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## The Daily Exchange -- January 22, 2014

New Jersey Credit Union League <news@njcul.org>  
To: staff@njcul.org

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January 22nd, 2014

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### NJCUL Office Operating in Business Continuity Mode

HIGHTSTOWN, N.J. – The New Jersey Credit Union League office is operating in business continuity mode today due to inclement weather.

New Jersey credit unions that need our assistance today can still be served. The following is a list of contacts CUs can utilize to receive service in key areas:

**Compliance:** Nicola Foggie, [nfoggie@njcul.org](mailto:nfoggie@njcul.org), (973) 392-1056

**Education:** Barbara Agin, [bagin@njcul.org](mailto:bagin@njcul.org), (732) 404-7821

**Governmental Affairs:** Chris Abeel, [cabeel@njcul.org](mailto:cabeel@njcul.org), (609) 312-1349

**Public Relations:** Candice Nigro, [cnigro@njcul.org](mailto:cnigro@njcul.org), (908) 601-7866

**Shared Branching/Products and Services:** John Hendery, [jhendery@njcul.org](mailto:jhendery@njcul.org), (609) 312-1027

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### Governor Signs CUAC Bill, CUs Represented at Inaugural

TRENTON, N.J. – Although Governor Christie let die or “pocket-vetoed” nearly 50 bills yesterday after heading over to the Trenton War Memorial to take the oath of office for his second term, he signed NJCUL supported legislation (S-2660) to expand the state’s Credit Union Advisory Council (CUAC) to seven members and provide for representation of federally chartered credit unions before the noon deadline.

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](#).



Upcoming Events:

**February 4, 2014**  
**Marketing & Business Development Roundtable: Show and Tell**  
**Location: NJCUL and via Video Conference**



*NJCUL President/CEO Greg Michlig (right), Director of Government Affairs Chris Abeel (left) and contract lobbyist Carol Katz (center) joined lawmakers and other dignitaries who braved the frigid, snowy weather yesterday to attend the invitational-only swearing-in of Governor Chris Christie to his second term.*

The legislation 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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## NCUA Warns About Telephone Fraud

### *Consumers Targeted by Vishing Scam Should Call Agency's Hotline*

ALEXANDRIA, Va. – The NCUA is warning consumers to beware of a new telephone fraud, known as a “vishing” scheme, that is using the agency’s name in an attempt to obtain personal financial information.

Several credit union members have been contacted by an automated phone call claiming to be from NCUA and notifying consumers their

10:00 am to 12:30 pm  
[More Information Click Here](#)

February 5, 2014  
**Frontline Roundtable: The Benefits and Challenges of the Frontline Position**  
Location: NJCUL and via Video Conference  
10:00 am to 12:30 pm  
[More Information Click Here](#)

February 5, 2014  
**Webinar: ACH Specialist Series: Tax Refunds: ACH Posting Exceptions & Liabilities**  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

Contact Us:

**Address**

299 Ward Street  
Hightstown, NJ 08520  
Driving directions

**Phone**

800.792.8861  
609.448.2426

**Fax**

609.448.3499

**E-mail**

info@njcul.org

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debit cards have been compromised. The call then asks the receiver to follow prompts, which request personal information, including sensitive financial data and personal identification information.

Anyone contacted by this so-called “vishing” scheme should immediately contact NCUA’s Consumer Assistance Center Hotline at 800-755-1030 or by email at [phishing@ncua.gov](mailto:phishing@ncua.gov) to report the scam. Operators answer calls Monday through Friday between 8 a.m. and 5 p.m. Eastern.

NCUA neither seeks personal information from consumers over the telephone nor handles day-to-day maintenance of member account information. NCUA works with law enforcement agencies, including the FBI, to protect consumers from frauds of this nature.

NCUA urges consumers to never verify or release personal financial information to unknown callers.

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## Credit Union Participation Opportunities in America Saves Week 2014

America Saves Week (ASW), February 24 - March 1, 2014, is an annual opportunity for credit unions to promote good savings behavior and a chance for individuals to assess their own saving status.

**Credit unions can directly benefit by participating in ASW to:**

- Attract new members
- Increase account balances
- Encourage members to save automatically through direct deposit
- Sign up members as America Savers to help support their ambition to save
- Using an embeddable pledge form on your website, you can track your impact in the community
- Provide directly, or in partnership with others, financial education classes, events, and seminars
- Potentially receive free media coverage

**Credit unions can participate in America Saves Week in a variety of ways:**

- **Market to current and potential members to save and build wealth better**—offer no-fee savings accounts at low opening balances (\$25 or less) with incentives introduced during the Week, offer incentives for making deposits into current accounts, offer low cost IRAs, CDs or other wealth- building accounts, offer special emergency savings accounts
- For current business members, reach out to their employees (At Work programs) to make savings automatic, and set up an emergency savings account or wealth building account through payroll deduction
- Have members take the Pledge to Save
- Make available America Saves pledge forms at teller windows
- Offer financial education classes and/or one-on-one

- counseling in partnership with nonprofit organizations
- Use America Saves Week to expand outreach, education, and new deposit promotions
- In school presentations to students and teachers, encourage opening or adding to an existing account. The accounts can be savings, IRA, CD, or other wealth-building accounts
- Host motivational workshops with partner organizations such as schools, nonprofits or at a library
- Enclose America Saves Week flier in statement envelopes
- Feature America Saves Week on Web site
- Put a link on Web site to America Saves Week
- Feature America Saves Week in advertising campaign
- Hold a press event promoting America Saves Week and institutional goals for increasing saving

More information on how to sign up and get involved is available at [www.americasavesweek.org](http://www.americasavesweek.org).



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## Data Breach-Related CU Cost Estimates Already Approaching \$30M, CUNA Study Shows

WASHINGTON – Credit unions have already incurred costs estimated to be in the range of \$25 million to \$30 million as a result of the Target stores data security breach, CUNA's survey has shown.

CUNA President/CEO Bill Cheney said that the actual costs could exceed this estimate in the coming weeks if greater fraud losses are incurred or those that have reported already add additional costs to their reported totals.

The results of the CUNA survey show that, on average, the Target breach has cost credit unions about \$5.10 per card affected. These costs most likely do not include any fraud losses, which are likely to occur later. Additionally, the cost/card figure is an average across all affected cards, not just cards that have been reissued.

"Contrary to what some may think, these expenses will not be reimbursed to credit unions and their members by Target or other retailers," Cheney said. "Rather, credit unions must solely cover these costs of card program administration, including in these circumstances of reacting to a merchant data breach. And, because of credit unions' cooperative structure, the costs of such breaches are ultimately borne entirely by credit union members," he added.

"Credit unions responding to the survey report having almost 18 million debit cards and just less than 1.5 million credit cards outstanding. These totals represent roughly a third of the estimated number of debit cards outstanding at all credit unions, and somewhat more than that of estimated outstanding credit cards," CUNA Chief

Economist Bill Hampel noted.

The CUNA survey asked credit unions affected by the Target data breach to outline the costs and burdens they have seen as a result. The breach resulted in the theft of 40 million debit and credit cards, and encrypted PIN data, and the names, mail and email addresses, and phone numbers of up to 70 million individuals.

The data will help in CUNA's and state league's conversations with lawmakers, regulators, the media, and others. There is no deadline for credit unions to respond to the survey, and credit unions that have not yet responded are encouraged to do so. Credit unions that have responded can also update their totals if new costs are incurred.

The survey is available [here](#).

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## NCUA Posts 2014 Regulation Review List

### ***Public Comments Welcome for Annual Assessment of One-Third of NCUA Rules***

ALEXANDRIA, Va. – The NCUA has posted a list of regulations it will review in 2014, and the agency is now accepting public comments on the substance and clarity of each rule.

“Credit unions and the products they offer are constantly evolving, and effective regulation must keep pace with a changing industry,” NCUA Board Chairman Debbie Matz said. “We review one-third of NCUA’s regulations each year to make sure our standards are timely and appropriate. At the heart of my Regulatory Modernization Initiative is the commitment to modifying, streamlining, refining, or repealing rules that are not required by statute and would not jeopardize safety and soundness of the industry. These reviews are a critical part of this initiative, and I encourage all interested parties to participate.”

Regulations under review in 2014 include rules governing records preservation, loans in areas having special flood hazards, Bank Secrecy Act compliance, and tort claims against the government. The complete list of rules is available [here](#).

Credit unions and other public stakeholders may now submit comments about the rules under review. NCUA must receive comments by Aug. 4 through email or standard mail.

Email to [OGCMail@NCUA.gov](mailto:OGCMail@NCUA.gov) with the subject line “Regulatory Review 2014”

Mail to Regulatory Review 2014, Office of General Counsel, NCUA, 1775 Duke Street, Alexandria, VA 22314-3428

This round completes a full review of all NCUA regulations. NCUA’s Office of General Counsel will continue to review one-third of NCUA’s existing regulations on a rolling basis each year.

NCUA publishes a regulatory agenda in the Federal Register each spring and fall in voluntary compliance with Executive Order 12866.



## Discuss 2013 Lending Stats and Look Ahead at Trends for 2014 at Next Week's Roundtable

HIGHTSTOWN, N.J. – How did credit unions as a whole fare in 2013 with loans? What was the lending climate for loans at your credit union and what techniques, campaigns, etc. did you employ to get loans on the books?



Come share your experiences and brainstorm with your peers at NJCUL's Lending Roundtable session **next Tuesday, January 28th**.

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](mailto: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](mailto: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.*



## Cheney Goes Live on Bloomberg Radio to Emphasize Data Breach Costs to CUs

WASHINGTON – Credit unions and their members—not the retailers—will end up paying the costs for data security breaches such as those recently at Target and Neiman Marcus, CUNA President/CEO Bill Cheney emphasized Tuesday during a live appearance on a nationally broadcast Bloomberg Radio program.

Appearing on "The Hays Advantage" with host Kathleen Hays, Cheney told the national radio audience that, contrary to popular understanding, the expenses for reissuing cards are not and will not

be reimbursed by Target. Rather, he noted, merchants are rarely held accountable for reimbursing financial institutions for the cost that the data breach has burdened them with and, in the case of credit unions, burdened their members.

Cheney noted that last week in Target's own admission of the breach, no commitment was made to avoid leaving card issuers, such as credit unions, responsible for costs of dealing with the breach. He said merchants must be held accountable for these security breakdowns.

Cheney added that CUNA and credit unions are asking Congress to address the lack of retailer accountability, and are supportive of legislation to replace various state-based data protection laws with one federal standard.

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## Latest CUNA Regulatory Advocacy Report Available

WASHINGTON – This week's CUNA Regulatory 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:

- [Court Hears Interchange Appeal and Credit Union Concerns](#)
- [CUNA Urges Major Changes in NCUA Strategy and Strategic Plan](#)
- [NCUA's January Board Meeting](#)
- [Letter to Credit Unions Announcing Fines for Late Call Reports](#)
- [CUNA Seeks Your Comments on Mortgage Closing Process](#)
- [CUNA Comments to NACHA on Risk, Enforcement, and Network Quality Proposed Rules](#)
- [Deadline for U.S. Treasury Bank Secrecy Act Advisory Group Nomination Approaching](#)
- [CUNA Regulatory Advocacy Resource Chart](#)

Read the full report: [CUNA Regulatory Advocacy Report: January 21, 2014.](#)

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## What Could Come Next in Interchange Case

WASHINGTON – CUNA General Counsel Eric Richard noted last week the discussion by a trio of appellate judges Friday in the ongoing debit interchange fee cap case presented many positives for credit unions. However, Richard reminds credit unions there are a range of possibilities for how the court could proceed.

The U.S. Court of Appeals heard oral arguments from CUNA, the Federal Reserve and a merchants' coalition in the case known as NACS, et al. v. Board of Governors of the Federal Reserve System.

Comments by the judges at that time raised real questions about whether they will fall in line with a lower court ruling that sought to overturn the Federal Reserve's debit interchange fee cap regulations. However, their possible action options include: reversing the case and sending it back to the U.S. District Court for further consideration; forcing the Federal Reserve to revisit the interchange cap rule; or affirming the lower court's July decision that struck down the rule.

The appellate judges last week seemed to indicate they would take a close look at the decision to strike down the Fed's interchange rules, which was stayed pending the appeal.

This closer look could potentially result in more costs being taken into account in the setting of interchange fees than the ruling in U.S. District Court would allow, Richard said.

The case was brought by a merchants' coalition in 2012, seeking to overturn the Fed's debit interchange fee cap regulations. The judges last week heard oral arguments from the Fed, a coalition of financial services groups, including CUNA, and merchants.

The appeals court will rule on the case before its term ends in August, though a decision could come as soon as this spring.

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

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

February 12 -- [NJ READ Meeting](#)

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

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

February 23 - March 1 -- [America Saves Week](#)

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 10 -- [Reality Fair at Barringer High School](#)

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

May 29 -- Greater Alliance Federal Credit Union's 31st Annual Golf Outing

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...



A box of money? Or is it? Randall Rosenthal created this illusion that will blow your mind. [Check out the full story here.](#)

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