Officers

**Time:** 3 p.m. to 4 p.m.

**Cost:**
- Live Webinar Only: $99
- Recorded Version Only: $99
- Live Webinar & Recorded Version: $125

**Registration**
To register and pay by check, email Mary Zelinsky at mzelinsky@njcul.org and your credit union will be invoiced. To register and pay online, click 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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**Cordray Says Keep Consumers in Mind for Real-Time Payments System**

NEW YORK – The CFPB has several concerns about electronic payments networks, particularly its effects on consumers, said bureau Director Richard Cordray last week to attendees at the annual Clearing House Conference in New York City.

During his remarks, Cordray outlined several concerns the bureau has with the process.

"We have concerns that electronic payment systems can be misused to victimize consumers unless banks and the system administrators
work to police and enforce safeguards,” he said.

Cordray shared several examples received by the CFPB about how abuses of the payments system have led to mistreated consumers who were left vulnerable to loss and theft or were exposed to otherwise “hidden and exclusionary effects.”

The stories included everything from a consumer being victimized by a payday lender to another consumer repeatedly suffering automatic withdrawals by a gym after a “free” membership expired.

Cordray said that financial institutions and administrators must be “vigorous and proactive” in policing these types of activities, and credited good practices seen at credit unions and banks over the last year for developing screening mechanisms for detecting such abuse.

"But more needs to be done. We must shine a light on the murkier corners of electronic payment systems and related practices, and we must be vigilant about preserving consumer protections no matter how these approaches may evolve in the future," he said.

Transparency in the payments system is another concern of the CFPB. Consumers need to know when money deposited into accounts is available, as well as when funds are debited from accounts.

Cordray added that the CFPB is "carefully studying" whether regulatory changes are needed to address some of these concerns.

He wrapped up his remarks with a request when it comes to faster payments: "Make it an urgent priority," while keeping the interests of consumers top of mind.

Cordray said this fast payments system should include: faster access to deposited funds; real-time account status information and protection from “hair-trigger assessments of fees;” robust consumer protections when it comes to unauthorized transactions; and accessibility of the system to all consumers.

Target Seeks Data Breach Lawsuit Dismissal

MINNEAPOLIS – The attorney for retail giant Target Corp. told a U.S. District Court judge Friday to dismiss the lawsuit brought against it by financial institutions for the losses they incurred after Target’s data security breach last December.

The breach compromised 40 million debit and credit card numbers and the personal information of as many as 70 million customers.

In filing the motion to dismiss, the attorney said Target had no legal obligation to protect the financial institutions because there was no "special relationship" between the parties.

The judge didn’t rule.
The lawsuit is playing out as representatives from CUNA and other financial organizations are pressing Congress to take action to hold retailers more accountable for data security breaches and to bring them under the same privacy standards as financial institutions.

A CUNA survey found that as a result of the Target breach, credit unions experienced 4.6 million compromised cards, leading to about $30.6 million in related costs.

The attorney representing the financial institutions told the judge that the Minnesota Plastic Card Security Act requires Target to guard against a possible breach. The law prohibits the retailer from retaining some personal data after a sale, he said (Bloomberg Nov. 21).

"We reject the notion that this case is all about the obvious, that is, the bad guys hacked into the system," he said. "Twice the Visa and MasterCard system had warned Target this malware is out there and you are not protected from it."

Target contends the plastic card law does not apply because the data theft happened at the point of sale.

FHFA Strategic Plan Reflects FHLB Priorities for 2015-2019

WASHINGTON – Priorities for regulation of the Federal Home Loan Bank (FHLB) program highlight the Federal Housing Finance Agency’s (FHFA) strategic plan from 2015 to 2019, which was released last week.

The FHFA has regulatory oversight over the FHLB program, as well as government-sponsored enterprises Fannie Mae and Freddie Mac.

In addition to ensuring the safety and soundness of the entities it regulates, and maintaining the ongoing conservatorship of the enterprises, the FHFA has an obligation to ensure "liquidity, stability and access in housing finance," according to statute.

In the full report, the agency lays out a number of strategies to accomplish the goal over the next several years, which include:

- Ensure that FHL Banks can continue to provide advances in a safe and sound by examining operations, internal controls and strategic assumptions, as well as evaluating whether there are impediments to providing liquidity to members through normal or stressed markets and during expansion and contraction cycles;
- Assessing trends in the availability of mortgage credit by monitoring access to mortgage credit using data reported by the regulated entities, data from third-party sources and discussions with industry sources, and using the data to inform potential policy initiatives;
- Expecting the enterprises to maintain a multifamily liquidity presence in all geographic areas and through all market cycles.
presence in all geographic areas and through all market cycles with a focus on the affordable segment of the market. FHFA will not count certain activities—such as affordable rental housing, buildings with 50 or fewer units and manufactured rental housing communities—toward the multifamily business production cap;

- Working with other federal regulators through its participation on the Financial Stability Oversight Council, the Financial Stability Oversight Board, the Federal Housing Finance Oversight Board, and other interagency initiatives to identify and address foreign and domestic risks, to coordinate supervision efforts consistent with each agency’s respective examination and supervision responsibilities; and

- Developing and actively promoting home retention and loss mitigation programs such as loan modification and refinancing programs in order to help reduce the number of defaults and foreclosures by allowing eligible borrowers to realize more favorable rates or terms on their mortgages.

CUNA submitted a comment letter on the agency’s strategic plan in September, asking the FHFA to avoid using safety and soundness concerns to justify additional regulatory burden.

The FHFA first requested input on its strategic plan in August, and has posted a database of the feedback it received.
Skin cancers are the most common of all cancers by far. Fortunately, most of them (basal cell and squamous cell carcinomas) are rarely lethal, though they can certainly cause local disfigurement if not diagnosed early. Melanoma is both disfiguring and lethal, so it must be diagnosed as early as possible. But since it is so inconvenient to do a truly thorough check of the skin, at least by yourself, prevention is a very helpful tool. And that means the use of sunscreen and protective clothing and the avoidance of direct sun exposure between the "high hours" of 10 a.m. and 2 p.m., when the sun is strongest.

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:

**NJCU Education**

December 2 -- [VirtualCorps Webinar: Expanding Your CU into Non-Conventional Financial Services](#)

December 4 -- [Webinar: Traditional & Roth IRA Reporting Responsibilities: Requirements, Issues & Answers](#)

December 9 -- [VirtualCorps Webinar: Enhancing Leadership Skills For Boards Of Directors](#)

December 10th -- [Creative You Information Session](#)

**Industry Events**

December 9 -- [South-Central Chapter Meeting: Networking/Christmas/Holiday Gathering](#)

December 11 -- [North-Central Chapter Meeting: Allowance for Loan Losses](#)
2015

March 8-12 -- CUNA's 2015 GAC

April 13-15 -- CU Reality Check at the Golden Nugget Hotel & Casino in Atlantic City

April 28 -- NJCUL's 27th Annual Golf Tournament

June 1 -- North Jersey Federal Credit Union Foundation's Annual Golf Outing

September 28th -- Picatinny Federal Credit Union 17th Annual Golf Outing

October 4-6 -- NJCUL's 81st Annual Meeting & Convention