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February 11th, 2014

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CFPB Restructure Bill a 'Step in the Right Direction', CUNA Says

WASHINGTON – A bill that would change the CFPB leadership structure and make some operational changes is a step in the right direction, CUNA said in a Monday letter to Congress.

The Consumer Financial Protection Safety and Soundness Improvement Act of 2013 (H.R. 3193) would help to assure credit unions—and other entities—already subject to considerable regulation are not unnecessarily burdened, CUNA President/CEO Bill Cheney said in the letter to Speaker of the House John Boehner and House Democratic Leader Nancy Pelosi sent in anticipation of a vote this week on the bill.

"Credit unions remain among the most highly regulated entities in the financial services sector. While the CFPB has taken several steps to solicit feedback regarding the impact of its regulations on credit unions, the fact remains that regulatory burden has continued to increase in the two and a half years since the bureau" launched, Cheney wrote.

Cheney said credit unions are disappointed the CFPB has not used the full authority granted to it in the Dodd-Frank Act to exempt certain types of institutions from some regulations. "The CFPB's rules should target the abusers of consumers and encourage credit unions to provide services to their members, but that is not what has happened during the first few years of the CFPB's history," he wrote.

The letter offered the remittance rule and mortgage rules as examples: "When the remittance rule was finalized, several credit unions stopped offering the service to their members. And we expect some credit unions to reduce credit availability to borrowers who may not qualify for qualified mortgages under the CFPB mortgage rules," he wrote.

"How exactly are consumers being better protected when the regulations promulgated by the CFPB reduce availability of and access to these financial services offered by not-for-profit cooperative

Consumer Education Registry
Advocacy report Available
) Credit Unions, Mark Your
Calendars



Are You Ready to Get Real???

Don't miss out on the one and only hard-hitting conference taking on all the issues that you need to know about. Join us March 10-12th at Harrah's Resort in Atlantic City for CU Reality Check 2014!

Check out www.curealitycheck.com for more information and to register! Please keep in mind that the deadline to secure a hotel room at the reduced rate is Feb. 20th.

Upcoming Events:

February 18, 2014
VirtualCorps Webinar:
Affordable Care Act:
Employee Benefit Issues
and Marketing
Opportunities; Training and

access to these financial services offered by not-for-profit cooperative credit unions?" Cheney asked.

H.R. 3193 would, among other things, restructure CFPB leadership from a single director to a five-member pane and require the CFPB to take into consideration the impact of its rules on insured depository institutions.

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

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See Our Creative You Teams in Action at CU Reality Check!

ATLANTIC CITY, N.J. – Our five Creative You teams will show off their innovative ideas at the 2014 CU Reality Check next month!

At a special Creative You session on Monday, March 10th from 3:00 – 4:30 p.m., the Creative You teams will each give a presentation in



front of the panel of judges, which include Filene's Mollie Bell, chief engagement officer; Andrew Downin, innovation director; and Tansley Stearns, impact director. These three Filene leaders will watch each presentation, take in feedback from the audience (who may pose questions), and will ultimately choose which team they

would like work with as a mentor.

Everyone is invited to observe the teams in action! You can support your favorite team, get to know other innovators in the industry, and all-in-all, get involved in the Creative You program! Join us from 3:00 – 4:30 p.m. on Monday, March 10th in Ballroom A/B at Reality Check!

More information on the Creative You program is available at www.njcul.org/creative-you.aspx. More information on the Reality Check Conference is available at www.curealitycheck.com. Please note; The hotel reservation deadline for the conference is Feb. 20th. Make your reservations ASAP!



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CUs Prepping ATMs for April 8 Microsoft XP Sunset

Education to Members
3:00 pm to 4:00 pm
[More Information Click Here](#)

February 20, 2014
Compliance Update &
Roundtable: 10 Fraud Areas
Affecting Credit Unions
Location: NJCUL and via
Video Conference
10:00 am to 3:00 pm
[More Information Click Here](#)

February 20, 2014
Webinar: Expanding Your
Required IT Risk
Assessment Program
3:00 pm to 4:30 pm
[More Information Click Here](#)

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CANTON, Ohio – As the April 8 sunset of Windows XP draws near, credit unions are evaluating their ATM fleets for operating system upgrades or machine replacements.

The U.S. has about 420,000 ATMs, and about 95% of those ATMs will be affected by the need to upgrade to Windows 7, according to Dean Stewart, senior director of product management, Diebold. "I've not encountered anyone who doesn't know about it," he told CUNA News Now.

Microsoft is discontinuing support for XP, meaning it will no longer provide regular security patches or technical assistance and support. If credit unions don't upgrade ATMs, they face potential problems such as degradation in product and service delivery, application incompatibilities, and increased chances of data theft, according to a statement from the Federal Financial Institutions Examination Council.

Older machines don't have the hardware that can support the newer, faster software so some financial institutions will replace some or all of their ATM fleets, he said. "There certainly is a large flurry globally as well as the U.S. for upgrades.

"It's part of your capital plan—evaluate your needs, review your fleet, determine your investment. Credit unions should approach it as any other compliance issue," Stewart added.

The fear of hackers, malware and other security threats is understandable, credit unions also need to be aware of Payment Card Industry (PCI) Security Standards Council compliance.

"If you are a financial institution, you really want to put this on your to-do list for 2014," Diebold CEO Andy Mattes told *American Banker* (Jan. 30). "The bad guys won't show up the next morning, but with every month that passes, risk will increase," he added.

XP has been the operating system for most ATMs since 2003, but by upgrading to Windows 7, financial institutions also can set the stage for opportunities. Europay, MasterCard and Visa (EMV) adoption is just around the corner in 2015. Contactless near-field-communication (NFC) transactions and multi-touchscreen technologies are in the wings, Stewart said.

"A lot of people are looking at adding EMV at the same time as the Windows 7 upgrade," he said, adding that even if they aren't implementing EMV right away, their ATMs will be ready when they are.

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Get Involved with America Saves Week!

Opportunity to Connect with Existing Members, Attract New Members, and Take Part in a National Movement!

America Saves Week, 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.

Each year, hundreds of financial institutions use America Saves Week to attract new members, offer incentivized accounts to help people save, increase account balances, and educate individuals on the importance of saving. Check out the free resources below to help your members save and [sign up to participate in this nationwide movement today](#).

Credit Unions Can Benefit By:

- Attracting new members
- Increasing account balances
- Encouraging customers to save automatically through direct deposit
- Sign up customers and members as America Savers to help support their ambition to save through an embeddable pledge form on your Web site, which can track your impact in the community.
- Potentially receive free media coverage through [proclamations](#) and [press releases](#)

We're celebrating here at the League with a Retirement Fair for all staff! To keep with the ASW theme, the NJCUL staff will take part in a Retirement Fair, a new program developed by the National Credit Union Foundation's REAL Solutions Program in cooperation with CUNA Mutual Group to assist credit unions in helping their members better prepare for retirement. We'll be learning how to prep for retirement while getting trained in the Retirement Fair program at the same time!

For more ideas on how to get involved, click [here](#).



ELS Speaker Gene Marks Outlines 7 Ways to Protect Your Business from a Data Breach in *Forbes*

HIGHTSTOWN, N.J. – In the wake of recent data breaches at large retailers, columnist, author, and small business owner Gene Marks outlines seven ways to protect your business from getting hacked on *Forbes.com*.

Target and Neiman Marcus, to name a few, are “some of the largest, most well



known companies and government organizations in the world who supposedly specialize in technology,” Marks points out. And they couldn’t even protect themselves. Small businesses are even more vulnerable.

Why? Because, according to Marks, they are accepting and storing more credit card and social security numbers now more than ever, accepting online and mobile payments, sending out and receiving fewer checks and transacting more virtually, etc.

So how do you protect against this? There are ways. For example:

- You should always make sure your customer data is stored in an encrypted database.
- You should have multi-levels of passwords to access any database storing customer information and change these passwords frequently.
- You should periodically and regularly run background checks on employees handling customer data.
- You should make sure to have malware detection software running on both your servers (hosted or not) and workstations and ensure that your firewalls are up and secure.

For the final three ways to protect your business, and to view the article in its entirety, click [here](#).

Marks, who will speak at the April 8th Executive Leadership Series (ELS) session, is a regular contributor to *The New York Times*, *Forbes*, *The Huffington Post*, *Philadelphia Magazine*, *Inc. Magazine*, and *FOX Business*. At the ELS session, he will discuss events in Washington shaping business owners’ decisions, resources best allocated to take advantage of the opportunities in the world of mobile for growing businesses, and much more.

Click [here](#) for more information on this session, to register, and for the [full brochure](#).

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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CO-OP ATM Visual Control Upgrade
Enhances Remote Maintenance of ATMs

Enhances Remote Maintenance of ATMs

New Remote Manager Function Helps Credit Unions Maximize ATM Uptime

RANCHO CUCAMONGA, Calif. – CO-OP ATM Visual Control is being upgraded to include Remote Manager, enabling remote maintenance performed by CO-OP Financial Services on behalf of client ATMs. The upgrade is in addition to remote control of marketing and operational content, previously available with CO-OP ATM Visual Control.

“There are very few things more crucial to an outstanding member experience than what your member sees at the ATM,” said Stan Hollen, President/CEO of CO-OP Financial Services. “The addition of Remote Manager to CO-OP ATM Visual Control not only enhances the member experience, but also helps give credit unions a comprehensive tool to help maximize uptime.”

The new Remote Manager feature provides the ability to remotely:

- Distribute customized screen branding and images that are part of the transactions themselves, and not just the introductory or concluding screens.
- Troubleshoot ATMs with the remote uploading of event and error logs.
- Acquire important ATM data such as application and operating system versions and configurations for all machines in the fleet.
- Remote ATM rebooting.

“CO-OP ATM Visual Control is a wonderful tool to keep our credit union’s message the same everywhere our members visit,” said Kathy DeGroot, Marketing and Technology Specialist for Newaygo County Service Employees Credit Union, Fremont, Michigan. “When members visit the ATM, they see the same design and message they see in-branch and on our Web site. The online visual control site is easy to navigate, and the best part is having remote control of what members see at our ATMs.”

Introduced in 2011, CO-OP ATM Visual Control provides multi-vendor device support to cost-effectively manage a credit union’s ATM fleet with one Web-based application. Credit unions can remotely manage marketing messages and simplify operations by remotely uploading electronic journal entries and monitoring activities via easy-to-use dashboard reports.

CO-OP ATM Visual Control with Remote Manager is available standalone or may be ordered as an add-on to CO-OP ATM Managed Services, CO-OP Financial Services’ comprehensive suite of services allowing credit unions to outsource the implementation and management of their ATMs.

CO-OP ATM Visual Control is powered by CO-OP business partner, TEKchand, LLC (www.tekchand.com) of Chicago, Ill.

For more information, visit www.co-opfs.org.

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Consumer Leader Warns of Peril in Banks' 'Protectionist' Call for CU Taxation, Call-to-Action Continues

WASHINGTON – State lawmakers should not heed bank calls to eliminate the nonprofit status of credit unions, American Consumer Institute Center for Citizen Research President Steve Pociask said in a blog post published in *The Hill* this week.

In his post, Pociask noted that some banks are asking state legislators to pass resolutions calling on the U.S. Congress to eliminate the nonprofit status of credit unions, "effectively imposing new taxes on the banks' smallest of rivals." Essentially, Pociask said, "'too big to fail' banks—those first to get in line for federal help and bailouts—are coming to a statehouse near you and pleading for government help to raise the cost of their ankle biter competitors." This ask, he said, "smacks of protectionism."

"If banks feel that credit unions have a competitive advantage, why don't banks simply become nonprofits or operate in a break-even fashion to avoid taxation? Furthermore, if banks chose to operate as a Subchapter S corporation, its investors and stockholders could avoid paying dividend taxes. The truth is that banks have chosen not to return its earnings to its customers, and that is its prerogative, but that activity is taxable by choice," he said.

Pociask contrasted credit unions' member-owned nonprofit structure with that of banks, which make profits that are taxable.

"Since credit unions plow its retained earnings back into its member-owned entities, there really are no real profits to tax. Instead, credit union members have their benefits taxed at their personal income tax rates. If credit unions are taxed upfront, as banks have suggested, the result would be double-taxation of credit union members," he wrote.

Further, taxing credit unions would harm consumers. Eliminating the nonprofit status of credit unions could cost consumers \$16 for every \$1 of taxes saved, he estimated.

"That would be a really bad deal for consumers, taxpayers and voters," Pociask wrote.

The nationwide [Don't Tax My Credit Union](#) grassroots campaign continues. CUNA and the NJCUL are encouraging credit union supporters to keep on [emailing](#) and [tweeting](#) their lawmakers even if they've done so already. It's all about the numbers at this point, according to NJCUL Director of Government Affairs Chris Abeel.

Pociask's post is available [here](#).

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GreenPath Contribution Sponsors New Incentives for National Youth Savings Challenge

MADISON, Wis. – This year's [National Youth Saving Challenge™](#) offers new incentives for youth to save the month of April. The prizes for youth and credit unions are made possible by a sponsorship from [GreenPath Debt Solutions](#), a nationwide, non-profit credit counseling organization. In conjunction with [National Credit Union Youth Week™](#), the National Youth Saving Challenge helps build long-lasting financial savvy and strong relationships between youth and their credit unions.

"Every day, we see adults struggling with debts and money management issues that could have been prevented by a spark of financial education at an early age," said Jane McNamara, President & CEO of GreenPath. "By helping credit unions reach a younger audience, we believe that we are not only setting each individual person up for a financially savvy life, but contributing to the prosperity of the nation's future."

GreenPath's contributions to the Saving Challenge include:

- Prizes for youth - increasing the number of cash prizes given to participating youth in 2014 from ages 10 to 25.
- Additional prizes for participating credit unions supporting this initiative.

"As part of the 2013 National Youth Saving Challenge, more than 117,000 young members deposited \$25.2 million into their savings accounts—with 6,173 of those being new accounts. With the sponsorship from Greenpath, we're aiming to attract even more young savers," said CUNA's Youth Week coordinator, Janet Garkey."

For more information about the National Youth Savings Challenge, available prizes for participating credit unions and how to get involved, visit cuna.org/youthweek.



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**National Credit Union
Youth Week™**

April 20-26, 2014

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New Fed Chair Set for First Report to Congress

WASHINGTON – This week, new Federal Reserve Chair Janet Yellen will report on monetary policy and the state of the U.S. economy for the first time since taking on board leadership early this month.

Yellen will appear before members of the U.S. Congress at two hearings: Today's House Financial Services Committee hearing titled "Monetary Policy and the State of the Economy," and a Thursday Senate Banking Committee hearing titled "Semiannual Monetary Policy Report to the Congress."

The House hearing will feature a second panel of academics. Yellen will be the sole speaker at the Senate hearing. Both monetary policy hearings are part of a series of regular semi-annual accountings to Congress.

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CUNA's Latest Regulatory Advocacy Report Available

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:

- CUNA's GAC Will Spotlight NCUA's Risk Based Capital Proposal
- CUNA Comments on Joint Diversity Standards Proposal
- CUNA Sends Comments to CFPB Concerning Mortgage Closing Process
- Update on CFPB's Data Collection Efforts
- Federal Reserve Banks "Payment System Improvement" Update
- Update on Current Accounting Issues
- President Obama Announces New Savings Vehicle
- NCUA to Host Town Hall Webinar
- CUNA Regulatory Advocacy Resource Chart

Read the full report: [CUNA Regulatory Advocacy Report: February 10, 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:

NJCUL Education

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

February 25 -- [Teller Training for Frontline Staff](#)

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

March 18 -- [Full-Day: Cross Selling from the Credit Report](#)

March 19 -- [Full-Day: ALM Update 2014](#)

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

Industry Events

February 18 -- [Northern Chapter Meeting: The NJ CU Foundation](#)

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 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 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 21 -- 4th Annual Garden Savings Federal Credit Union Golf Outing at Fiddler's Elbow Country Club

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

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

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