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**To:** staff@njcul.org  
**Conversation:** The Daily Exchange -- August 14, 2014

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August 14th, 2014

Today's News:

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## TOMORROW: Deadline to Reserve Hotel Rooms for Convention at the Reduced Rate!

***If You Haven't Already, Make Your Reservations ASAP!***

ATLANTIC CITY, N.J. – Credit unions have until tomorrow, August 15 to secure reduced room rates for their hotel stay for NJCUL's 80th Annual Meeting and Convention this September.



Click [here](#) to reserve rooms online or call the Taj Mahal Hotel Reservations directly at 800-825-8888. Please reference the New Jersey Credit Union League

Conference in order to be guaranteed the discounted room rate of \$75 per night in the Taj Tower and \$89 per night in the Chairman's Tower, plus applicable fees and state and local taxes.

**Reservations must be received by August 15, 2014 in order to be eligible for the group reduced room rate!** Any reservations made after the August 15, 2014 date are on a space availability basis at the current rack rate.

Visit our Convention Web site at [www.njcuconvention.com](http://www.njcuconvention.com) for details on this exciting event!

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**EMV Task Force Predicts 575M Chip Cards**

Primary  
> Credit Unions, Mark Your  
Calendars



We want our members to get the information they need without clogging their inbox. Take our brief [communication survey](#) so you can begin receiving content relevant to you and your function at your credit union.

All respondents will be entered to win a \$150 gift card each week for six weeks. For each survey completed, the League will also donate \$5 to Children's Miracle Network.

#### Upcoming Events:

September 3, 2014  
Webinar: Real Estate  
Lending Series: Escrow  
Account Compliance  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

## EMV Task Force Predicts 575 Million Chip Cards Issued by 2015

NEW YORK – A group of electronic payment industry organizations have predicted more than 575 million chip-enabled credit and debit cards will be issued by the end of 2015.

The Payments Security Task Force (PST), made up of more than a dozen companies and organizations including CUNA, announced this forecast Wednesday.

"The shift to EMV cards clearly has big momentum now within the financial community," said Eric Richard, CUNA general counsel/executive vice president for regulatory affairs. "There is still an issue about whether the merchant community will be prepared to facilitate the change on a full and timely basis. And both sides will need to continue working on other security strategies to counteract the growing problem of data breaches."

Nine of the country's largest payment card issuers who participate in the task force developed the current forecast. The PST is focused on continuing the momentum of payment cards with Europay-MasterCard-Visa (EMV) technology.

EMV is a global standard that uses chips embedded within the card to authenticate purchases, similar to the current magnetic strip on payment cards. EMV cards are considered more secure against fraud with authentication provided by the use of a PIN and cryptographic algorithms.

In October 2015, parties that deploy EMV cards will be protected from financial liability from card-present counterfeit fraud losses.

The task force plans to update the issuer forecast regularly and expand it to include acquirer and merchant perspectives on EMV chip terminalization. Javelin Strategy and Research estimates that 52% of point-of-sale terminals will be EMV-enabled by the end of 2015.

Priorities include identifying a long-term roadmap to deliver a consistent level of security for payments in the digital and physical environments.

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## Pinnacle FCU Hosts NJ DNA Dinner Meeting

EDISON, N.J. – On Wednesday, August 13, 2014, the third NJ DNA Dinner Meeting of the year was held at Pinnacle FCU in Edison, N.J. President Steve Lardiere welcomed the group and provided a brief tour of their facility.



September 4, 2014  
Webinar: The Two Most  
Important Numbers for  
Dealing with IRAs & HSAs:  
IRS Publications 590 & 969  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

September 9, 2014  
VirtualCorps Webinar: The  
GEN Y LOAN (Private  
Student Loans)  
3:00 pm to 4:00 pm  
[More Information Click Here](#)

#### Contact Us:

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#### Connect with Us:



*The NJ DNA group at the meeting Wednesday.*

The menu was Chinese and dinner was followed by the small group breakout discussions. The two meeting topics were: credit union and community involvement and involvement in the budget process. The meeting format, which continues to work very well, allowed attendees to share insights and take away ideas for further discussion/review back at the credit union.



*The group getting a tour of the Pinnacle FCU office.*

Thank you to Paul Camella, Board Chair, and Steve Lardiere, President, for hosting another successful meeting.

Save the date for the next NJ DNA Meeting to be held on November 12, 2014 at the League Office in Hightstown, N.J.!

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## McGraw-Hill FCU Contracts with CO-OP for In-House Credit Processing

***New Agreement Adds to a Variety of Services CO-OP Provides to the Credit Union***

RANCHO CUCAMONGA, Calif. – Seeking operational efficiencies and lower processing costs for its credit card program, McGraw-Hill FCU has expanded its relationship with CO-OP Financial Services by contracting for in-house credit services.



“We partner with CO-OP on a variety of payment services, so this extension of our relationship provides an opportunity to gain additional back-



office and economic efficiencies,” said Cathyann Frank, Vice President, Member Experience Branch Operations, for McGraw-Hill FCU. “We are also looking to CO-OP for

enhanced fraud protection, improved reporting to better identify and service our members and drive higher member engagement through a highly competitive rewards program.”

“CO-OP has a demonstrated high-level of service and commitment to meet our business needs on our schedule,” said Frank. “This is an opportunity to further align with an organization that has the same credit union movement values that we do.”

In addition to the agreement for CO-OP In-House Credit, McGraw-Hill FCU is also now contracting with CO-OP for signature debit processing. Previous agreements have CO-OP providing PIN debit processing and ATM terminal driving (control). McGraw-Hill FCU also calls upon CO-OP to help ensure convenient account access for its members via the nationwide CO-OP ATM and CO-OP Shared Branch networks, as well as call center support through CO-OP Member Center.



As an aggregator of payment processing services to credit unions, CO-OP offers lower processing expenses to its clients through volume and/or relationship pricing discounts.

McGraw-Hill FCU of East Windsor, N.J., has more than 20,000 members and \$310 million in assets under its control. The credit union has more than 3,800 credit card accounts among its membership; in June, members used their cards for about 18,000 transactions and a purchase amount totaling about \$1.6 million.

Using CO-OP In-House Credit, the credit union carries credit card loan receivables and handles back room services, such as cardholder member servicing, statement generation, payment processing and collections. CO-OP provides the switch between the credit unions and MasterCard and Visa networks, exception processing services (disputes, retrievals, chargebacks) and authorization, scoring and fraud detection with 24/7 case management.

CO-OP also offers Full-Service Credit, in which credit card program processing is entirely outsourced, through its partnership with The Members Group of Des Moines, Iowa.

For more information on CO-OP Full-Service and In-House Credit Processing, visit [www.co-opfs.org/solutions/card-payments](http://www.co-opfs.org/solutions/card-payments).

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## FHFA Seeks Comment on Single Security for Fannie, Freddie

WASHINGTON – The Federal Housing Finance Agency (FHFA) is

The Federal Housing Finance Agency (FHFA) is seeking input on a proposed single security structure that would be issued by Fannie Mae or Freddie Mac—a proposal that merits further study from stakeholders, according to CUNA.

The FHFA listed in its strategic plan for the year a goal of developing a single mortgage-backed security (MBS) as part of its efforts to build a common securitization platform.

"Maintaining a highly liquid secondary mortgage market is a fundamental requirement for the success of the single security. In order to achieve maximum market liquidity, the proposed single security would leverage the enterprises' existing security structures," reads the FHFA's official request for input, published Tuesday.

The agency's stated goal for the proposed single security structure is for legacy Fannie Mae MBS and legacy Freddie Mac participation certificates to be mutually interchangeable with the single security for purposes of fulfilling to-be-announced contracts, allowing for maximum market liquidity. If necessary, investors would be offered an option to exchange a legacy participation certificate for a comparable single security.

"CUNA supports measures that improve the efficiency and liquidity of the mortgage market," said Eric Richard, CUNA general counsel/executive vice president for regulatory affairs. "However, we need to continue studying the implications of this proposal for its impact on the prices credit unions receive for the sales of their mortgages to the government-sponsored enterprises, as well as the proposal's potential impact on the values of existing MBS investments."

The FHFA is requesting input on all aspects of the proposal, with a focus on:

- The transition from the current system to a single security;
- To-be-announced contract eligibility;
- Legacy Fannie Mae and Freddie Mac securities;
- Potential industry impact of the single security initiative; and
- Risk of market disruption.

All comments received will be made public and posted to the FHFA Web site.

Click [here](#) to access the full request for input.

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## Next VirtualCorps Webinar will Discuss Attracting & Retaining Gen Yers with the Private Student Loan Opportunity

**VirtualCorps.com™**

As credit unions continue to seek methods to attract and retain the "Gen Y" member, the Private Student Loan (PSL) is a great way to

GEN Y member, the Private Student Loan (PSL) is a great way to appeal to the youth, while growing your loan portfolio with tomorrow's fully engaged members and exceptional ROAA's in excess of 3%. Estimates for student loans in 2013 exceed \$35 billion. Also, these PSL's carry no risk as they are 100% insured!

The September 9th VirtualCorps session "The GEN Y LOAN (Private Student Loans)" is great for CEO's, CFO's, CLO's and marketing executives from credit unions, regardless of asset size.

#### TAKEAWAYS

- No origination, underwriting or servicing
- No integration with your core system required
- Implementation in as little as 3 weeks
- You have the option to establish pricing and credit guidelines
- You decide on school selection
- Individual, consolidation and participations available
- Marketing support

**Speaker:** [Mike Dorsett](#)

**Time:** 3 p.m. to 4 p.m.

#### Cost:

Live Webinar Only: \$99

Recorded Version Only: \$99

Live Webinar & Recorded Version: \$125

#### Registration

To register and pay by check, email

Mary Zelinsky at [mzelinsky@njcul.org](mailto: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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## 2015 Crash the GAC Applications are Now Open!

Do you want to Crash the GAC? Now's your chance!

The 2015 Crash the GAC is going to be an event that you don't want to miss. The Cooperative Trust, CUNA, and state leagues, including NJCUL, are again joining forces in attempt to get one crasher from each state and the District of Columbia represented at the 2015 GAC taking place March 7-13, 2015. That's right, we are trying to get 51

Crashers to join us in D.C.!

Every Crasher will receive a full conference registration from CUNA. Travel, hotel and food costs are the responsibility of the Crasher and their credit union, but NJCUL will provide travel and hotel reimbursement for the crasher from New Jersey.

With more Crashers than ever before, a deeper dive into the world of credit union advocacy, and support from your state leagues to help arm you with ideas to stay involved back home—this year's Crash the GAC is an event you don't want to miss!

Click [here](#) to apply. Be sure to get your application in by November 1st, 2014. Any questions before applying? Email [trust@trust.coop](mailto:trust@trust.coop). Good luck!

The Crash the GAC is brought to you by The Cooperative Trust and CUNA.

Why should you crash? Look at these "[Reasons to Crash](#)" by Filene's [George Hofheimer](#).

**CRASH THE GAC**



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## Internal CFPB Report Finds Workplace Challenges

WASHINGTON – A Consumer Financial Protection (CFPB) internal report outlines employee concerns ranging from a perceived lack of diversity and a lack of clarity around processes, according to *Politico* (Aug. 12).

The CFPB's Office of Minority and Women Inclusion prepared the report, which is based on 48 listening sessions conducted by the bureau between April and June.

The report "frequently mentioned frustrations with insufficiency in infrastructure, lack of transparency and communication, and perceived unfairness in application of practices and procedures which permeated throughout the various areas of concern they mentioned," according to *Politico*.

According to an Aug. 12 *Reuters* article, the report also found that staff believed their supervisors micro-managed projects, were unclear about priorities, lacked uniform standards for employee performance and had misunderstandings concerning the bureau's hiring, promotion and pay practices, which contributed to the impression those decisions were unfair.

The CFPB announced in May it would remove its performance system after lower scores and bonuses were given to older employees and minorities, an action that led to the series of listening sessions.

According to *Reuters*, the report said the bureau's rapid expansion and pressure to churn out rules "fostered a culture of aggressiveness and a pace that could not be sustained long-term."

The report recommends additional internal communications mechanisms, additional training, and creation of a forum to assess workplace trends.

CFPB Director Richard Cordray said he "embraces the recommendations" made in the report, and would work to ensure they are implemented, according to *Politico*.

The *Reuters* article is available [here](#).

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## CU Supporter Tom Emmer Wins in Minn. Congressional Primary

MINNESOTA – Credit union supporter Tom Emmer took another step closer to the U.S. House of Representatives with a victory in Minnesota's primary Tuesday. Emmer, a Republican running for the state's open 6th Congressional District seat, received 73.2% of the vote to his opponent Rhonda Sivarajah's 26.8%.

Emmer was endorsed by the Minnesota Credit Union Network (MnCUN) and received the maximum \$5,000 contribution from the Credit Union Legislative Action Council (CULAC).

"During his tenure in the state Legislature, Rep. Emmer consistently demonstrated his support for credit unions' continued ability to serve their members," said MnCUN Vice President of Governmental Affairs Mara Humphrey in a statement. "He has vowed to continue that support of credit unions in the 6th District and across the country if elected. Credit unions have a champion in Tom Emmer."

Emmer served in the Minnesota House from 2005 to 2011 and ran for governor in 2010, losing narrowly to current Gov. Tom Dayton.

"Credit unions offer consumers and small businesses a great choice for local, Main Street-focused financial services," said Emmer. "I'm proud to have the support of the Minnesota Credit Union Network and —when serving in Washington, D.C.—will continue to work for a fair marketplace so that credit unions can continue to grow."

Emmer will face Democratic candidate Joe Perske and Independence Party candidate John Denney in November. The 6th District seat is open due to the retirement of current Rep. Michele Bachmann (R).

CULAC is a federal political action committee (PAC) through which eligible credit union supporters can voluntarily pool personal contributions to help elect candidates for federal office who understand and share credit union values.

Additional information on CULAC is available from Chris Abood, the



Additional information on COLAC is available from CHRIS ADEEL, the League's Vice President of Corporate & Governmental Affairs.

Information on CUNA's and the NJCUL's legislative and regulatory advocacy efforts is available through CUNA's weekly [The President's Report](#), [Legislative Update](#), [Regulatory Advocacy Reports](#), and monthly [Legislative Affairs Webcast](#), as well as reported in various NJCUL publications such as the *Daily Exchange*.

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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**

September 9 -- [VirtualCorps Webinar: The Gen Y Loan \(Private Student Loans\)](#)

September 10 -- [Free CuGreen Loan Program Information Session](#)

September 16 -- [VirtualCorps Webinar: Leveraging the CDFI Certification to Increase Community Impact and Relevance](#)

### **Industry Events**

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

September 2 -- [11th Annual McGraw-Hill FCU Golf Classic](#)

September 9 -- [Southern Chapter Meeting: Risk Management](#)

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

September 9 -- [South-Central Chapter Meeting: cuGreenLoans](#)

September 10 -- [Miracle Jeans Day](#)

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 20 -- [Affinity Federal Credit Union Foundation's Run for Scholars Twilight 5K & Kids' Fun Run](#)

September 21-23 -- [NJCUL's 80th Annual Meeting & Convention at Trump Taj Mahal](#)

October 16 -- [International Credit Union Day](#)

October 16 -- [Shon for Miracles](#)

October 10 -- [Shop for Miracles](#)

**2015**

April 13-15 -- CU Reality Check at the Golden Nugget Hotel & Casino  
in Atlantic City

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