

Subject: The Daily Exchange -- January 7, 2014
Date: Tuesday, January 7, 2014 12:13 PM
From: New Jersey Credit Union League <news@njcul.org>
To: staff@njcul.org
Conversation: The Daily Exchange -- January 7, 2014

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January 7th, 2014

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CUAC Expansion Bill Passes Assembly, Sent to Governor

TRENTON, N.J. – Legislation (S-2660) that would expand the state's Credit Union Advisory Council (CUAC) to seven members and provide for representation of federally chartered credit unions passed the Assembly yesterday 78-0. Now awaiting Governor Christie's consideration, the measure was sponsored by Senate President Steven Sweeney (D3) and Assemblyman Troy Singleton (D7) in their respective houses of the legislature.

The bill expands the CUAC from five members to seven and designates that not less than four seats can be held by representatives of state chartered credit unions and not less than two seats can be held by representatives of federally chartered credit unions.

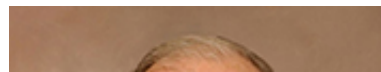
The CUAC was established through legislation enacted in 1984 as a vehicle for state chartered credit unions to advise state government on credit union related matters. Members are nominated by the governor and must be confirmed by the state Senate.

This legislation recognizes that federally chartered credit unions, though primarily regulated by the federal government, are also subject to numerous state laws and regulations and should have a voice as well.

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Reality Check: Wawa Vice Chair to Reveal How Values Revolutionize Convenience

ATLANTIC CITY, N.J. – Howard Stoeckel served as Wawa's Chief Executive Officer from January 1, 2005 through December 31, 2012 and currently serves as Vice Chair of the Board of Directors. During his CU Reality Check session



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The New Jersey Credit Union Foundation has joined the AmazonSmile fundraising program. Through AmazonSmile, the Foundation receives 0.5% of eligible purchases made through the program.

For more information on how it works, click [here](#).

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Upcoming Events:

January 13, 2014
CFO Roundtable: Credit Union mergers - Due Diligence and Accounting/Reporting
Location: NJCUL and via Video Conferencing
10:00 am to 12:30 pm

"Share of Heart - Share of Wallet" Stoeckel will discuss his new book to be released in April for Wawa's 50th anniversary in the retail business. He will take us inside Wawa and reveal how a funny name and six core values revolutionized convenience.



Private ownership, shared ownership, and servant leadership are deeply embedded in the Wawa way. Wawa has won share of heart...which translates into share of wallet. In addition, Wawa is a market share leader in ATM transactions and since the beginning has been "surcharge free".

Hear about Stoeckel and his Wawa success story, and how it relates to serving credit union members, at the 2014 CU Reality Check Conference March 10-12, 2014 at Harrah's Casino Resort in Atlantic City.

Check out the Web site at www.CURealityCheck.com for more information and to register.

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New FHFA Head Begins Five-Year Term

WASHINGTON – Veteran Congressman Mel Watt was sworn in yesterday as Federal Housing Finance Agency (FHFA) director, the agency which oversees Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.

CUNA has requested a meeting with him to discuss key policy issues that are significant for credit unions.

[More Information Click Here](#)

January 14, 2014
Webinar: Real Estate
Collections Under the new
CFPB Mortgage Servicing
Rules
3:00 pm to 4:30 pm
[More Information Click Here](#)

January 14, 2014
VirtualCorps Webinar: Loan
Growth: How to Safely and
Profitably Offer Loans to the
Non-Prime Market
3:00 pm to 4:00 pm
[More Information Click Here](#)

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In a late December letter to Watt, CUNA President/CEO Bill Cheney encouraged the new regulator to ensure balanced oversight of Fannie Mae and Freddie Mac that fully considers the impact actions will have on credit unions. The letter urged him to do all he can to ensure that Fannie Mae and Freddie Mac are accountable for the policies they implement, the process for developing policies is transparent, and policy reforms will support small sellers and services.

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First NJ DNA Meeting of 2014 Set for February 11th

Try Out an Idea or Two from 2013 Discussions and Share in the New Year!

HIGHTSTOWN, N.J. – To kick off the New Year, NJ DNA members are encouraged to implement an idea shared in 2013 and report on the successes, challenges, and next steps at the first NJ DNA meeting of the New Year on February 11th.

To view a list of ideas from 2013 to choose from and try out, click [here](#).

And join us for the first meeting of 2014 on Tuesday, February 11th at 5:30 p.m. at the League, hosted by Fort Dix FCU, to share your experiences and to hear from others. As always, there is no charge to attend.

To register, send an email to Mary Zelinsky at mzelinsky@njcul.org.



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Yellen Confirmed as Fed Chair

WASHINGTON – The U.S. Senate has confirmed Janet Yellen to succeed Ben Bernanke as chairman of the Federal Reserve Board. Bernanke's term, his second as head of the central bank, ends Jan. 31.

Yellen, who has served as Fed vice chairman since Oct. 4, 2010, becomes the first woman to head the Fed board. Her term as chairman will end Jan. 30, 2018.

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CFOs: Don't Miss Monday's Roundtable on Due Diligence and Accounting for Mergers!

HIGHTSTOWN, N.J. – Don't miss NJCUL's CFO Roundtable being held this coming Monday, January 13th featuring CPA Ken Welch is designed for CFO and/or senior management who will need a working knowledge of purchase method business combination/ merger accounting under FASB standards.

Learn about merger valuation principles, accounting requirements for day one and post merger. Explore best practice due diligence considerations for merger planning.

The session will take place from 10 a.m. to 12:30 p.m. and will include lunch. Join us "live" at the league office or via conferencing at Atlantic FCU in Kenilworth or Members 1st of NJ FCU in Vineland. The cost to attend is \$25.

There is also a 50% discount for credit unions below \$10 million in assets. Contact Mary Zelinsky at mzelinsky@njcul.org or 800-792-8861 ext. 100 for more information.

To register and pay by check, send an email to 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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CUNA Provides Clarification on Target Breach Notifications

WASHINGTON – Credit unions continue to ask what steps should be taken to alert members about the importance of monitoring their accounts as a result of the Target data breach.

"This is a business decision for the credit union to decide whether—and if so, how—to communicate with members," CUNA SVP of Compliance Kathy Thompson said Monday.

"Contrary to what we've reported earlier, there are no regulatory requirements about notifying members when a breach occurs in a merchant's information systems. Section 748/Appendix B of NCUA's regulations on member notification only is triggered when there has been unauthorized access to member information directly from the credit union's system or its third-party service provider."

Yesterday CUNA provided clarifying information about the requirements on a new CompBlog post explaining that it is up to the credit union to determine how it will communicate with its members.

"Certainly all members need to be reminded of the importance of thoroughly reviewing their statements regularly," Thompson wrote. CUNA has heard from credit unions that they are posting information on their Web sites, including information in their newsletters, or adding information to their call center response lines about what the credit union is doing to stay on top of the situation and what members need to do to monitor their accounts. Some credit unions have already decided to re-issue cards on vulnerable accounts, while others continue to closely monitor account activity for suspicious transactions.

Thompson reminds credit unions that "your insurance company and VISA and MasterCard need to know about incidents of unauthorized access to specific members' accounts so they can continue to investigate the Target breach."

CUNA's CompBlog is available [here](#).

Last week CUNA announced it's asking credit unions to complete a survey on costs they are incurring due to the Target data breach.

"We know that this is early in the process of monitoring, potentially freezing, and perhaps re-opening accounts. But we are asking credit unions to keep track of these costs and respond to our survey in coming weeks," Thompson said.

She notes that for several years CUNA has been pushing for congressional action on legislation to require merchants to reimburse financial institutions for costs incurred when breaches occur in retailers' systems. "Actual cost data will obviously be very useful in helping us to represent credit unions," Thompson noted.

CUNA's Target Breach Survey is available [here](#).

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NMLS Call Center, CFPB and NCUA Mortgage News

NMLS Call Center

The NMLS Call Center is now available through a toll free number: 855-NMLS-123 (855-665-7123). The old number will become inactive today. The NMLS Call Center is available weekdays from 9 a.m. to 9 p.m. ET.

CFPB Mortgage Servicing Rule Training Program

On January 10, 2014, the CFPB will host a training program at 11 a.m. MST for housing counselors, legal aid attorneys, and other advocates: "Protecting homeowners: New tools for empowering consumers and advocates". The event can be watched live on the Bureau's [Web site](#) on January 10th.

New Guide on Ability-to-Repay Released by CFPB

The Bureau's blog announced the release of a new guide, "Ability-to-Repay: Fact vs. Fiction" intended to help dispel misconceptions about what the new rule means for consumers. Click [here](#) for the blog post and [here](#) to download the guide.

NCUA Releases Supervisory Guidance on QM/Non-QM Mortgages

The agency letter, released Monday, said NCUA field staff "will take into account a credit union's good-faith efforts to comply" with new qualified mortgage regulations as they conduct their early-stage examinations. The new QM rule becomes effective on Jan. 10, and will apply to all federally insured credit unions. The letter also said field staff will place particular emphasis on the safety and soundness implications of mortgage lending. Whether a credit union originates Qualified or non-Qualified Mortgages, "examiners will be evaluating credit risk, liquidity risk, and concentration risk." Click [here](#) for NCUA's supervisory letter to credit unions (14-CU-01).



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CUNA's Latest Regulatory Advocacy Report Now Available

WASHINGTON – CUNA's Regulatory Report for the week of January 6th is now available.

This report will bring you up to date on the latest developments regarding credit union regulatory issues and the actions CUNA is taking to help minimize regulatory burdens for credit unions. In this week's report:

- CUNA Working to Determine Impact of Target Breach on Credit Unions
- CUNA Urges NCUA to Issue Guidance, Not A New Rule, on Capital Planning and Stress Tests for Largest Credit Unions
- CFPB Seeks Information Regarding the Mortgage Rules
- NCUA Issues Regulatory Alert on CFPB Ability-To-Repay and Qualified Mortgage Rule
- CUNA, Financial Institutions to Participate in Interchange Oral Argument
- CUNA Pursuing FHFA Improvements and Will Attend Swearing-in Ceremony for Director Watt
- CFPB Amends HMDA Threshold for 2014
- USDA Interim Final Rule Establishes a Loan Guarantee Program
- CUNA Seeks Comment on NCUA's Home Based Credit Unions Proposed Rule
- Agencies Extend Comment Period for Diversity Proposal
- U.S. Treasury Bank Secrecy Act Advisory Group Nomination; FinCEN Update
- CUNA Continues to Seek Input on Federal Reserve Board's Payment System Risk Policy and Related Proposals

- [Payment System Risk Policy and Regulatory Proposals](#)
- CUNA Comments to Federal Reserve Banks on Payment System Improvements
- CUNA Comments on NIST "Critical Infrastructure" Cybersecurity Framework
- CUNA Regulatory Advocacy Resource Chart

Click here for the full [CUNA Regulatory Advocacy Report: January 6, 2014](#).

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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:

January 8 -- [Reality Fair at Jackson Memorial High School](#)

January 14 -- [Retirement Fair Training](#)

January 14 -- [Southern Chapter Meeting: Importance of Director Education](#)

January 19-22 -- [CEO Summit in Key West, Florida](#)

January 31 -- [Deadline to Submit YIB Scholarship Participation Agreements](#)

February 11 -- [NJ DNA Meeting: Idea Implementation](#)

February 23-27 -- [CUNA's 2014 Governmental Affairs Conference](#)

March 10-12 -- [2014 CU Reality Check Conference](#)

March 28 -- [Reality Fair at The Wallace School](#)

April 2 -- [Financial Fitness Day](#)

April 4 -- [NJ CU Foundation Casino Night](#)

April 8 -- [ELS Session: Economic, Political and Tech Trends: 10 Things You Need to Know to Grow Your Business](#)

April 20-26 -- [National Credit Union Youth Week](#)

May 3 -- Jersey Shore FCU's 5th Annual 5K in May for the Marianne DiNofrio Pancreatic Cancer Research Foundation at Birch Grove Park

May 16 -- [Reality Fair at Ewing High School](#)

May 20 -- [NJCUL's 26th Annual Golf Tournament](#)

June 2 -- North Jersey FCU Foundation's 5th Annual Above and Beyond Golf Outing at Picatinny Arsenal Golf Course

July 30 - August 1 -- [NYIB Conference](#)

September 21-23 -- NJCUL's 80th Annual Meeting & Convention at
Trump Taj Mahal

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