

**Subject:** The Daily Exchange -- July 16, 2014  
**Date:** Wednesday, July 16, 2014 11:03 AM  
**From:** New Jersey Credit Union League <news@njcul.org>  
**Reply-To:** news@njcul.org  
**To:** staff@njcul.org  
**Conversation:** The Daily Exchange -- July 16, 2014

Unsubscribe

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



July 16th, 2014

Today's News:

- › 180 Reg Changes Since '08 Impose High Costs for CUs, CUNA Testifies
- › Convention Corner: Central Park will Get You Out of Your Seats!
- › CUNA Represented at Today's Pew Debate on USPS Financial Services Plan
- › Free Home Equity Webinar with MemberClose July 31
- › CUNA Mutual Group's July 2014 Credit Union Trends Report Available
- › CFO Roundtable on August 5th to Take on Recent and Upcoming Changes to GAAP Reporting
- › Additional Delivery Methods Needed for Privacy Notices, CUNA Writes CFPB
- › CUNA, World Council Letter Precedes Passage of FATCA Amendment
- › Mid-Atlantic Corporate to Hold its Fourth Annual IT

### 180 Reg Changes Since '08 Impose High Costs for CUs, CUNA Testifies

WASHINGTON – CUNA made its case on the costly effect of regulatory burden on credit unions before the House Financial Services subcommittee on financial institutions and consumer credit Tuesday. Doug Fecher, president/CEO of \$2.8 billion-asset Wright-Patt CU, Beavercreek, Ohio, testified before the subcommittee on behalf of CUNA.

The hearing was a look at nine different bills aimed at regulatory relief. Having last testified before the House Committee on Oversight and Government Reform on financial regulation and its effect on access to credit two years ago, Fecher underscored the message he delivered then.

"Credit unions face a crisis of creeping complexity with respect to regulatory burden. It's not just one new law or revised regulation that challenges credit unions, but the cumulative effect of all regulatory changes," he said. "The frequency with which new and revised regulations have been promulgated in recent years and the complexity of these requirements is staggering."

Since 2008, CUNA estimates that more than 180 regulatory changes from at least 15 different federal agencies have affected credit unions. He said the costs to credit unions in terms of time and money diverts resources from member services.

CUNA commented on five bills and three legislative drafts that would have direct relief on credit unions' regulatory burdens.

For more on Tuesday's House Financial Services subcommittee on financial institutions and consumer credit hearing, click [here](#).

The NJCUL Compliance Center offers a Shared Compliance Program



› Hold Its Court: Annual  
 and Security Conference  
 › Cybercrime a Top Target  
 for New Head of Justice  
 Crime Division  
 › Credit Unions, Mark Your  
 Calendars



**NJCUL is  
 Collecting  
 80 Examples of  
 “Banking You Can  
 Trust” in Honor of  
 its 80th  
 Anniversary!**

We’re asking our member  
 credit unions to provide us  
 with examples of how they  
 have provided “Banking  
 You Can Trust” this year.

Send your credit union’s  
 examples of “Banking You  
 Can Trust” to the League at  
[news@njcul.org](mailto:news@njcul.org). Photos are  
 strongly encouraged! We’ll  
 be featuring all of these  
 great stories and photos at  
 our 80th Annual Meeting  
 and Convention September  
 21-23, 2014 at the Trump Taj  
 Mahal in Atlantic City, N.J.

that provides affordable services that  
 help you reduce the cost of  
 compliance and lower the risk of  
 violations. Click [here](#) for more  
 information on the program and [here](#)  
 for a brochure.



NJCUL is also offering member credit  
 unions ComplySight, a new  
 compliance solution from CU  
 Solutions Group and  
 League InfoSight, makes it possible  
 to track, measure, and report  
 compliance activities in a single  
 application, assisting in the organization’s overall communication,  
 supporting a state of continual readiness for audits, and providing  
 regulatory updates essential to maintaining credit union compliance.  
 For more information, visit [www.njcul.org/complysight.aspx](http://www.njcul.org/complysight.aspx).



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

**Convention Corner: Central Park will Get  
 You Out of Your Seats!**

***Early Bird Deadline for Convention  
 Registration is July 18th!***

ATLANTIC CITY, N.J. – Our Monday night entertainment will have  
 you singing and dancing along to all the hits! The 10-piece party  
 dance band “Central Park” is known for their style, class, and years of  
 experience creating excitement and energy on the dance floor.



There is no greater thrill than to dance and sing along as the band  
 goes from The Temptations to Rihanna to Frank Sinatra to Pitbull.

## Upcoming Events:

July 26, 2014  
NCUA OSCUI Small CU 2014  
Newark Boot Camp  
Location: Newark, NJ  
7:45 am to 4:00 pm  
[More Information Click Here](#)

July 29, 2014  
Webinar: CSteps to SAFE  
Ace Registration, Renewal  
& Compliance for Mortgage  
Loan Originators  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

July 30, 2014  
Webinar: Real Estate  
Lending Series: Avoiding  
HMDA Reporting Mistakes  
3:00 pm to 4:30 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](mailto:info@njcul.org)

## Connect with Us:

"There is no generation shift on the Dance Floor".

They'll be playing for ALL the guests!

Click [here](#) for more information on the band!

As we celebrate our 80th anniversary, dance along to tunes that span decades!

Join us at our 80th Annual Meeting & Convention September 21, 2014 through September 23, 2014 at the Trump Taj Mahal in Atlantic City, NJ.



More information and registration is available on our Convention Web site [www.njcuconvention.com](http://www.njcuconvention.com).

**There is an early bird discount available to those who register prior to July 18th. Just enter the promotional code "EARLYBIRD" when registering.**

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

## CUNA Represented at Today's Pew Debate on USPS Financial Services Plan

WASHINGTON – Whether the U.S. Postal Service (USPS) should offer financial services to low-income communities will be debated during today's Pew Charitable Trusts conference: "Financial Services and the Post Office." Ryan Donovan, CUNA's senior vice president for legislative affairs, will be on a panel that will explore the implications of such a proposal.

The idea of the USPS providing non-bank financial services came up in January as the subject of a white paper published by the Office of the Inspector General of the Postal Service. The paper claimed that "the Postal Service is well positioned to provide non-bank financial services to those whose needs are not being met by the traditional financial sector."

CUNA expressed strong reservations about the proposal when it was unveiled in January. General Counsel Eric Richard said some credit unions would be happy to explore possible creative partnerships with USPS or anyone else who can help bring financial services to more people at less cost.

"To the extent that the goal here is more profit for USPS, there could be some problems," he said. "The field of financial services is already extremely crowded and competitive, and credit unions already provide a cooperative, not-for-profit alternative that benefits consumers, including many who would otherwise be unbanked. This is not an area in which there is a lot of low-hanging fruit that others have not picked."

Sen. Elizabeth Warren (D-Mass.), Rep. Darrell Issa (R-Calif.), and Tom Davis, former congressman and past chair of the House Oversight and Government Reform Committee, will speak during the



Overnight and Government Reform Committee, will speak during the conference, as well as David Williams, inspector general of the USPS, and Ruth Goldway, chair of the USPS Regulatory Commission.

In addition to the panel on providing financial services to the underserved, there will be panels on economics, operations, and efficiency and a presentation of the findings from two Pew national surveys on consumer attitudes toward postal banking and the proximity of post offices to the underbanked.

The panel discussion will be streamed live and available [here](#).

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

---

## Free Home Equity Webinar with MemberClose July 31

Loans are a hot topic throughout the credit union industry these days. Credit unions are often looking for opportunities to effectively grow their loan portfolios without spending a ton of money doing it.

Over 200 credit unions have chosen MemberClose, a for-credit unions-only business to help save on the time it takes and the money it cost to process all types of home equity loans.

Join us for a webinar on **July 31 at 10:00 am** where we will review the MemberClose program benefits (**including no sign-up or implementation fees or monthly minimums**) and how MemberClose can help your credit union save time and money.

The July 31 webinar will cover:

- An overview of MemberClose program benefits
- A review of MemberClose's single-point dashboard and a platform that enables credit unions to securely order:
  - Credit Reports
  - Flood Certifications
  - Automated Valuation Models (AVMs)
  - Gap Appraisals
  - Full Appraisals
  - Title Reports
  - Title Insurance
  - Compliant Loan Documents
  - Closing Services
  - e-Recording Services
  - And More!
- ***The new Loan Guarantee Program (LGP) which allows credit unions to lend up to 100% Loan-to-Value with no additional risk.***

To join the webinar, please email your interest to [memberclose@cucenter.org](mailto:memberclose@cucenter.org). Instructions for joining the webinar will be emailed to you prior to the date of the webinar.

To learn more about MemberClose, visit [www.memberclose.com](http://www.memberclose.com) or

contact NJCUL Business Consultant John Hendery at [jhendery@njcul.org](mailto:jhendery@njcul.org) or 800-692-8861 ext. 108.



[ [BACK TO TOP](#) ]

## CUNA Mutual Group's July 2014 Credit Union Trends Report Available

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

Highlights of the report, based on May 2014 data, include:

- Credit union lending is growing at a pace not seen since before the Great Recession.
- CU membership reached 99.9 million, with expectations of crossing the 100 million milestone in June.
- More capital and better loan quality is encouraging many lenders to ease credit standards and in turn boost loan growth.

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

[ [BACK TO TOP](#) ]

## CFO Roundtable on August 5th to Take on Recent and Upcoming Changes to GAAP Reporting

HIGHTSTOWN, N.J. – NJCUL's August 5th CFO Roundtable is designed for the CFO and/or senior management and will focus on the proper GAAP reporting and tax reporting for foreclosure, recent changes in GAAP, upcoming changes in GAAP, and proposed GAAP.



This session, lead by CPA Bob Fouratt, will also include a briefing on the current proposal and some of its more onerous requirements at this stage.

This session is being offered "live" at the League and via video conferencing at Atlantic FCU and Members1st of NJ FCU.

Join us for the cost of just \$25 from 10 a.m. to 12:30 p.m.

To register and pay by check, send an email to Mary Zelinsky at [mzelinsky@njcul.org](mailto:mzelinsky@njcul.org) and your credit union will be invoiced. To register and pay online through the NJCUL Web site, click [here](#).

and pay online through the NJCUL web site, click [here](#).

A 50% discount is available for all member CUs under 10 million in assets. Contact Mary Zelinsky for details.

*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 •

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

## Additional Delivery Methods Needed for Privacy Notices, CUNA Writes CFPB

WASHINGTON – CUNA has submitted a comment letter to the CFPB regarding its proposed amendment to the Annual Privacy Notice Requirement (Regulation P), saying the change would significantly reduce the costs to credit unions of providing the annual notices.

The proposal would allow financial institutions that do not engage in certain types of information sharing to stop mailing an annual disclosure as long as certain alternative delivery requirements are met.

"At the same time, the proposal would have a minimal impact on consumers who would have access to privacy disclosures through the proposed alternative delivery method," CUNA's letter reads. "As a result, the proposal would add efficiency to financial institutions' process of providing annual privacy notices to consumers without decreasing consumers' access to such disclosures."

The alternative delivery method includes notifying consumers of the availability of the annual privacy notice, then providing consumers with the notice through a Web site or a toll-free phone number that consumers can call to request the mailing of a hard copy of the notice.

CUNA has requested several changes to the alternative delivery method to make it more cost-effective for small financial institutions. Most notably, CUNA questions the need for a dedicated toll-free number.

"If a financial institution has a toll-free number in place, then it should be able to use the existing number to meet the alternative delivery requirement," the letter reads. "We also suggest that the agency look at alternatives to the toll-free number for small institutions that do not already have a toll-free number. Many small credit unions operate in geographically restricted areas. These credit unions often do not have toll-free numbers due to the expense involved in procuring one, and because the credit union's members are contained in such a small area."

While CUNA supports the intent of the proposal, the comment letter

suggests several changes, most notably that the CFPB allow for all privacy notices to be delivered via the alternate delivery methods for all financial institutions that use the Regulation P model form.

According to a recent CUNA survey of credit union members regarding the receipt of privacy notices, of the 79% of people who recall receiving an annual privacy notice, 10% disposed of the notice without opening it, 15% opened it without reading, 53% skimmed it quickly and only 22% reported reading the notice in its entirety.

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

---

## **CUNA, World Council Letter Precedes Passage of FATCA Amendment**

WASHINGTON – An amendment that transfers \$1 million to the IRS Inspector General's office for an economic study of the newly implemented Foreign Account Tax Compliance Act (FATCA) passed the House of Representatives by a voice vote Monday evening, hours after CUNA and the World Council of Credit Unions submitted a letter to U.S. Rep. Bill Posey (R-Fla.).

Posey's amendment to the Financial Services and General Government Appropriations Act of 2015 (H.R. 5016) would transfer the funding from the IRS enforcement division.

"We believe this study is necessary given the complexity of implementing FATCA, the complex rulemaking that has taken place, and the myriad unintended consequences of the law on U.S. financial institutions and U.S. citizens living abroad," says the letter signed by CUNA interim President/CEO Bill Hampel and World Council President/CEO Brian Branch.

FATCA created a tax information reporting and withholding system for certain payments made to financial institutions. The 2010 FATCA statute passed by Congress requires foreign financial institutions to register with the IRS and detect taxable activity by U.S. citizens in foreign countries.

The IRS FATCA regulation also requires U.S.-based financial institutions to conduct due diligence and tax withholding on international funds transfers. This requirement is not present in the FATCA statute passed by Congress.

CUNA believes that these requirements are making it difficult for U.S. citizens living overseas, including credit union members, to maintain access to financial services in America.

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

---

## **Mid-Atlantic Corporate to Hold Fourth Annual IT and Security Conference**

***Password Management, Cyber Exposure,  
Threat Protection, oh my!***

MIDDLETOWN, Pa. – Security awareness training, eSignatures, password management and



cyber exposure are just some of the topics that will be covered at Mid-Atlantic Corporate Federal Credit Union's fourth annual IT and Security Conference, which will be held August 6-8,

2014, in Harrisburg, Pa. Attendees will have the opportunity to hear from leading technology and information security experts, who will provide helpful information on how to tackle twice the amount of issues in half the time. Participants will also enjoy face-to-face discussions with their peers and other industry specialists.

Among its speakers, the IT and Security Conference will feature the following:

**Sandra E. Brandon**, Keynote Speaker, is a transformational leader, technology and business strategist and customer satisfaction evangelist. As current director of administration and chief of staff for the School of Information Sciences at the University of Pittsburgh and former vice president and chief information officer for Crayola, Brandon has spent her professional career developing solutions to help businesses keep up with the constantly evolving information services industry. Her presentation at Mid-Atlantic Corporate's IT and Security Conference will walk attendees through the past, present and future of information technology and how recognizing the past will impact future decisions on security.

In addition, a number of breakout sessions will be led by experts who span the IT and security fields: **Michael Born**, Lockton; **Jeremy Burris**, Technology Services; **Richard Carberry**, Sollievo; **Mark Clarke**, Sollievo; **Kirk Drake**, Ongoing Operations LLC; **Joe Ferrara**, Wombat Security Technologies; **John C. Kren**, NCUA; **John A. Levy**, IMM; **Angie Singer Keating**, Reclamere, Inc.; **Ben Smith**, RCA, The Security Division of EMC; **Scott Sturkie**, ACI Defense; **Chad F. Walter**, Network Box USA, Inc.; **Thomas Wright**, Credit Union Tech-Talk; and **Kris Zupan**, Rallypoint Solutions. These specialists will discuss topics such as the top 10 security threats of 2014, social engineering exploits, NCUA's cybersecurity focus and secure ATMs.

This year's conference will feature a fun-filled dinner reception on the evening of August 6 at Hollywood Casino at Penn National Race Course. Attendees will have the opportunity to mingle with fellow industry associates while enjoying the slots, table games and horse races.

The IT and Security Conference will be held at the Holiday Inn Harrisburg in Grantville, Pa. Space is limited, so interested credit union professionals are encouraged to register as soon as possible. The full conference package cost is \$195 for Mid-Atlantic Corporate members and \$225 for non-member credit union attendees. Guests may also attend limited events for \$145.

Visit [www.midatlanticcorp.org](http://www.midatlanticcorp.org) and click on the IT and Security Conference banner for more information.

[ [BACK TO TOP](#) ]

---

**Cybercrime a Top Target for New Head of**



## Justice Crime Division

WASHINGTON – International organized crime groups are increasingly turning to the lucrative business of cybercrime, the new head of the U.S. Justice Department's criminal division told *The Wall Street Journal* in a recent interview.

Justice Leslie Caldwell noted that there are hundreds of millions of dollars to gain illegally from the exploding field of cybercrime, while being a lower-risk proposition. Comparing cybercrime to major international narcotics trafficking organizations, Caldwell said with cybercrime chances for success are high, chances of capture are lower and, if caught and proven guilty, sentences are not as long.

The interview ran July 14, the day before Caldwell was slated to discuss the threat of so-called "botnets" before a U.S. Senate subcommittee hearing. Botnets are described as networks of hijacked computers used to steal information, attack other systems or churn out spam.

The article noted that the Justice Department "struck a blow against a major botnet this spring," shutting down a malicious-software infected network that it said had been used to steal at least \$100 million. But even that success appears fleeting in the fast-paced world of cybercrime. The article cites research by security firm Sophos Ltd., which says hackers are distributing a variant of that network, known as Gameover Zeus, in what appears to be an effort, Sophos says, of resurrecting the old botnet.

Cybercrime, says Caldwell, is a law-enforcement game-changer—forcing new tactics by prosecutors, too, such as how to use data from cellular phone towers and gain access to encrypted email for instance.

Caldwell testified before the Senate Justice subcommittee on crime and terrorism Tuesday in a hearing titled, "Crime and Terrorism Taking Down Botnets: Public and Private Efforts to Disrupt and Dismantle Cybercriminal Networks."

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

---

## 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**

July 26 -- [NCUA Office of Small Credit Union Initiatives' 2014 Newark Boot Camp](#)

August 5 -- [VirtualCorps Webinar: CDCUs: Doing Well by Doing Good: Opportunities for Growth and Relevance](#)

August 5 -- [CFO Roundtable: GAAP Reporting: Recent and Upcoming Changes](#)

August 12 -- [VirtualCorps Webinar: How Can Foreign Exchange \(FX\) be Used to Improve Your Member Service](#)

August 13 -- [NJ DNA Dinner Meeting](#)

### **Industry Events**

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](#)

July 31 -- [Free Home Equity Webinar Hosted by MemberClose and NJCUL](#)

August 6-8 -- [Mid-Atlantic Corporate's Fourth Annual IT and Security Conference](#)

August 20 -- [4th Annual Miracle Night with the Somerset Patriots](#)

September 6 -- [Miracle Marathon Pep Rally](#) (rain date Sept. 13)

September 9 -- [NJ/NY Sister Society Meeting of the GWLN](#)

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 | news@njcul.org | New Jersey Credit Union League | 299 Ward Street | Hightstown, NJ 08520

**[Manage Your Subscription](#)**

Email Marketing by  
**iContact**   
try it free