

Subject: The Daily Exchange -- March 24, 2014
Date: Monday, March 24, 2014 12:06 PM
From: New Jersey Credit Union League <news@njcul.org>
To: staff@njcul.org
Conversation: The Daily Exchange -- March 24, 2014

Unsubscribe

To ensure that you continue receiving our emails, please add us to your address book or safe list.



The Daily Exchange

March 24th, 2014

Today's News:

- › RBC Comment Letter Workshop this Thursday at Bay Atlantic FCU, Register Today
- › New & Improved Project Zip Code Launched; Time to Update Your Numbers and Make Sure Your Members are Counted!
- › Only a Couple Days Left to Register for the April 1st Town Hall Meeting with CUNA President/CEO Bill Cheney
- › ATM Upgrades Needed by April 8th
- › AmazonSmile Foundation will Donate Extra \$5 for Each Customer that Shops in Support of the NJ CU Foundation Now Through March 31st
- › Learn How to Better Serve Low-Income Communities at the April 1st VirtualCorps Webinar on Using Your LID Effectively
- › Interchange Victory for CUs. Other Card Issuers

RBC Comment Letter Workshop this Thursday at Bay Atlantic FCU, Register Today

[Click here to register.](#)

The New Jersey Credit Union League is hosting a series of free comment letter-writing workshops addressing the NCUA's Risk-Based Capital (RBC) Proposal for credit union compliance staff or anyone involved in their credit union's comment letter writing process. This proposal has the potential to affect not only large credit unions, but also the entire industry, so all asset-sized credit unions are welcome to attend.

The next session will be held this **Thursday, March 27th** at Bay Atlantic FCU, located at 101 W. Elmer Road in Vineland, N.J. from 9:00 am – 12:00 pm. *Attendees are strongly encouraged to bring a wireless enabled laptop device to the workshop.*

During the first segment of the workshop, the League's Director of Compliance, Nicola Foggie, CUCE, BSACS, will provide participants with a broad view of the NCUA's RBC Proposal. Next, a walk through of the challenges the proposal poses to credit unions and the industry. For the remainder of the workshop, we will work with attendees on incorporating their credit unionss' thoughts and comments when writing their individual Risk-Based Capital Proposal letter to the agency.

Attendees can prepare for the workshop by clicking [here](#) to view CUNA's resources on "Understanding the Proposal", which includes a link to a short [educational video](#) on the proposal and comment letter writing process.

The last session of the series will take place in North Jersey; the date and location are listed below:

April 3

- › Grow. Invest in America.
- › GSE Limits Must Be Part of Total Reform Package, CUNA Urges
- › President Signs Flood Insurance Delays into Law
- › Credit Unions, Mark Your Calendars

4th Annual Credit Union Casino Night

brought to you by the NJ Credit Union Foundation



NJ Credit Union Foundation's Casino Night Friday, April 4th!

[Registration materials](#) for the NJ CU Foundation's 4th Annual Credit Union Casino Night are now available! The event will be held on Friday, April 4 from 6 p.m. to 11 p.m. at the Grand Marquis in Old Bridge, N.J.

The action-packed night will consist of a Texas Hold 'Em Tournament and will feature Craps, Roulette and Black Jack tables.

More information and registration materials for the

Greater Alliance FCU
40 West Century Road
Paramus, NJ 07652
9:00 am – 12:00 pm

To register today for a Workshop email mzelinsky@njcul.org. **Don't forget to bring your laptops!**

Click [here](#) for more Comment Letter Writing Tips.

[[BACK TO TOP](#)]

New & Improved Project Zip Code Launched; Time to Update Your Numbers and Make Sure Your Members are Counted!

Project Zip Code (PZC) is a powerful advocacy tool that enables the NJCUL to illustrate to our state's lawmakers in Trenton and on Capitol Hill the depth and breadth of their credit union constituency. CUNA has launched a new improved version, PZC 14.0.

The information is completely secure, and PZC is compliant with all state and federal privacy laws and regulations.

No personal information is ever transferred or shared.

Only the number of credit union members is transmitted to the PZC Web site. The master census that results demonstrates the strength of the credit union membership in individual state legislative and congressional districts, as well as across the nation.

Help us ensure our state and federal lawmakers understand just how many of their constituents are credit union members. Participation is available online, and takes just a few minutes.

It's recommended that PZC numbers be updated quarterly, but annually at a minimum.

To participate in PZC or update your credit union's numbers, visit the NJCUL's [PZC – Update Your Numbers Web page](#).

To learn more about PZC, including what the ABA thinks of it, and view a sample lawmaker report, visit the NJCUL's [PZC Web page](#).

Additional information and assistance is available from NJCUL Director of Government Affairs Chris Abeel at cabeel@njcul.org or 800-792-8861, ext. 127.

[[BACK TO TOP](#)]

Only a Couple Days Left to Register for the

NJCUF's 4th Annual Credit Union Casino Night are available [here](#).

Upcoming Events:

March 25, 2014
Webinar: Flood Insurance Compliance Update: Including New Biggert-Waters Rules
3:00 pm to 4:30 pm
[More Information Click Here](#)

March 27, 2014
Risk-Based Capital Proposal Comment Letter Workshop
Location: Bay Atlantic FCU
9:00 am to 12:00 pm
[More Information Click Here](#)

April 1, 2014
VirtualCorps Webinar: Understanding and Leveraging the Power of Your Low-Income Designation
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

April 1st Town Hall Meeting with CUNA President/CEO Bill Cheney

EAST WINDSOR, N.J. – New Jersey Credit Union League member credit unions are invited to a special town hall meeting with CUNA President/CEO Bill Cheney on Tuesday, April 1st. There is no cost to attend. Please register by contacting Mary Zelinsky at mzelinsky@njcul.org or 800-792-8861 ext. 100 by this Wednesday, March 26th.



The meeting will be an open forum. Topics to be discussed will include regulatory issues, such as the recent risk-based capital rule, and other issues facing the credit union industry.

The luncheon, which will be followed by the town hall meeting, will be held from 12 p.m. to 3 p.m. at the National Conference Center at the Holiday Inn at East Windsor.

[\[BACK TO TOP \]](#)

ATM Upgrade Needed by April 8th

You're probably tired of the reminder notices and news headlines at this point, but it bears repeating just the same: Microsoft will be ending its technical support of Windows XP on April 8, 2014. In a nutshell, this means that Microsoft will no longer be providing regular security patches, technical assistance, or support for the older operating system. ATM owners in particular will need to upgrade their machines to Windows 7 to ensure continued technical support for their terminals, and to remain compliant with Payment Card Industry (PCI) Data Security Standards.

The XP sunset doesn't mean that personal computers, ATMs and other devices will cease to operate on April 8 without an upgrade. However, the failure to upgrade will likely expose ATMs and other devices to increased security risks. And, it won't take hackers very long to exploit these vulnerabilities.

The Federal Financial Institution Examination Council (FFIEC) [advised institutions](#) last October to follow their risk-management processes to address the risk from continued use of XP, consistent with the risk management guidance contained in the [FFIEC Information Technology Examination Handbook](#), including:

- *Performing risk assessments:* Identify and measure the risk from the continued use of XP throughout the organization and at third parties, including business continuity and disaster recovery situations.
- *Selecting appropriate mitigations:* Consider costs and potential risks, including compatibility with other systems and applications, in selecting a mitigation strategy.
- *Conducting appropriate planning:* Develop an implementation plan addressing priorities for changes, ensuring appropriate

E-mail
info@njcul.org

Connect with Us:



change management procedures, and monitoring related third parties' mitigation and migration activities, as warranted.

- **Monitoring and reporting:** Monitor the risk mitigation implementation to ensure that the level of risk is acceptable. The effectiveness of controls should be tested periodically and results reported to senior management or a committee of the board of directors, as appropriate, to ensure risk continues to be managed.

In addition, credit unions should be ready to respond to member inquiries. Type in the terms "ATM" and "Windows XP" on any Internet search engine and you'll see a whole host of articles on the ATM upgrade issue. Headlines like, "Should you worry about your ATM using Windows XP?" and "ATM services may be affected as XP services end" may have your members wondering if they need to worry about the ATMs they're using. So, you'll need to be ready to answer questions if/when members start making XP-related inquiries.

CUNA has been in contact with strategic partners that have been educating credit union ATM owners on upcoming changes for the past year. So, your vendors should be able to address any questions you have regarding the XP sunset and/or the security of your ATMs. Also stay in touch with your bond carrier regarding any changes you make that may affect the security of your information systems.

Source: CUNA *CompBlog*, March 24, 2014

[\[BACK TO TOP \]](#)

AmazonSmile Foundation will Donate Extra \$5 for Each Customer that Shops in Support of the NJ CU Foundation Now Through March 31st

Click [Here](#) to Shop and Automatically Donate!

From now through March 31, 2014, the AmazonSmile Foundation will donate an extra \$5 for each customer who makes an eligible purchase

at smile.amazon.com in support of the New Jersey Credit Union Foundation.

This is in addition to the regular donation of 0.5% of the purchase price. Up to \$1,000,000 extra will be donated to eligible charities as a result of this promotion.

**NJ Credit Union
FOUNDATION**
Giving • Caring • Educating

Shop at AmazonSmile now through 3/31/14 and Amazon will donate an extra \$5 to New Jersey Credit Union

Foundation. Click on this link to get started: <http://smile.amazon.com/ch/34-1997302>.

Tens of millions of products on AmazonSmile are eligible for donations. You will see eligible products marked

amazonsmile
You shop. Amazon gives.

“Eligible for AmazonSmile donation” on their product detail pages.

This is great way to support the Foundation while doing your everyday shopping on Amazon!

You use the same account on Amazon.com and AmazonSmile. Your shopping cart, Wish List, wedding, or baby registry, and other account settings, are also the same.

[\[BACK TO TOP \]](#)

Learn How to Better Serve Low-Income Communities at the April 1st VirtualCorps Webinar on Using Your LID Effectively

‘Understanding and Leveraging the Power of Your LID’ First in a Four-Part Series on the LID and CDFI

VirtualCorps.com and the National Federation of Community Development Credit Unions (Federation) in conjunction with the NJCUL want to invite you to participate in a four-part Webinar series that helps to prepare CUs for the Low Income Designation (LID), Community Development Certification (CDFI), and the CDFI grant award session that CUs submit for usually in October.

Are you an LID but don’t know what it really does for you? Are you interested in moving forward with a CDFI certification in hopes of applying for a grant? Are you serving low-income markets and don't have either designation but may think that you could be eligible?

The first Webinar “Understanding and Leveraging the Power of Your Low Income Designation (LID)” will take place April 1st at 3pm EST. Learn about how the LID provides effective regulatory tools as well as access to external resources to increase institutional capacity and fuel future growth in emerging markets.

Join us to learn how to use these tools more effectively and hear about best practices in serving low-income communities at the April 1st VirtualCorps Webinar.

Please join VirtualCorps.com and the following presenters:

- Pablo DeFilippi, VP Membership Business Development, National Federation of CDCU’s
- Richard Cooper, CEO of Mendo Lake CU
- NCUA Rep: TBD

To register online, click [here](#). To register and pay by check, send an email to Mary Zelinsky at mzelinsky@nicul.org.

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.





• Education • Development • Growth • Essentials •

[[BACK TO TOP](#)]

Interchange Victory for CUs, Other Card Issuers

WASHINGTON – Calling it "truly a victory for credit unions and a rebuke to the merchants," CUNA welcomed a federal appeals court ruling Friday that upheld the Federal Reserve's debit interchange regulation.

A three-judge panel of the U.S. Court unanimously reversed an earlier decision of U.S. District Judge Richard Leon, issued in July, that the Fed interchange rules violated the plain text of the Durbin Amendment to the Dodd-Frank Act.

By superseding Leon's opinion, this newest ruling removes the chaos and confusion caused when Leon vacated the Fed rule and then issued a stay so the rule remained in place until the appeals process was completed.

In this case (NACS, et al. v. Board of Governors of the Federal Reserve System) a merchants' coalition challenged the Fed's implementation of a Dodd-Frank Act-imposed debit interchange cap as too high. CUNA and its partner members of The Clearing House coalition maintain that the cap, in fact, is too restrictive.

"The district court granted summary judgment to the merchants, concluding that the rules violate the statute's plain language. We disagree," the three circuit court judges penned in their opinion.

"Applying traditional tools of statutory interpretation, we hold that the (Federal Reserve) Board's rules generally rest on reasonable constructions of the statute, though we remand one minor issue—the Board's treatment of so-called transactions-monitoring costs—to the Board for further explanation," they continued.

CUNA General Counsel Eric Richard explained of the judges' opinion, "This decision constitutes an almost total rejection of the merchants' arguments.

"We hope this will be a first step toward restoring some grounding in reality to the debate over interchange fees, not only in the courts, but also in Congress and at the regulatory agencies."

On Friday, the National Retail Federation said it is disappointed in the decision, and said it is weighing an appeal to the U.S. Supreme Court.

At this point, the merchants have a few options. First, they could do nothing, almost certainly ending the case. Or they could ask the D.C. Circuit to review the case "en banc," which would ask all members of that court to decide whether they want to re-hear the case. Or they

could appeal to the Supreme Court.

CUNA will continue to monitor the case, and should a Supreme Court review move forward, will alert credit unions.

[\[BACK TO TOP \]](#)

Grow. Invest in America.

Is your credit union looking for a new and effective way to grow its core services? The membership enhancement program Invest in America can help with its exclusive member discounts:

- Increase auto loans and member loyalty with the Credit Union Member Discount from GM.
- Enhance member value with discounts from Sprint, TurboTax, and Dell
- Earn non-interest income from opportunities through the Sprint. Credit Union Member Discount and Credit Union Auto Club
- Increase debit/credit card usage by offering discounts from Shop America and other Invest in America partners

Some 2013 Invest in America results:

- Over three million credit union members have saved money
- More than 532,000 U.S. vehicles have been sold
- 46 leagues and nearly 3,500 credit unions are participating
- Members have saved over \$272 million with Sprint.

Discover for yourself how Invest in America can help grow revenue, loan volume and debit/credit card usage for your credit union. Plus, we have the support team and free marketing materials to help make it all happen.

Call 800.262.6285, email info@cusolutionsgroup.com or visit LoveMyCreditUnion.org to learn more.

[\[BACK TO TOP \]](#)

GSE Limits Must Be Part of Total Reform Package, CUNA Urges

WASHINGTON – Housing finance reforms must be considered in a comprehensive way, not broken out as piecemeal changes, CUNA warns in a comment letter to the Federal Housing Finance Authority (FHFA).

Last year, that agency proposed a plan that could gradually reduce maximum loan limits by more than 4% for loans eligible to be purchased by Fannie Mae or Freddie Mac.

"Any legislation to reform the housing finance system will establish a system that may last for decades," CUNA President/CEO Bill Cheney wrote to FHFA Director Mel Watt, a former member of Congress. "And Congress should have the opportunity to address loan limits as part of

a comprehensive package...We recommend that FHFA not take any action on loan limits as conservator of the [government-sponsored enterprises] until Congress first acts."

The government-sponsored enterprises (GSEs) are of crucial importance to credit unions that sell and service mortgage loans. In 2012, credit unions originated \$123 billion of first mortgages, or about 6.5% of the total mortgage origination market. Although credit unions traditionally are portfolio lenders, the number of credit union loans sold has almost doubled from 2009 to present, to an average of 52%.

Cheney wrote that CUNA believes the new housing finance system should apply a reasonable conforming loan limit that adequately takes into consideration local real estate costs in higher cost areas.

Under the plan, the current statutory maximum loan limit for one-unit properties would decline from \$417,000 to \$400,000. The FHFA said the loan purchase limit would be reduced by the same percentage in other parts of the country, including high-cost areas in the contiguous states where current limits are set at \$625,500. Those loan purchase limits would be set at \$600,000, according to the FHFA.

The CUNA leader went on to say that it is "an open question" as to whether FHFA even has the legal authority to lower loan limits without a statutory change.

"In section 1124 of the Housing and Economic Recovery Act of 2008 (HERA), Congress modified the charter acts for the GSEs to set forth a requirement that loan limits be adjusted annually to reflect housing prices. However, in setting \$417,000 as the baseline for single-family residences, Congress required that loan limits not be adjusted downward."

Comments were due March 20.

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

[\[BACK TO TOP \]](#)

President Signs Flood Insurance Delays into Law

WASHINGTON – President Obama has signed The Homeowner Flood Insurance Affordability Act into law.

The new law delays the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012.

Biggert-Waters extended the National Flood Insurance Program's (NFIP) authority through Sept. 2017, and mandated major flood insurance reforms, including phasing out subsidies for many properties and raising the cap on annual premium increases.

This new law delays increases in NFIP premiums until the Federal Emergency Management Agency (FEMA) puts in place a plan to ensure they are implemented affordably. It reinstates lower rates for grandfathered properties, which were repealed by Biggert-Waters, and extends the effective date of pending flood insurance escrow rules to Jan. 1, 2016, from July 6, 2014.

The law also clarifies that escrow requirements would apply to loans closed on or after the new effective date, and that certain loans would not be subject to the escrow requirements, such as second liens if proper coverage is in place in connection with the first lien, HELOCs, commercial loans secured by a residence, and more.

NCUA and federal banking regulators were in middle of writing rules to implement certain sections of Biggert-Waters when the bill, upon which the new law is based, passed the House and Senate. The regulators now need to amend the proposed regulations to address the escrow changes.

In case you missed it, click [here](#) for CUNA's *CompBlog* post on flood insurance posted last week.

[\[BACK TO TOP \]](#)

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

March 26 -- [Collections Roundtable: Successes, Challenges & When to Litigate](#)

March 27 -- [Risk-Based Capital Proposal Comment Letter Workshop at Bay Atlantic FCU](#)

April 1 -- [VirtualCorps Webinar: Understanding and Leveraging the Power of Your Low Income Designation](#)

April 3 -- [Risk-Based Capital Proposal Comment Letter Workshop at Greater Alliance FCU](#)

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

April 8 -- [VirtualCorps Webinar: Risk Based Pricing: Using Statistically Derived & Validated Risk Based Loans](#)

April 11 -- [Digital Marketing Conference: Technology, Trends, Tactics & Tools](#)

Industry Events

March 25 -- [Southern Chapter Meeting: How To Keep Your CU Out of Court](#)

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

April 1 -- [Special Town Hall Meeting with CUNA President/CEO Bill Cheney](#)

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

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

April 8 -- [Global Woman's Leadership Network Meeting Hosted by Affinity FCU](#)

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

May 9 -- [Reality Fair at Shawnee High School](#)

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

May 22 -- [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 15th -- Picatinny Federal Credit Union's 16th Annual Golf Outing to Benefit the Captain Sean P. Grimes Scholarship Fund at the Picatinny Golf Club

September 20 -- [Renaissance Community Development Credit Union's 7th Annual Bike-A-Thon](#)

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

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

[\[BACK TO TOP \]](#)

This message was sent to staff@njcul.org from:

New Jersey Credit Union League | 299 Ward Street | Hightstown, NJ 08520

Email Marketing by
 iContact

[try it free](#)

[Manage Your Subscription](#) | [Forward To a Friend](#)