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Conversation: The Daily Exchange -- April 29, 2014

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The Collaborative Connection: Raising the Bar on Partnerships

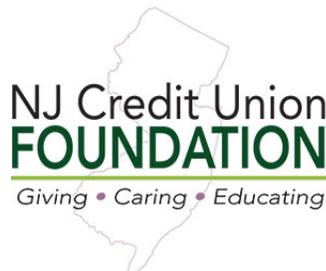
By: Greg Michlig, President/CEO

As I was reviewing the most recent [PSG Newsletter](#), I reflected on the many conversations I've had with both credit union leaders and executives of the various business entities we work with here in New Jersey since my arrival nearly one year ago. These types of conversations aren't new to me. Of the 19 years I've spent in the credit union movement, 100% of them have involved interaction with or employment as a supplier to credit unions. I have sat across the desk from credit union CEOs and executives hundreds of times, discussing value proposition, service level expectations, corporate philosophy, and impact on the bottom line. Those discussions have been extremely valuable in shaping my perception of the business environment in and around the movement...[More](#)

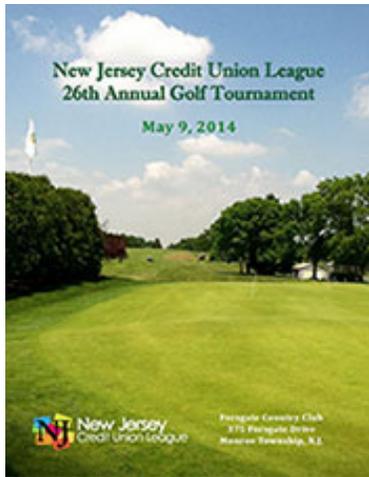
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TOMORROW: Deadline to Apply for XP Sunset Grant from the NJCUF

HIGHTSTOWN, N.J. – New Jersey credit unions have until close of business tomorrow, April 30th to send in grant applications to the New Jersey Credit Union Foundation for technical assistance grants as part of the Foundation's 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.



Similar to the Foundation's Remote Deposit Capture Grant Program, all grant applications will be reviewed and available dollars will be disbursed



Register Today for NJCUL's 26th Annual Golf Tournament on May 9th!

Download the registration materials for the NJCUL's 26th Annual Golf Tournament [here](#). 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.

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@nicul.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 contribute in any way, please contact Candice Nigro at the information above.

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Data Breach Bill 'Held' Before Senate Commerce Committee Consideration

TRENTON, N.J. – NJCUL-supported data breach legislation was held by the sponsor prior to its scheduled consideration by the Senate Commerce Committee yesterday.

The bill would prohibit the retaining or storing of card magnetic-stripe data after an authorization has been received other than the account number, expiration date, and name contained on the credit card.

The bill also provides that a business or public entity will be liable to a card issuer for the costs incurred in protecting a customer's personal information or providing financial services to that customer as a result of a breach of security, including the cancellation or re-issuance of cards, the closure of any accounts, and any action to stop payments or block transactions with respect to a customer's account, the opening or re-opening of new accounts and any fraud loss-related refunds or credits.

Sponsored by Sen. Shirley Turner (D-15) and Assembly Speaker Vincent Prieto (D-32), the legislation (S965; A1239) has drawn strong opposition, particularly by the NJ Retail Merchants Association.

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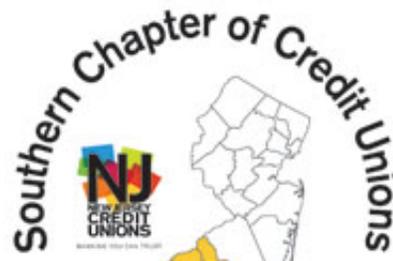
Southern Chapter to Hold Elections at May 20th Meeting

**Hear from CMNH's Lisa Rabbitt & Jersey Shore FCU
President/CEO Virginia Williams on Collaboration**

EAST VINELAND, N.J. – Join the Southern Chapter on Tuesday, May 20th for a dinner meeting, during which elections will be held.

Also, you'll hear from Lisa Rabbitt from Children's Miracle Network Hospitals (CMNH) and Jersey Shore FCU President/CEO Virginia Williams on the Credit Union Collaboration Group.

Cocktails begin at 6 p.m. with the dinner and meeting at 6:30 p.m.



Upcoming Events:

May 6, 2014

Webinar: Call Reports:
Interpreting the Most
Recent Changes

3:00 pm to 4:30 pm

[More Information Click Here](#)

May 7, 2014

Webinar: Complex ACH
Challenges for RDFIs:
Exceptions, Errors & More

3:00 pm to 4:30 pm

[More Information Click Here](#)

May 13, 2014

Full-Day: The Truth About
Collections & Bankruptcy
Location: NJCUL and via
Video Conference

10:00 am to 2:00 pm

[More Information Click Here](#)

Contact Us:

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Driving directions

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info@njcul.org

Connect with Us:



See the [registration form](#) for dinner options and costs.



For more information and the [registration form](#), click [here](#).

The registration deadline is May 15th.

Chapter meetings are not limited to credit unions in that chapter only. All meetings are open to any NJCUL member credit union, regardless of their chapter affiliation. Please feel free to attend any chapter meeting to mix and mingle!

More Chapter information as well as the dates of all upcoming Chapter meetings is available on the League Web site at www.njcul.org/chapters.aspx.

Please note: Only New Jersey Credit Union League preferred vendors are able to attend New Jersey Credit Union League Chapter events and meetings.

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Motley Fool Article Points Readers in the Direction of CUs

With many of the nation's banks disappointing their customers, whether through high fees, poor lending availability, or bad service reputations, it's clear that the big banks are losing some ground, says a recent [article](#) posted by *Motley Fool*.

As if these "cons" about banks weren't enough, the article goes on to list "pros" of joining a community credit union: credit unions' not-for-profit model where members are the beneficiaries of any fiduciary gains, great rates, the credit union difference—the philosophy of "people helping people", their "holistic" approach to reviewing an individual's circumstances (which allows them to give "extra member service to someone who may not fit a rigid set of numbers such as a credit score"), and how credit unions "keep it simple".

CUs "help members avoid difficult requirements and restrictions frequently experienced by even the most basic accounts at a megabank," *Motley Fool* said. Credit unions continue to offer free checking as well.

The article is available in its entirety [here](#).

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With Collection Activity & Bankruptcies on the Rise, Learn How to Protect Your CU's Assets

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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CFPB Starting a Pilot Program for E-Mortgage Closing

WASHINGTON – At the CFPB Mortgage Closing Forum held last week, CFPB Director Richard Cordray announced plans for an e-closing pilot program and released guidelines in efforts to improve the electronic closing process to make it less costly and more efficient for the consumer.

The Bureau's Blog lists four major pain points that were identified in comments submitted by consumers to the Bureau.

- Insufficient time to review documents
- Overwhelming stacks of paperwork
- Documents are hard to understand
- Errors in documents that often lead to delays

Use the links below for more information:

- [CFPB Report Highlights Pain Points for Consumers in Mortgage Closing Process](#)
- [Bureau Blog: Take more control over the mortgage closing process with technology](#)
- [Director Cordray's Remarks at Mortgage Closing Forum](#)

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Senate Banking Committee to Consider Housing Finance Reform Amendments Today, OKs McWatters Nomination

WASHINGTON – Important CUNA-backed changes were included in the draft manager's amendment to the Johnson-Crapo Housing Finance Reform bill prior to the vote that is scheduled to begin this afternoon. The Senate Banking Committee is expected to vote on numerous amendments to the legislation's provisions, so many that the votes could extend over the next two days.

Mark-up of this legislation is one of the most significant activities to take place in the Banking Committee since the Dodd-Frank Act, according to CUNA. Lawmakers will be using the amendment process to continue to build strong bipartisan support while trying to ensure that any changes do not undermine the intent of the legislation, CUNA added.

CUNA, as part of a coalition with NAFCU and the Independent Community Bankers of America, sent a recent letter to key lawmakers seeking changes to the draft bill. In part, the changes would address the bill's regulatory burden on credit unions and community banks, ensure that a viable housing finance market remains accessible to credit unions and other smaller institutions, and give credit unions and community banks representation in governance of the new federal entities envisioned under the proposal.

The April 11 letter was addressed to Senate Banking Committee Chairman Tim Johnson (D-S.D.) and ranking member Mike Crapo (R-Idaho), the chief sponsors of the housing finance reform bill.

The Senate bill proposes to replace government-sponsored enterprises Freddie Mac and Fannie Mae with a single agency that would be supported by the housing industry. It would also set stricter underwriting standards for new mortgage loans and reduce taxpayer exposure to housing market busts.

CUNA, along with other major financial trades groups, backed an expected amendment Monday regarding the new proposed agency, the Federal Mortgage Insurance Corporation (FMIC). CUNA expressed concern that, as proposed, the FMIC would "create yet another prudential regulator with sweeping authority over the primary and secondary mortgage markets."

CUNA warned that would result in unnecessary complications for financial institutions, consumers, and the broader mortgage market, and backed a bipartisan amendment to improve the FMIC governance structure.

CUNA also joined the effort by another broad coalition to defuse a threat posed by a new eminent domain scheme. CUNA is backing an amendment that would ban any municipality from using its eminent domain power to acquire performing but underwater mortgage loans held by private-label mortgage-backed securities and then refinancing the loans through programs administered by the Federal Housing Administration. CUNA and the coalition said such a maneuver could devastate investor confidence in the country's mortgage markets.

In addition to the manager's amendment circulated to CUNA and other stakeholder over last weekend, there are several dozen more amendments that could be offered during the markup process creating what CUNA believes is a "very fluid situation."

Given the scope of the legislation and volume of possible amendments, it is possible that the mark-up could well extend into Wednesday.

The bill is expected to clear the committee, with only the vote margin in question.

First thing this morning the committee voted to send the nomination of J. Mark McWatters to the NCUA board to the Senate Floor for confirmation.

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Heartbleed, DDoS Risks Covered in Cybersecurity Newsletter

WASHINGTON – New details on the OpenSSL Heartbleed vulnerability and distributed denial of service (DDoS) attacks, as well as resources to help credit unions and others deal with these threats, are provided in the April edition of the Financial Services Sector Coordinating Council for Critical Infrastructure's industry newsletter.

Items covered in the publication include:

- The release of the National Institute of Standards and Technology cybersecurity framework;
- Federal Financial Institution Examination Council warnings on the risks of cyber-attacks on ATMs and card authorization systems;
- The creation of the Critical Infrastructure Cyber Community C3 Voluntary Program; and
- The U.S. Senate Committee on Commerce, Science, and Transportation's report on the 2013 Target data breach.

The newsletter is available [here](#).

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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 13 -- [VirtualCorps Webinar: Branding the Experience](#)

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

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

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

Industry Events

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 6 -- [CO-OP Financial Services Webinar](#)

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

May 12 - 14 -- [Federal Reserve Bank of Philadelphia's Reinventing](#)

[Older Communities: Bridging Growth & Opportunities](#)

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 20 -- [Southern Chapter Meeting: Elections to be Held](#)

May 21 -- [Reality Fair at Shawnee 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 17 -- [NCUA Chairman Listening Session: Regions I & II in Alexandria, Va.](#)

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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