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The Daily Exchange

April 14th, 2014

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NJCUL Chair McFadden Featured as Access to Capital Panelist at Senator Booker's Women's Small Business Forum

NEW BRUNSWICK, N.J. – U.S. Sen. Cory Booker (D-NJ) Friday hosted a forum at Rutgers University for women small business owners to highlight public and private sector resources available to help entrepreneurs and to discuss solutions for common challenges to small business creation, growth, and stability.

The event included a panel discussion as well as breakout sessions.



NJCUL Director of Government Affairs Chris Abeel with Sen. Cory Booker and NJCUL Chairman Linda McFadden.

Some 200 women business owners at every point of development from the newly created to established companies attended. State representatives, officials from the Small Business Administration and its resource partners, as well as lenders of varying sizes, were in attendance to guide meaningful discussion and answer questions

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Registration materials for the NJCUL's 26th Annual Golf Tournament are now available! Registration is on a first-come, first-serve basis, so register today!

There are many sponsorship options for vendors to choose from to support the NJCUL's golf tournament and gain exposure among credit union professionals. Click [here](#) to view sponsorship information.

during the panel and the breakout sessions. Speakers addressed access to capital and governmental contracting opportunities, among other topics.

At the invitation of Sen. Booker, NJCUL Chairman and XCEL FCU President/CEO Linda McFadden was a panelist for the Access to Capital breakout session.



McFadden (center) speaking on the Access to Capital panel.

That panel's moderator, Director of the Small Business Development Center at Rutgers University Elayne McClaine, noted that "credit unions are a good place to start on the road to becoming bankable." McFadden added that's because credit unions treat everyone on a one-to-one, individual basis.

This was the second in a series of small business forums Sen. Booker is hosting across the state to marshal governmental and private sector resources to address issues and concerns of N.J. small business owners so that they are better equipped to expand their businesses and increase employment in the Garden State. The first forum was held March 14 in Camden.

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CUs Assure Members in Face of Heartbleed Security Flaw, FFIEC Threat Guidance

MADISON, Wis. – When the Heartbleed security flaw made news early last week, credit unions moved swiftly to inform members of the steps they had taken to protect their online banking credentials.

The Heartbleed bug—a flaw in the Open Secure Socket Layer (OpenSSL) technology used to establish secure links between servers and users—exposed millions of usernames, passwords and other information. Undetected for more than two years, the bug affects two-thirds of encrypted Web sites.

Many credit unions reassured members via email or on their Web sites if their online systems did not use OpenSSL, if their third-party providers were up-to-date, or if they had taken the appropriate measures to secure their sites. Additionally, credit unions shared tips with their members to make their Internet use safer, encouraging them to check the security of other sites they use and to be proactive in

Upcoming Events:

April 15, 2014

Webinar: Mobile Device Risks & Compliance Rules: Managing Your Credit Union's BYOD & COPE Policies

3:00 pm to 4:00 pm

[More Information Click Here](#)

April 16, 2014

Webinar: Responding to Official Demands for member Funds: Subpoenas, Garnishments, Summonses & Levies

3:00 pm to 4:30 pm

[More Information Click Here](#)

April 17, 2014

Webinar: Examination Findings of the CFPB

3:00 pm to 4:30 pm

[More Information Click Here](#)

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password and virus protection.

Curtis Sutton, First Class American CU, Fort Worth, Texas, said it's important that credit unions make sure their anti-virus software is up-to-date and that they have intrusion detection on their network (*Leaguer*, April 10). The IT/network manager at the \$45 million-asset credit union also said firewalls need to be up-to-date, and security certificates must be current and valid.

CUNA Mutual Group distributed a Risk Alert to its bond policyholders advising the following risk-mitigation steps:

- Credit unions should take immediate steps to identify all critical systems that may be impacted by the Heartbleed security flaw. Security patches made available by vendors should be installed immediately.
- If the online banking server is impacted, credit unions should notify members to change their username and password after the vulnerability has been patched.
- Notify members to closely monitor their accounts and to alert the credit union immediately if unauthorized transactions are detected.

The Federal Financial Institutions Examination Council (FFIEC) announced Thursday that it expects financial institutions to incorporate patches on systems and services, applications and appliances using OpenSSL and upgrade systems as soon as possible to address the Heartbleed vulnerability.

Specifically, FFIEC pointed to replacing private keys and X.509 encryption certificates after applying the patch for each service that uses OpenSSL. It also suggested requiring users and administrators to change passwords after applying the patch.

For more news and resources click [here](#).

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Accomplished Women Recognized Through North Jersey FCU 1st Annual Women History Makers 'Women Make a Difference'

TOTOWA, N.J. – North Jersey Federal Credit Union has recognized four extraordinary women who make a difference during its 1st Annual Women History Makers social media program. Throughout the month of March, facts, information, and special recognition were posted on North Jersey Federal social media, including Facebook and Twitter. The intent was to raise awareness about women who, through their careers, have made an extraordinary impact on many people throughout the greater North Jersey area.

About the Women History Makers

Camelia M. Valdes, ESQ. made history in the State of New Jersey on May 16, 2009, when Governor Jon S. Corzine nominated Valdes as



the Passaic County Prosecutor. Upon confirmation by the Legislature, she became the first Latina county prosecutor in the State of New Jersey, the first woman prosecutor in Passaic County, and the first lead prosecutor of Dominican ancestry in the United States.



Pictured left to right: Pamela M. Powell, Principal, JFK High School, Paterson; Lourdes Cortez, President/CEO, North Jersey Federal Credit Union; and Ruth E Lugo, PhD, Dean of the Audrey Cohen School for Human Services and Education Metropolitan College of New York. Cortez presented Powell and Lugo certificates recognizing their accomplishments as women who have made a difference during North Jersey Federal 1st Annual Women History Makers program.

Ruth E Lugo, PhD is an accomplished educator at Metropolitan College of New York, where she is the Dean of the Audrey Cohen School for Human Services and Education. Lugo, a Newark resident, is credited for serving as the lead in the development of the Master of Science in Mathematics, the General Education Curriculum, and a Master of Science in Childhood Education programs, opening access to new educational opportunities for a diverse urban student population.



Ruth E Lugo, PhD, Dean of the Audrey Cohen School for Human Services and Education Metropolitan College of New York was presented a certificate of recognition.

Pamela M. Powell lead the team to plan and open a student-run credit

union at JFK High School, located in Paterson, New Jersey. Powell grew up in the Paterson Public School system, earned a Bachelor of Science degree in Business Management from Southern University in Baton Rouge, Louisiana, received a Master's Degree in Educational Leadership from Montclair State, and a Master of Divinity from New York Theological Seminary.

Dr. Kathleen M. Waldron is the seventh president of William Paterson University in Wayne, one of the largest public universities in New Jersey with more than 11,000 undergraduate and graduate students and over 250 academic programs. A leader in science, business, nursing, teacher education, and music, the university has a vibrant sustainability program marked by one of the largest solar panel installations in the Northeast; and boasts a record number of Fulbright Fellows among its distinguished faculty.

For more information about "Women History Makers ~ Women Who Make A Difference", please visit <https://njfcu.org/news-and-blog/honoring-women-history-makers/>.

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NCUA: Central Liquidity Facility Assets, Membership Growing

ALEXANDRIA, Va. – The Central Liquidity Facility's financial performance showed overall positive trends in the first quarter of 2014, and its stock dividend rate increased to 0.25 percent, NCUA announced Friday.

"It's most encouraging to see the CLF performing well," NCUA Board Chairman Debbie Matz said. "The CLF is a reliable source of emergency liquidity, which is important to the stability of the credit union system. The 69 percent increase in credit union participation during the last year has also resulted in more CLF borrowing capacity to meet emergency liquidity needs."

Financial data for the first quarter of 2014 show:

- CLF membership grew to 218 credit unions, up from 129 at the end of the first quarter of 2013.
- Assets reached \$180 million, up from \$115 million at the end of the first quarter of 2013.
- Retained earnings reached \$27.8 million, up from \$27.4 million at the end of the first quarter of 2013.
- Maximum legal borrowing authority grew to \$3.8 billion, up from \$2.4 billion at the end of the first quarter of 2013.

The 0.25 percent stock dividend rate for the CLF is a significant change from the 0.10 percent rate paid quarterly since the fourth quarter of 2012. CLF management expects moderate growth in both membership and portfolio earnings during 2014, with a strong likelihood the 0.25 percent rate will continue.

The CLF's steady growth in membership and assets has enabled it to expand its earnings base and borrowing capacity, increase retained earnings and pay the higher dividend rate.

The NCUA Board approved a targeted final rule at its October 2013 meeting requiring federally insured credit unions to take specific steps to ensure access to a source of emergency liquidity. As of March 31, 2014, credit unions with assets greater than \$250 million must have established access to at least one contingent federal liquidity source, either the CLF or the Federal Reserve's Discount Window, or both. Credit unions with assets between \$50 million and \$250 million must have a contingency funding plan for meeting emergency liquidity needs, and credit unions with assets of less than \$50 million must have a policy for managing liquidity.

The [Central Liquidity Facility](#) is a mixed-ownership government corporation created to support credit unions' stability by serving as a source of emergency liquidity for credit unions experiencing unusual or unexpected liquidity needs.

Member credit unions own the CLF, which exists within NCUA. The President of the CLF manages the facility under the oversight of NCUA's Board. CLF membership is voluntary and open to all credit unions that purchase a prescribed amount of CLF stock.

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XCEL FCU Announces Merger with Franklin - St. John's Church CU

BLOOMFIELD, NJ. – XCEL FCU (Bloomfield) announced it has completed a merger with Franklin – St. John's Credit Union (Newark). XCEL FCU will maintain a presence at Franklin – St. John's Church.

Linda McFadden, President/CEO of XCEL FCU, added, "It's a very good strategic fit as we look to strengthen our long-term viability in Newark. And XCEL offers many more services than Franklin – St. John's did, so their members are benefitting, too. It's a very good synergy."

XCEL FCU will be holding their annual meeting and Board election on June 19th at the Meadowlands Plaza Hotel, which will give all the members a chance to meet and mingle.

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Learn the Truth About Collections and Bankruptcy

Full-Day Session on May 13th will Provide Knowledge Needed to Remedy Situations & Protect CU Assets

HIGHTSTOWN, N.J. – In this ever-increasing litigious society and current state of the economy, credit unions are experiencing increased collections activity and an increase in bankruptcy filings. NJCUL's full-day session "The Truth About Collections and Bankruptcy" on May 13th will provide the knowledge needed to remedy situations and protect the credit union's assets. Credit union attorney Michael DuPont will provide information to aid in both the collection and bankruptcy processes and highlight the areas of

potential recovery for credit unions.

WHAT YOU WILL LEARN

- Current trends in the Bankruptcy Courts and an overview of Chapters 7, 11 and 13
- Appropriate action for Cram Downs in Chapter 13s of mortgages and/or Auto Loans
- The Real Estate and Foreclosure Process and its impact on your Credit Union
- How to improve your Credit Union's success of Collection and Recovery in Bankruptcy Cases
- Use of Proofs of Claim
- Setoff and the Administrative Hold
- Use of Cross-Collateralization
- Payroll Deductions in Bankruptcy Cases
- Use of Reaffirmation Agreements
- The Automatic Stay
- Non-dischargeability/Substantial Abuse Issues

Join us either "live" at the League or via video conferencing at Atlantic FCU or Members 1st of NJ FCU for this 10 a.m. to 2 p.m. session, which will include lunch.

The cost to attend is \$209 per person for credit unions \$150 million in assets and above, \$149 per person for credit unions \$50-\$150 million in assets, and \$69 per person for credit unions under \$50 million in assets. A 50% discount is available for all CUs under \$10 million in assets. Contact Mary Zelinsky at mzelinsky@njcul.org or 800-792-8861 ext. 100 for details.

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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CUNA at White House Meeting on Housing Reform

WASHINGTON – "Access to mortgage credit in the current market" was the topic Thursday of the White House's latest in a series of stakeholders' meetings held to discuss housing finance policy issues.

The stakeholders' sessions have been held as the Senate Banking Committee prepares to consider the Johnson-Crapo housing finance reform bill on April 29.

CUNA officials and staff attended the meeting at which the Johnson-Crapo bill was discussed, as were mortgage down payment requirements, Federal Housing Administration (FHA) fees, the FHA Homeowners Armed With Knowledge (HAWK) initiative, which seeks ways to embed housing counseling into FHA mortgage origination and servicing, and the Federal Housing Finance Agency development of a common securitization platform on behalf of the government-sponsored housing enterprises.

FHA Commissioner Carol Galante was in attendance. CUNA was represented by General Counsel Eric Richard, Deputy General Counsel Mary Dunn, and Assistant General Counsel for Special Projects Robin Cook.

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NJ CU Foundation Accepting Grant Apps for Technical Assistance Related to the Discontinuation of Windows XP

Deadline for Applications is April 30th

HIGHTSTOWN, N.J. – The New Jersey Credit Union Foundation often provides financial assistance to New Jersey credit unions faced with regulatory changes that affect their technological infrastructure. Most notably the Foundation provided technical assistance grants for equipment related to remote deposit capture. Many New Jersey credit unions benefited from funds related to this initiative and were able to continue serving members effectively and efficiently.

Credit unions, and many other businesses, are currently faced with the discontinuation of Windows XP. Many credit unions are operating with an older system that cannot handle the upgrade to Windows 7 or Windows 8. Many will not be able to complete regular member services due to this change.

Due to this change, the New Jersey Credit Union Foundation will now be accepting applications for technical assistance grants as part of its XP Sunset Grant Program. This program looks to help credit unions under \$25 million in assets, in good financial standing, upgrade their equipment in order to continue serving their members. Grant applications will be accepted until April 30, 2014.

Similar to the Foundation's Remote Deposit Capture Grant Program, all grant applications will be reviewed and available dollars will be disbursed evenly to all eligible credit union applicants.

[Grant applications for the program can be found here.](#) Questions and submissions should be sent to Foundation Executive Director Candice Nigro at cnigro@njcul.org or 609-448-2426 ext. 110.

In an effort to provide as many grants as possible to credit unions in New Jersey, the Foundation is also asking for financial support, or donated equipment from all credit unions. If you would like to

donated equipment, from all credit unions. If you would like to contribute in any way, please contact Candice Nigro at the information above.

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Relief Measure for CUs, Community Banks Proposed

WASHINGTON – A Republican senator from Indiana introduced a bill Thursday intended to give credit unions and community banks some relief from "crippling financial regulations" enacted in the wake of the 2008 financial crisis.

Sen. Dan Coats said his bill would modify the way in which the CFPB requests information from financial institutions with less than \$10 billion in assets. The CFPB would be required to use publicly available information or seek the requested information from existing banking regulators.

CUNA supports the legislation.

In announcing his bill, Coats noted that credit unions and community banks are paying a price of burdensome regulation for mistakes made by players on Wall Street. Credit unions and community banks "did not cause the financial crisis, but they are being treated as if they did by federal bureaucrats," he admonished.

The Coats bill also would allow a financial institution's prudential regulator to deny any request for information from the CFPB, and would allow the CFPB to request only institution-specific information rather than industry-wide information.

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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

May 6 -- [VirtualCorps Webinar: CafeGive Leveraging Social Media and Community Programs to Increase Your Member Base and Build Brand Preference](#)

May 13 -- [Full-Day: The Truth About Collections & Bankruptcy](#)

May 14 -- [Full-Day: Management Session: Becoming a World Class "Member Centric" Service Credit Union](#)

May 14 -- [NJ DNA Meeting at Credit Union of New Jersey](#)

May 15 -- [Full-Day: Staff Session: Becoming a World Class "Member Centric" Service Credit Union](#)

Industry Events

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 15 -- [North-Central Chapter Meeting: NCUA's Risk Based Capital and Attracting & Retaining TOP Talent at Your Credit Union](#)

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

June 6 -- [Credit Union of New Jersey Foundation Coach/Cash Bingo in Support of the Ewing Community Disaster](#)

June 17 -- [South-Central Chapter Meeting: Enterprise Risk Management](#)

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](#)

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