

Subject: The Daily Exchange -- February 18, 2014
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To: staff@njcul.org
Conversation: The Daily Exchange -- February 18, 2014

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February 18th, 2014

Today's News:

- › Target Breach Cost CUs, Community Banks More Than \$200M According to CUNA, CBA
- › Only a Few Days Left to Secure Hotel Rooms for Reality Check!!
- › CUNA Mutual Group Risk Alert: Improperly Requiring Fraud Affidavits
- › There's Still Time to Register for Tomorrow's Free Webinar on SaveAround's Affordable Options!
- › GAO Report Notes CUs Charge Lower Fees
- › Don't Miss this Thursday's Compliance Update and Roundtable; Two Session in One!
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- › CUNA Mutual Group's February 2014 CU Trends Report Available
- › Sollievo CUSO to Help CUs Improve and Manage Risk Position

Target Breach Cost CUs, Community Banks More Than \$200M According to CUNA, CBA

WASHINGTON – The cost of the Target data security breach has topped \$200 million for credit unions and Consumer Bankers Association (CBA) member banks combined, according to numbers released by CUNA and the CBA.

Last week, CUNA refreshed numbers from its survey that found the breach has cost credit unions \$30.6 million. CBA estimated its member banks have incurred more than \$172 million in costs because of the retail giant's data breach.

Credit unions and CBA members have replaced 21.8 million cards—more than half of the total of all compromised cards. During the holiday shopping season, the personal information of up to 70 million individuals was stolen along with 40 million debit and credit cards, Target has said.

"Credit unions have replaced or will replace 85% of their cards affected by the Target breach at no cost to their members," said CUNA President/CEO Bill Cheney. "The combined \$200 million cost borne entirely by (CBA) banks and credit unions shows the extent to which financial institutions will go to protect their members and customers."

CBA President/CEO Richard Hunt said, "Financial institutions of all sizes have been aggressive in ensuring their customers are protected in response to the Target data breach."

The \$200 million in combined costs does not include any costs associated with fraudulent activity, past or future.

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Only a Few Days Left to Secure Hotel

- › Latest CUNA Regulatory Advocacy Report Available
- › Credit Unions, Mark Your Calendars
- › Look! A Distraction...



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 20, 2014
Compliance Update & Roundtable: 10 Fraud Areas Affecting Credit Unions

Only a few Days Left to Secure Hotel Rooms for Reality Check!!

Hotel Reservation Deadline is this Thursday, Feb. 20th!

ATLANTIC CITY, N.J. – The hotel registration deadline for Credit Union Reality Check is this Thursday, **February 20, 2014**. Reservations made after the February 20th cut-off date are on a space availability basis at current hotel rack rate. Don't miss out on the reduced rate of \$49 per room per night (plus applicable taxes and fees) and make your reservations ASAP!

It's not too late to register for the conference! Be sure to join the action taking place 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.

Thank you to our sponsors who make Reality Check possible: Alloya Corporate FCU, Alpha Omega Laser, CO-OP Financial Services, *Credit Union Journal*, CUinsight, CUNA, CUNA Mutual Group, Federal Home Loan Bank of New York, Financial Services, Inc. (FSI), Invest in America, LendKey, Mid-Atlantic Corporate FCU, Symbionce, and UBS.



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CUNA Mutual Group Risk Alert: Improperly Requiring Fraud Affidavits

CUNA Mutual Group is aware of many credit unions that still require fraud affidavits for purposes of investigating and resolving unauthorized transactions under Regulation E and Regulation Z. The regulations do not allow a financial institution to impose this requirement, as it would impede member protection rights.

The limitation in requiring written notice from a consumer is further addressed in the Official Interpretations to Regulation E, section 1005.11(b)(1), comment 2: "Investigation pending receipt of information. While a financial institution may request a written, signed statement from the consumer relating to a notice of error, it may not delay initiating or completing an investigation pending receipt of the statement."

Location: NJCUL and via
Video Conference
10:00 am to 3:00 pm
[More Information Click Here](#)

February 25, 2014
Teller Training for Frontline
Staff

Location: NJCUL and via
Video Conference
10:00 am to 3:00 pm
[More Information Click Here](#)

February 26, 2014
Webinar: What is That
personal Tax Return Telling
Me? Part 2: Schedules E & F
3:00 pm to 4:00 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

Connect with Us:



Some payment systems might require written statements of unauthorized activity, such as for unauthorized ACH debits under the NACHA rules, or certain chargebacks under card association rules, but these requirements cannot impact your member's liability protection under the regulations. Unfortunately, this can create a dilemma for credit unions, where you are required to reimburse your members for unauthorized transactions, but may be limited in your efforts to recover the funds through returns or chargebacks.

Risk Mitigation Tips

Credit unions should review their procedures to ensure compliance with Regulation E's error resolution requirements. You can continue to ask for written notice, but you cannot hold or delay the completion of your investigation if written notice is not received. CUNA Mutual Group does not require credit unions to provide police reports or affidavits when submitting document for claims impacted by these regulations that are filed under the Bond or Plastic Card Policies. Make sure that your credit union is not using outdated forms or instructions that have any reference to these.

For more information and additional resources, visit the CUNA Mutual Group [Credit Union Protection Resource Library](#).

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There's Still Time to Register for Tomorrow's Free Webinar on SaveAround's Affordable Options!

Date: Wednesday, February 19, 2014

Start Time: 10:30 a.m.

Loyalty and rewards are a necessity in today's business environment! Do your members go elsewhere for mortgages, auto loans, home improvement loans, etc.? If so, why? Learn what hundreds of organizations already know.

Solutions that will be discussed during the Webinar:

- 1) Offer your members a BP cents-off-per-gallon fuel card for every loan application, new account opening, etc.
- 2) Offer a custom and affordable coupon book, for any size credit union, with thousands of dollars in savings at local, regional, and national merchants. The book will be branded with your CU logo and can contain any message.
- 3) Add value to your statement stuffers with BP cents-off-per-gallon codes to use at the pump or local, regional, and national merchant offers to make sure your message is saved and read.
- 4) Set up an online program that allows your members, exclusively, to print coupons redeemable at local merchants.

To learn more about these solutions and other options, please join us for this FREE Webinar.

Presenter: Dick Froiseth, Regional Sales Manager, SaveAround, dfroy@savearound.com, 607-624-3570

To Register: Contact John Hendery at jhendery@njcul.org, 800-792-8861 ext. 108. Log-in information will be sent to you prior to the Webinar.

Contacts for questions:

John Hendery, jhendery@njcul.org, 800-792-8861 ext. 108
Angel Santos, asantos@njcul.org, 800-792-8861 ext. 109



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GAO Report Notes CUs Charge Lower Fees

WASHINGTON – Credit unions generally charge lower rates and fees for their card services than do other financial institutions that offer such products to college students, a new U.S. Government Accountability Office (GAO) study has found.

The study, "College Debit Cards: Actions Needed to Address ATM Access, Student Choice, and Transparency", reviewed information on fees for similar checking accounts from large national banks and credit unions. The credit union information was drawn from CUNA's 2013-2014 Fees Report. CUNA was also interviewed by GAO for the report.

The GAO study found at least 852 schools, representing 11% of U.S. colleges and universities, had agreements to provide debit or prepaid card services to their students as of July 2013. Most of these agreements offered students the ability to receive federal student aid and other payments on a card, the GAO said.

The GAO found that "fees charged by college card providers generally were comparable with those for similar products provided by banks, although some college card fees were slightly higher than those of credit unions."

And, according to the report on college card providers, some college providers went significantly outside the bounds of regular fees: two large providers charged a fee for card purchases using a personal identification number rather than a signature. Mainstream debit cards typically do not charge this fee, the GAO said.

One card provider, Higher One, settled FDIC allegations that unfair and deceptive practices by the firm resulted in consumers paying higher fees. That settlement was reached in 2012.

Concerns noted in the GAO report include a lack of clear standards for what constitutes "convenient access" to surcharge-free ATMs or

bank branches for students receiving federal student aid payments.

Increased transparency for college card agreements could help ensure that the terms are fair and reasonable for students, and the agreements are free from conflicts of interest, the report added.

"Schools may have incentives to influence student choice because some receive payments from card providers based on the number of card accounts or transactions, leading some consumer advocates to question whether schools always act in their students' best interests," the report said.

CUNA regulatory staff said the GAO study could lead to future policy changes by financial regulators.

The full GAO report is available [here](#).

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Don't Miss this Thursday's Compliance Update and Roundtable; Two Sessions in One!

HIGHTSTOWN, N.J. – Join us for a two-for-one session! NJCUL's full-day "Compliance Update & Roundtable: 10 Fraud Areas Affecting Credit Unions" session on February 20th will provide a thorough examination of the effect of fraud and the risk that credit union leaders manage on a short and long-term basis.

The presentation, facilitated by CUNA Mutual Group's Carlos Molina and NJCUL's Nicola Foggie, will take an in-depth look at 10 tendering fraud areas affecting the credit union market place today.

BONUS: A Roundtable discussion will immediately follow the Fraud presentation.

We'll discuss potential loss scenarios, risk mitigation techniques, and industry trends for each of these areas. This should be a topical, interactive session addressing relevant, timely exposure areas for credit unions of all sizes.

This session is for all credit union leaders; CEOs, compliance professionals, human resources, IT/IS, risk management/security, operations...

This session is available "live" at the League or via video conferencing at Atlantic FCU and Members 1st of NJ FCU.

The cost to attend is \$209 per person for credit unions over \$150 million in assets, \$149 per person for credit unions \$50-\$150 million in assets, and \$69 per person for credit unions below \$50 million in assets. 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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Bay Atlantic FCU Raises \$650 for CMNH with Bake Sale

VINELAND, N.J. – Bay Atlantic FCU held a bake sale on Friday, February 14th with the proceeds designated for Children's Miracle Network Hospitals (CMNH). The credit union raised \$650!



Bay Atlantic FCU members checking out the delicious treats at Friday's bake sale for CMNH.

Bay Atlantic FCU plans to hold at least 2-3 more bake sales during the year in addition to their other activities for CMNH.

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CUNA Mutual Group's February 2014 CU Trends Report Available

CUNA Mutual Group released its February 2014 Credit Union Trends Report this week.

Highlights of the report, based on December 2013 year-end data, include:

- Record membership growth: The 2.8 million member increase

in 2013 is the highest ever; total CU membership is currently 98.7 million.

- Capital increase: Capital increased 4.7% in 2013 and is \$30 billion (37% above its April 2009 cyclical low).
- Loan growth: Loan growth finished 2013 at 6.8%, the highest annual increase since 2006.

For more highlights and the full report, please click [here](#).

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Sollievo CUSO to Helps CUs Improve and Manage Risk Position

Mid-Atlantic Corporate FCU Launches New Firm to Serve Risk Needs

MIDDLETOWN, Pa. – At a time when regulations continue to increase, credit unions need relief. In the recent January 2014 NCUA letter, it stated that the “NCUA will be working to ensure that credit unions identify and mitigate forward-looking risks.” Over the past several months Mid-Atlantic Corporate Federal Credit Union has been preparing and developing programs to assist the credit union movement with these ever-increasing challenges.

Mid-Atlantic Corporate is pleased to announce the launch of their CUSO, Sollievo, (pronunciation: sol'ljɛvo) to offer a comprehensive collection of risk-management products and services to credit unions nationwide.

“Sollievo is an Italian word that means relief,” said Lori Gall, President/CEO of the CUSO. “We hear from credit unions everyday about their struggle to keep up with regulatory demands. Our mission is to provide peace of mind and help them meet compliance obligations and improve the overall risk posture of their credit union.”

Gall will lead Sollievo with a team of individuals who possess nearly 90 years of combined credit union experience, as well important industry certifications such as certified information security professional, enterprise risk management expert, and business continuity professional.

“Lori and her team have the skill and knowledge to help guide credit unions through a difficult and ever-changing landscape,” said Jay Murray, President/CEO of Mid-Atlantic Corporate Federal Credit Union.

“Our plan is to offer comprehensive risk management services that credit unions can afford,” said Gall. “Sollievo is geared to help credit unions with their most complex issues.”

Sollievo will offer a complete array of affordable risk management products and services. Services include:

- Enterprise Risk Management
- Information Security Services

- Business Continuity
- Training and Consulting Services

Gall brings 27 years of credit union experience to her position as Sollievo's president/ CEO. She is a nationally recognized credit union executive who has held various leadership and volunteer positions within the credit union movement. Gall will continue in her roles as senior vice president, administration; compliance officer; and security officer for Mid-Atlantic Corporate Federal Credit Union.

To learn more, visit www.sollievo.com or call (855) 605-5664.

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Latest CUNA Regulatory Advocacy Report Available

This week's CUNA Regulatory Advocacy 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 Urges NCUA to Hold Hearings on Risk based Capital Proposal
- NCUA Will Not Charge Credit Unions TCCUSF Assessment this Year
- NIST Issues Final "Critical Infrastructure" Cybersecurity Framework
- NCUA Hosts Webinar with CFPB
- CFPB Announces HMDA Proposals Under Consideration
- CUNA Comments to Federal Reserve on Payment System Risk Policy and Related Reg J Changes
- Director Cordray and Financial Literacy Commission Discuss recent Efforts in the Area of Financial Literacy and Education
- CUNA Seeks Input from Credit Unions on Tax Refunds and IRS
- CUNA Regulatory Advocacy Resource Chart

Read the full report: [CUNA Regulatory Advocacy Report: February 17, 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 20 -- [Compliance Update & Roundtable: 10 Fraud Areas Affecting Credit Unions](#)

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

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 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 3 -- [10th Annual Playball for Miracles Softball Tournament Sponsored by Elizabeth NJ Firemen's FCU](#)

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

October 17 -- [International Credit Union Day](#)

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Look! A Distraction...

The 19 Types Of People You See At The Office

from [Buzzfeed](#)
(Come on, we all know at least one of these!)

13. The Messy Desker



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