

Subject: The Daily Exchange -- January 13, 2014
Date: Monday, January 13, 2014 12:08 PM
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Conversation: The Daily Exchange -- January 13, 2014

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The Daily Exchange

January 13th, 2014

Today's News:

- › NJ CU Foundation Elects Table Officers for 2014; Appoints Powers as Newest Board Member
- › Free Webinar Thursday on Boosting Auto Loan Leads with the Premium Level of Credit Union Member Discount from GM
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NJ CU Foundation Elects Table Officers for 2014; Appoints Powers as Newest Board Member

HIGHTSTOWN, N.J. – At its first board meeting and planning session of 2014, the New Jersey Credit Union Foundation elected Michael Hou, United Teletech Financial FCU, as chairperson; Tracy Sussmann, MidState FCU, as vice chair; and Greg Michlig, New Jersey Credit Union League, as secretary/treasurer. The board also appointed Michael Powers, Garden Savings FCU, as the latest board member.

Outgoing Chairperson Ann South served on the Foundation board in that capacity for the past six years. She has been a board member since 2003 and will continue to serve on the board.

“As chairperson, Ann built a great framework for this Foundation. She has been involved since very early on and I have watched as she has grown both our grant giving ability and charitable efforts, as well as created successful fundraising events. I look forward to chairing and using what she built to continue the good work we do,” said Michael Hou.

For more information on the NJ CU Foundation click [here](#).

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Free Webinar Thursday on Boosting Auto Loan Leads with the Premium Level of Credit Union Member Discount from GM

Learn what all of the benefits of upgrading to the Premium level of Credit Union Member Discount from GM can do for your credit union with a free informational Webinar this **Thursday, January 16, 2014 @ 2:00 pm EST**. [Click here to register today](#).

› 2015 Breach Reporting
Target Breach Number Up
to 70 Million

› Agility Recovery Offer

› Winter Disaster Recovery
Tips

› CFPB Ability-to-Repay and
QM Rules Go into Effect;
CUNA Urges Congress,
CFPB to Exempt CUs

› Credit Unions, Mark Your
Calendars

› Look! A Distraction...

Sponsorship:



Shop Through AmazonSmile to Benefit the NJ CU Foundation!

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](#).

To shop at AmazonSmile to benefit the Foundation, click [here](#).

amazonsmile

Boost Auto Loan Leads When You Enroll or Upgrade to the Premium Credit Union Member Discount from GM

If yours is like most credit unions, you're always looking for new and easy ways to boost your auto loan volume. When you upgrade to the Premium level of the Credit Union Member Discount from GM you'll have even more chances to do just that!

As a Premium level participant, your credit union will receive instant auto loan leads when your members request a GM Authorization Number for the discount. Nearly **90% of these requests convert to an actual purchase**, so it's the perfect time to reach out to those members and help them secure auto financing.

Your Key to Member Loyalty and Auto Loan Leads Is Simple

- Sign up for the Credit Union Member Discount from GM®
- Promote the program to your members—either separately or part of an overall auto loan marketing strategy—building loyalty through this exclusive member benefit
- Members select your credit union when they request an authorization for preferred pricing
- Members save when shopping a wide selection of eligible new Chevrolet, Buick or GMC vehicles*
- You receive instant email notification of your member's request to the department or individual of your choice
- Funnel the auto loan leads through your internal sales program—whether it be an outbound call center or from a representative at a branch
- Process the loan application or direct members online to complete an application

CU Solutions Group – Your Partner in Lending

In addition to providing leads and helping build member loyalty, the team at CU Solutions Group can also work with you to build a customized marketing program to help promote the GM Member Discount and your overall auto lending offerings. Whether you need free marketing materials or more customized solutions, we can provide take ones, statement inserts, web banners, direct mail and more.

Visit the **Credit Union Member Discount from GM partner page at LoveMyCreditUnion.org/GMenroll** to enroll or upgrade to the Premium level.

**See mygmdiscount.com for rules of eligibility.*



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Upcoming Events:

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](#)

January 15, 2014
Webinar: IRA & HSA Review & Update, Including DOMA Implications
3:00 pm to 4:30 pm
[More Information Click Here](#)

January 16, 2014
Full-Day: Learn How to Become Your Members' Mortgage Solution
Location: NJCUL and via Video Conference
10:00 am to 2:00 pm
[More Information Click Here](#)

Contact Us:

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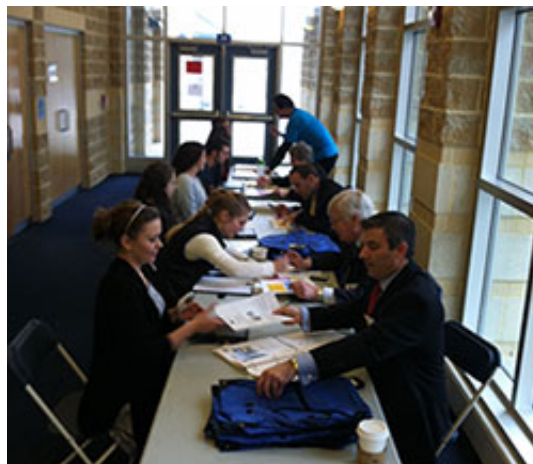
Reality Fair Program Makes its First Stop at Shawnee High School

MEDFORD, N.J. – Despite some slippery road conditions due to an unexpected ice storm, New Jersey credit unions brought the Financial Reality Fair program to Shawnee High School in Medford, N.J. on Friday, January 10th.



A group of students look on as a classmate takes her chance at the Wheel of Reality.

Around 50 students from classes taught by teacher Ryan Franks received a student orientation in the school's auditorium then put their budgeting skills to the test in the atrium where volunteers from the NJ CU League and ABCO FCU, the Fair's sponsoring credit union, manned the booths. Most students were surprisingly frugal, thinking through each financial decision and doing their calculations throughout the length of the Fair, being mindful of the amount of money they would have left over after paying all of their bills.



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Students sit with Financial Counselors at the end of the Fair to go over their experiences.

“[The Reality Fair] really was an invaluable, hands-on opportunity for our students to think critically and reflect on managing their money in the real world which is such a huge part of their lives,” said teacher Ryan Franks.

ABCO FCU is planning to host another Fair for Ryans Franks’ next semester of students in May. NJCUL will provide details on the Fair once they become available.

A full list of upcoming Reality Fairs is available at www.njcul.org/financial-reality-fairs.aspx.

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CUs Should Re-Submit Target Breach Survey if Costs Grow

WASHINGTON – With news of the impact of the recent Target data breach continuing to unfold, CUNA encouraged the 500 credit unions that have already participated in its data breach survey to resubmit their responses with updated impact information.

Target revealed Friday that the names, mail and email addresses, and phone numbers of up to 70 million individuals were compromised in the breach (see related story below). The retailer initially reported that the data breach resulted in the theft of 40 million debit and credit cards, and encrypted PIN data. Alabama State Employees CU is the first credit union to take legal action against Target as a result of the breach (see related story below).

There is no deadline to complete the survey because some of the costs are yet to be incurred. CUNA asks that credit unions complete the survey as soon as reasonable cost estimates are available.

Credit unions that learn of additional cost after completing the survey should complete the full survey again, reporting total costs since the beginning of the breach.

Questions in the 14-item survey include when the credit union was first notified, how cards were impacted, how much call volume has been affected by member inquiries, and whether increased was required.

The survey will help CUNA better represent credit union interests to lawmakers, regulators and the media.

The Target data breach survey is available [here](#).

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Alabama Credit Union Filed Legal Action After Target Breach

WASHINGTON – Alabama State Employees CU has become the first credit union to take legal action following the Target data breach. Additional lawsuits are expected to follow.

In its class action complaint, the credit union alleges that it was damaged when the Target breach forced it to refund member losses, close accounts, and issue new checks, debit cards, and credit cards to certain members. The credit union claims that Target breached implied contracts when it failed to safeguard the private and confidential financial and personal information of members.

Target revealed late last week that in addition to the 40 million compromised debit and credit cards, the names, mail and email addresses, and phone numbers of up to 70 million individuals were also compromised.

The breach is being examined by state attorneys general from across the country, and the U.S. Senate Banking Committee chair said last week he is considering holding a hearing. CUNA has reached out both to Senate Banking and House Financial Services committee leaders to encourage them to "fully examine the chronic issue of merchant data breaches, their impact on consumers and financial institutions."

Sen. Patrick Leahy (D-Vt.) took action last week, reintroducing the Personal Data Privacy and Security Act. That bill would establish consumer data security standards for companies, and require them to notify consumers when a data breach has occurred.

CUNA continues to track Target breach court cases and related legislative and regulatory actions, and has set up an email account (targetbreach@cuna.coop) to take credit union questions and continues to encourage credit unions to respond to its data breach survey.

"In demonstrating to lawmakers, regulators and the media the impact of the breach, we need as much information as possible from credit unions," CUNA President/CEO Bill Cheney wrote in this week's Cheney Report.

CUNA's Target data breach survey is available [here](#). The Cheney Report is available [here](#).

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Merck EFCU Donates \$3,000 to Children's Miracle Network





Merck EFCU, along with Enterprise Holdings Foundation, donated \$3,000 to the Children's Miracle Network in support of the credit union's golf event. Left to right: Merck EFCU President/CEO Ray Del Nero, Children's Miracle Network Program Director Nicole Fulmino, and Enterprise Business Development Manager Mike Kopp.

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It's Not Too Late to Sign Up for Tomorrow's VirtualCorps Webinar on Offering Loans to the Non-Prime Market

There is still time to sign up for tomorrow's VirtualCorps Webinar "**Loan Growth: How to Safely and Profitably Offer Loans to the Non-Prime Market**" with Dr. Randy Thompson.

This rich Webinar will give CU CEO's, CFO's, and lending leaders a detailed understanding of credit migration and risk management as it pertains to working with the subprime market.



Dr. Randy Thompson recently shared with OSCUI's office at NCUA to provide details on stochastic loan and deposit pricing methods and has worked with examiners from a variety of regions across the U.S. as well.

Join Dr. Randy Thompson for this informative Webinar taking place at 3 p.m. on Tuesday, January 14th. Click [here](#) for complete details and to register.

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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100% of North Jersey FCU Employees Complete Financial Literacy Course

PASSAIC & ESSEX COUNTY, N.J. – As a credit union seeking to distinguish itself from other competing financial institutions, in the summer of 2013, North Jersey Federal Credit Union embarked on an aggressive employee development campaign. The goal was to challenge all of its employees to be more financially literate and join in its efforts to be the most informed staff at a credit union in the tri-state region.



North Jersey Federal employee helps member understand all aspects of obtaining an auto loan.

Utilizing BalanceTrack, a Web-based financial literacy program, North Jersey FCU employees began taking the courses last summer, and to date 100% of North Jersey FCU staff members have completed over 25 hours of training on a volunteer basis and have honed their customer service skills and financial literacy knowledge.

Twenty-five (25) hours is considered the baseline for completion. Also, employees scored 70 or above and successfully completed the minimum 15 modules. In addition, many employees have committed to completing all 19 modules.

BalanceTrack, also available to all North Jersey FCU members, consists of 19 comprehensive course modules on personal financial management and is offered in both English and Spanish. Any member may take the courses and can learn about a variety of money management skills. The modules are designed to guide the user through the core aspects of personal financial management.

The goal of this process is to make sure all North Jersey FCU employees have successfully passed the course's requirements so they may assist its members. By completing these courses, employees of North Jersey FCU are now well versed in helping its membership move toward financial success while demonstrating their commitment to sound, stable, and secure money management.

"Our customer service just got better and I look forward to being a more informed credit union with staff that has a better knowledge of personal fiscal management and financial literacy," states Lourdes Cortez, President/CEO, North Jersey FCU. She continues, "I'm also very proud to say, nearly 10% of North Jersey Federal CU's employees are taking the courses in Spanish."

A detailed description of the course and each module can be accessed over the Internet by visiting BalanceTrack.org.

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CU InfoSecurity Reports Target Breach Number Up to 70 Million

Friday, [CU InfoSecurity](#) reported that the scope of the Target Corp. breach continues to grow. In a quarterly earnings statement issued Jan. 10, the retailer notes that in addition to the 40 million credit and debit numbers that were likely exposed, so was information such as names, mailing addresses, phone numbers and e-mail addresses for up to 70 million individuals.

"I know that it is frustrating for our guests to learn that this information was taken and we are truly sorry they are having to endure this," said Gregg Steinhafel, Target's chairman, president and chief executive officer. "I also want our guests to know that understanding and sharing the facts related to this incident is important to me and the entire Target team."

The likely exposure of the additional data was discovered during the company's forensics investigation of the breach.

"Much of this data is partial in nature," Target states. "The company will attempt to contact affected guests. This communication will be informational, including tips to guard against consumer scams. Target will not ask those guests to provide any personal information as part of that communication."

The statement from Target does not reveal how the additional data was exposed or accessed during the breach.

Free Credit Monitoring

Target also reiterates that its customers will not be liable for any fraudulent charges that result from breached data. The retailer is offering one year of free credit monitoring and identity theft protection "to all Target guests who shopped our U.S. stores," according to the statement. Target customers will have three months to enroll in the program, the retailer says.

"In light of the recent data breach, our top priority is taking care of our guests and helping them feel confident in shopping at Target," says John Mulligan, Target's executive vice president and chief financial officer.

How much this breach will ultimately cost Target remains to be seen, Mulligan adds. Costs related to the data breach may include liabilities to payment card networks for card fraud and card reissuance expenses; liabilities related to REDcard fraud and card re-issuance; liabilities from civil litigation, governmental investigations and

enforcement proceedings; expenses for legal, investigative and consulting fees; and incremental expenses and capital investments for remediation activities. These costs may have an adverse effect on Target's fourth quarter and future earnings, he says.

Source: cuinfosecurity.com

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Agility Recovery Offers Winter Disaster Recovery Tips

From frozen pipes to burst water mains, Agility Recovery's member services team has been busy responding to members impacted by last week's record freeze.

All the while - sending the chilling reminder that during winter, **it's not always snow & ice that pose a serious risk to you and your business.**

Make sure you're ready for all winter has to offer. [Download Agility's free winter preparedness checklist today.](#)

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CFPB Ability-to-Repay and QM Rules Go into Effect; CUNA Urges Congress, CFPB to Exempt CUs

WASHINGTON – For mortgage lending credit unions and thousands of other lenders, the Ability-to-Repay (ATR)/Qualified Mortgage (QM) lending rules went into effect Friday.

The rule covers consumer closed-end mortgage loans including home-purchase loans, refinances, and home equity loans secured by the borrower's dwelling.

For borrowers, the new CFPB rules were written as protections and in response to abusive lending practices that helped undermine the country's housing market and economy. Credit unions largely did not engage in such lending practices and have been recognized throughout the housing crisis as being a model for responsible lending.

CUNA is calling for credit unions to be exempt from new Ability to Repay/Qualified Mortgage rules in a letter to be submitted for the record of a Tuesday congressional hearing, and a letter to CFPB Director Richard Cordray.

The letter to Congress will be submitted for the record of the House Financial Services subcommittee on financial institutions and consumer credit hearing titled, "How Prospective and Current Homeowners Will Be Harmed by the CFPB's Qualified Mortgage Rule."

The CFPB has the legal authority to provide an exemption from the ATR/QM rule, according to the CUNA congressional statement.

In the letter to Cordray, CUNA noted that portions of the Dodd-Frank Act and other related consumer laws provide the CFPB with express authority to provide exemptions from the requirements of statutes or implementing regulations generally or the requirements of certain provisions specifically.

While it is early to assess the impact of the ATR/QM rule on the housing market, credit unions are concerned that it will have a negative impact on their mortgage lending and operations, CUNA says in the statement to Congress.

"Credit unions agree that it is always in the best interest of the credit union to assess a member's ability to repay when offering them a loan. That is what credit unions routinely did, even before the adoption of the rule," the statement adds.

However, the ATR/QM rule was designed to address problems credit unions did not engage in, and there is a very strong statutory and public policy case to be made that credit unions ought to be fully exempt from the QM rule. "That case is also based on how credit unions are structured, which produces a set of operational incentives that is different from for-profit financial institutions, and also on the historical performance of credit union mortgage loan portfolios," the CUNA statement argues.

"Only Congress can protect credit unions and other lenders from this threat, and we continue to urge you to take action on this matter as soon as possible," the statement adds.

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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 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 20 -- [Compliance Update & Roundtable: 10 Fraud Areas Affecting Credit Unions](#)

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 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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Look! A Distraction...

Vintage Photos of New Jersey Street Scenes



Can you recognize this N.J. shore town back in 1934? Click [here](#) to find out where this photo was taken and for more vintage N.J. street scenes being featured on NJ.com.

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