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**To:** staff@njcul.org  
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September 5th, 2014

Today's News:

- › Last Chance to Win a \$150 Gift Card for Completing the League's Communication Survey!
- › Home Depot Reports Data Breach, CUNA Emphasizes Need for Data Security Protection
- › Convention Corner: Assigned Seating Dinner Banquet
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- › Filene Research Institute Seeks Responses to Improving Credit Union Board Renewal Survey by Sept. 17
- › Don't Miss Tuesday's VirtualCorps Webinar on Understanding, Locating & Evaluating Auto Loan Participations
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### Last Chance to Win a \$150 Gift Card for Completing the League's Communication Survey!

HIGHTSTOWN, N.J. – Our survey contest is almost over! Credit unions have only this weekend to complete the survey and be entered to win a \$150 gift card. By completing our VERY short survey [here](#), you will be entered for a chance to win the final remaining gift card!

Our final winner will be announced in Monday's *Daily Exchange*.

Not only will you help your inbox, but you'll also be helping the kids. For every completed survey, \$5 will be donated to Children's Miracle Network Hospitals!

Be sure to complete the survey found at [www.surveymonkey.com/s/njcucommunications](http://www.surveymonkey.com/s/njcucommunications) ASAP!



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Home Depot Reports Data Breach CUNA

- › CUNA Working to Assure FHLB Access for CUs
- › Free Checking Waning at Banks but Alive and Well at CUs
- › CUNA Seeks Feedback on FFIEC IT Handbooks and Cybersecurity
- › 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:

## Home Depot Reports Data Breach, CUNA Emphasizes Need for Data Security Protection

Home Depot is the latest in a string of retailers hit by data breaches. The home improvement giant said it is intensively investigating a data breach and said safer chip card technology will be activated by year's end. No information on the store locations that may have been affected has been released as this is still under investigation with the merchant.

The implications of the data breach at Home Depot—which has the potential to dwarf that of last year's Target Corp. incident—could weigh heavily on credit unions, according to CUNA.

Credit unions too often are on the front lines of a merchant data breach, Bill Hampel, interim president/CEO of CUNA, emphasizes. "Credit unions know what to do in response to these all-too-regular breaches: We notify members, determine whether to reissue debit and credit cards, increase call center staff to serve members and set up account monitoring to protect our members."

However, these necessary steps to protect credit unions members come at a cost—the Target data breach alone cost credit unions an estimated \$30.6 million, not including fraud costs, according to CUNA analysis

CO-OP Financial Services released a statement that it is aware of the ongoing investigation by Home Depot involving a potential security breach that may have compromised thousands of payment cards. To date, CO-OP is not aware of any MasterCard or Visa alerts being distributed. For credit unions participating in fraud monitoring through Falcon Fraud Manager by CO-OP Financial Services, activity monitoring strategies are reviewed daily to react to new fraud trends identified and minimize loss exposure from debit and credit cards.

The CO-OP Financial Services Risk Analytics team continues to closely monitor the information associated with the investigation of this potential compromise and will make adjustments as necessary to our Falcon monitoring rules. According to CO-OP, there are many approaches to take when a card issuer receives a card compromise notice. It is recommended that your credit union review the list of suggested [best practices](#) to consider when determining a course of action. As more information becomes available, CO-OP will continue to share details with our card issuing clients.

CO-OP suggests calling its Client Services at 800.782.9042, option 2, with any questions.

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## Convention Corner: Assigned Seating at Monday's Dinner Banquet

ATLANTIC CITY, N.J. – With only a couple weeks left until NJCUL's 80th Anniversary Annual Meeting & Convention, credit unions can still register attendees for



September 10, 2014  
Free cuGreenLoan Program  
Information Session  
Location: NJCUL and via  
Video Conference  
10:00 am to 12:30 pm  
[More Information Click Here](#)

September 16, 2014  
VirtualCorps Webinar:  
Leveraging the CDFI  
Certification to Increase  
Community Impact and  
Relevance  
3:00 pm to 4:00 pm  
[More Information Click Here](#)

September 16, 2014  
Webinar: Auditing Social  
Media: Planning Risk  
Control Matrices  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

#### Contact Us:

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299 Ward Street  
Hightstown, NJ 08520  
Driving directions

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609.448.2426

##### Fax

609.448.3499

##### E-mail

[info@njcul.org](mailto:info@njcul.org)

#### Connect with Us:



Convention as well as purchase tickets for Monday night's dinner banquet. However, because there is assigned seating for the dinner, today, Friday, September 5th is the absolute deadline for making changes to seating for banquet. If a credit union adds attendees to its group for dinner after today, NJCUL cannot seat new registrants and dinner guests with their credit union.



If you have any questions, please contact Yvette Segarra at [ysegarra@njcul.org](mailto:ysegarra@njcul.org).

Registration for NJCUL's 80th Annual Meeting & Convention is available at [www.njcuconvention.com](http://www.njcuconvention.com).

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## Savings Interest Rates at CUs Dwarf Banks: [GoBankingRates.com](http://GoBankingRates.com)

MADISON, Wis. – It might not be news to us in the industry, but it good news! A [GoBankingRates.com](http://GoBankingRates.com) article Monday reported that credit unions easily offer consumers better savings rates than banks.

"Those looking to make the most on their deposited funds should opt for a credit union, as a national survey of deposit rates found that, though rates haven't changed noticeably year over year, credit unions are outpacing banks when it comes to offering high interest rates," the article said.

"The average deposit rate offered by credit unions today is 0.14% annual percentage yield (APY), whereas the average rate offered by banks is a mere 0.08% APY on average, or 43% lower than what you'll typically get at a credit union."

The article also predicts that with an end to the Federal Reserve stimulus program, interest rates on both deposit and loan products will return to pre-recession levels—allowing consumers to enjoy even greater savings on the better rates offered by credit unions.

To read the article, and see the highest savings rates from 10 credit unions, click [here](#).

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## Filene Research Institute Seeks Responses to Improving Credit Union Board Renewal Survey by Sept. 17

MADISON, Wis. – Filene Research Institute and the University of Toronto announced a research partnership to examine the processes

Toronto announced a research partnership to examine the processes and structures used by U.S. credit unions to ensure effective renewal of directors on their boards of directors.



## Filene Research Institute

Filene and the University of Toronto are asking US and Canadian credit unions to complete a [survey](#) on how they address board turnover and composition. Responses are due September 17. Filene invites one response per credit union.

This project builds on past Filene board renewal work from 2012 and 2010. The data collected through this survey will be used to create a Filene report examining trends and best practices in board renewal, and providing credit union boards with up-to-date and practical guidance on effective board renewal.

For questions regarding the survey, please contact the survey administrator at [matt.fullbrook@rotman.utoronto.ca](mailto:matt.fullbrook@rotman.utoronto.ca).

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## Don't Miss Tuesday's VirtualCorps Webinar on Understanding, Locating & Evaluating Auto Loan Participations

*Increase your loan to share ratio and revenues!*

# VirtualCorps.com™

Credit unions buying loan participations may benefit from diversifying their balance sheet, using excess liquidity to increase loan-to-share ratios and revenue. Yet, many credit union executives do not fully understand the loan participation process. Even fewer know how to locate and evaluate these opportunities.

Tuesday's VirtualCorps Webinar, titled "Understanding, Locating and Evaluating Auto Loan Participations" will utilize a case study to broaden the knowledge of those in attendance on Understanding, Locating and Evaluating Auto Loan Participations and will address the following key areas:

- Auto loan participations
- NCUA Final Rule on Loan Participations – Parts 701 and 741
- Where do you turn to source these quality opportunities
- The Participation Process, from start-to-finish
- Those two most important words, "DUE DILIGENCE"
- Evaluating the originator
- Evaluating pool characteristics and loan economics

**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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## Think CUs Deserve a Spot at the Fed Table? Use Hashtag #FedSeat4CUs!

HIGHTSTOWN, N.J. – New Jersey Credit Union League President/CEO Greg Michlig recently advocated for the need and logic of a credit union seat on the Federal Reserve Board in his blog post "[Time for a Seat at the Fed Table](#)".

#FedSeat4CUs

Now that message is heading to social media with the creation of the hashtag, #FedSeat4CUs.



All credit unions and credit union supporters are urged to use this hashtag to express the need for a credit union seat on the Federal Reserve Board. With the push for candidates to be identified before year-end, now is the time for credit union leaders to increase momentum in the usual and effective grassroots fashion of the movement.

Look for a follow-up blog post from Michlig in the coming days [here](#).

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## CUNA Working to Assure FHLB Access for CUs

WASHINGTON – A recent Federal Housing Finance Agency (FHFA) plan to tighten membership eligibility rules for the Federal Home Loan Bank (FHLB) system lacks parity for credit unions, compared with community banks, and CUNA is working aggressively with FHFA and the FHLBs to improve the proposal for credit unions.

If approved, the new rule would require all credit unions—but, because of a statutory limitation in the Federal Home Loan Bank Act, only certain banks—to hold 10% of assets in residential mortgage loans on an ongoing basis. While financial institutions currently must meet the 10%-of-assets threshold to become FHLB members, there is no requirement at this time that the member maintain it to remain a member.

Under the proposal, an FHLB member who is out of compliance with the 10% test for two consecutive years would have membership terminated.

However, community banks are exempt. Under current rules and continued under the plan proposed Sept. 3, "community financial institutions" are defined as FDIC-insured banks with less than \$1 billion in average total assets (adjusted annually for inflation) over the preceding three years.

They do not have to meet the threshold that is required of NCUA-insured credit unions and large banks. (Privately insured credit unions are not eligible for FHLB membership, and CUNA supports current legislation that would remedy what is considered by proponents to be an oversight in the original statute.)

"The FHLBs are a very important source of liquidity for credit unions in the mortgage marketplace, and it is important all credit unions and their member-owners have access to these resources. CUNA is working with representatives of the FHFA and three of the Banks to assure access," said CUNA Deputy General Counsel Mary Dunn Thursday, as CUNA continues to investigate the effect of the FHFA proposal on credit unions. "We are also troubled by the lack of parity between credit unions and community banks under existing law, and will be asking Congress for relief on this point."

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## Free Checking Waning at Banks but Alive and Well at CUs

LAKE FOREST, Ill. – Fewer banks than ever offer free checking, according to a new study from Moebs Services, which also noted checking remains a mainstay at most credit unions.

About 47.9% of banks offer free checking, compared with 79.6% of credit unions. That 31.7% gap is a historic high, Moebs reports.

Consumers have parked \$1.6 trillion in checking accounts—another record high, Moebs said.

The Moebs Checking Study identifies banks as leaving free checking to adopt relationship pricing checking—in which multiple services become the key to profits.

A Sept. 2 article in *The Wall Street Journal* seems to back up the assertion that banks are moving to a new pricing model on checking as they earn a smaller share of profits from customer-account fees. Customer fees fell nearly 21% to \$32.5 billion last year from \$41.1 billion in 2009, according to the Federal Deposit Insurance Corp., *The Wall Street Journal* reported.

*wall Street Journal* reported.

As a percentage of total noninterest income, deposit-account fees dropped to 14.1% in 2013, the lowest level since 1942, according to the FDIC data. From 2000 through 2009, such fees accounted for an average of 17% of such income.

More than half of the account fees on average are collected for overdrafts and returned checks, the Consumer Financial Protection Bureau reported in July.

But banks have been collecting fewer of the those fees since 2010, when Federal Reserve put in place a new regulation to curb abuses by financial institutions. Since then, consumers must explicitly opt-in for overdraft coverage on certain transactions, or the financial institutions can't charge those fees.

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## CUNA Seeks Feedback on FFIEC IT Handbooks and Cybersecurity

CUNA is currently seeking feedback from credit unions on the FFIEC IT Handbooks (<http://ithandbook.ffiec.gov/it-booklets.aspx>). Are there any areas that you believe should be updated? Do you have any general or specific recommendations? What would you like to see addressed from the regulators in this handbook and/or through other regulatory guidance? Any feedback or short responses are welcome. This feedback will be very useful to CUNA as we continue to represent credit unions on cybersecurity and IT issues.

If you have any feedback, please feel free to contact CUNA Assistant General Counsel [Dennis Tsang](#).

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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: Understanding, Locating and Evaluating Auto Loan Participations](#)

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

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

October 7 -- [VirtualCorps Webinar: The Well-Access to Unlimited Business Communication Problem-Solving Insights](#)

October 14 -- [VirtualCorps Webinar: Big, Balanced and Sustainable Loan Growth](#)

October 21 -- [Teller Training for Frontline Staff](#)

November 5 -- [Lending Roundtable: Lending Best Practices](#)

November 5 -- [Collections Roundtable \(Afternoon Session\): Collections Best Practices](#)

### **Industry Events**

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 20 -- [First Financial Foundation Food Truck and Restaurant Birthday Bash Fundraiser](#)

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

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

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

### **2015**

April 13-15 -- [CU Reality Check at the Golden Nugget Hotel & Casino in Atlantic City](#)

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