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## The Daily Exchange -- October 1, 2014

**New Jersey Credit Union League** <news@njcul.org>

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The Daily Exchange

October 1st, 2014

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### Nussle in *The Hill* Vows CU Tax Status Defense

WASHINGTON – CUNA President/CEO Jim Nussle says that under his watch "the credit union tax exemption will be strongly and completely defended," in an [op-ed](#) published in *The Hill* Tuesday.

"I've done my share of reading and research in preparation for my new role at CUNA," writes Nussle, who started as head of CUNA on Sept. 22. "I know that banks and their lobbyists like to say credit unions are 'virtually indistinguishable' from banks and as such should not be exempt from paying federal corporate income taxes.

"But I've come to the conclusion that statement from bankers is just flat wrong.

"There is a strong and key distinguishing characteristic between credit unions and banks: Their beneficiaries," the former congressman states.

Nussle notes a bank's beneficiaries are shareholders who expect as much profit to go to them as possible. At a credit union, the members—who own the credit union—are the beneficiaries.

Because of the cooperative ownership structure, any excess earnings of a credit union are redirected back to all members in the form of lower loan interest rates and higher savings yields.

"And credit unions deliver," Nussle declares. "The research that CUNA has shared with me shows credit union members in 2013 realized financial benefits of nearly \$6 billion, just by saving at, borrowing from or acquiring other financial services from their credit unions, rather than from a bank."

He highlights the significance of the House Ways and Means Committee's decision earlier this year to leave the credit unions' tax



# Executive Leadership Series

Brought to you by the New Jersey Credit Union League 

## Next ELS Session "Financing Innovation" on November 4th

Mark your calendars! The final ELS session of 2014 will take place Tuesday, November 4th at the League office.

Hear from John Best on "Financing Innovation". This session will help participants identify emerging financial technology such as mobile payments, wearable technology, emerging mobile cross channel opportunities, and the future of the credit union branch.

Click [here](#) for more information and to register.



### Upcoming Events:

October 14, 2014  
VirtualCorps Webinar: Big, Balanced and Sustainable Loan Growth  
3:00 pm to 4:00 pm  
[More Information Click Here](#)

status untouched while it hammered out a blueprint for tax reform that proposed removing more than 200 tax preferences, including some that apply to banks.

"As Rep. Denny Heck (D-Wash.) said at a recent *Hill* Forum: 'To keep coming to us and asking for that, waiting for it to happen, is a little bit akin to leaving the landing lights on for Amelia Earhart. Credit unions are not taxed the same as banks as a matter of policy,'" Nussle writes.

"Congress bestowed the tax exemption in 1934 based on credit unions' cooperative structure and mission to provide people with access to credit for provident purposes such as borrowing to buy a car, a home or to help finance a small business. The goal was to have credit unions compete with banks to ensure that consumers have access to affordable financial services."

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## CUNA Urges White House to Take Strong Cybersecurity Action

WASHINGTON – CUNA is asking President Barack Obama to establish a Cybersecurity Council that would report to the president and would be charged with "developing a comprehensive and timely approach to the range of issues associated with cybersecurity attacks on businesses and consumers in this country."

CUNA's new leader, President/CEO Jim Nussle, writes, "We urge the administration to give this idea full consideration, coordinating with Congress, agencies that are already addressing aspects of cybersecurity including prudential regulators, and the private sector to establish it."

Nussle notes in his letter to the president that most recent massive data breaches have taken place in systems operated by merchants, not financial institutions.

"One important problem with current law is that, even when fault in a data breach lies with a merchant, credit unions and financial institutions are assigned many of the financial costs.

"One job of the Cybersecurity Council should be to help align liability with responsibility for these breaches," Nussle writes, adding that such a system would give more incentives to all parties to "take cybersecurity seriously."

Nussle detailed another key credit union concern related to merchant data breaches: "When credit unions reissue compromised cards, under current rules they are not permitted to reveal the reason for the reissuance, leaving the impression among many credit union members that it was the credit union that allowed the data to be compromised."

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## September Edition of 'The Exchange' Now Available!

**October 16, 2014**  
**International Credit Union**  
**Day and Shop for Miracles**  
[More Information Click Here](#)

**October 21, 2014**  
**Teller Training for Frontline**  
**Staff**  
**Location: NJCUL and via**  
**Video Conference**  
**10:00 am to 3:00 pm**  
[More Information Click Here](#)

HIGHTSTOWN, N.J. – The September edition of our monthly newsletter "The Exchange" is hot off the press!

Read about the National Youth Involvement Board Conference from the eyes of an attendee (our very own Marissa Anema!), get NJ CU Convention coverage, read up on why mobile is a must, get compliance, legislative, and foundation updates, and more!

Click [here](#) to get your copy!



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## Catch the Banking You Can Trust- Sponsored 'Caucus: New Jersey' Panel Airing this Weekend

### *"Tackling Your Finances" Panel Discussion Features North Jersey FCU President/CEO Lourdes Cortez*

HIGHTSTOWN, N.J. – The New Jersey Credit Union League’s Banking You Can Trust consumer awareness campaign sponsored a “Tackling Your Finances” panel discussion on the public television program “Caucus: New Jersey”.

North Jersey FCU President/CEO Lourdes Cortez spoke on the panel, which was moderated by Steve Aduvato. New Jersey Coalition for Financial Education (NJCFE) Executive Director Michael Drulis also speaks on the panel.

The broadcast schedule for the segment is below. Make sure to tune in!

**Saturday, October 4**

FiOS1 9:00 AM  
NJTV 12:00 PM  
Thirteen 12:30 PM

**Sunday, October 5**

NJTV 8:30 AM  
FiOS1 9:00 AM  
NJTV 11:30 AM

**Tuesday, October 7**

NJTV 5:30 AM  
WHYY 5:30 PM



Look for similarly sponsored segments throughout 2014, brought to you by the Banking You Can Trust campaign.

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## Take Advantage of Chapter Meeting Attendance Sponsorships Available

## Through Alloya Corporate FCU this Season

Alloya Corporate FCU offers Chapter Meeting Attendance Sponsorships to smaller credit unions that cannot afford to attend these valuable meetings.

The corporate offers these sponsorships to ensure that as many credit union leaders as possible have the opportunity to attend these meetings.

"The education of credit union staff and volunteers is a cornerstone of Alloya's mission," said Jacqueline Carlson, assistant vice president, business consulting at Alloya. "Rather than present a raffle prize to the chapter leaders at meetings, Alloya will be underwriting the expense of the meal for each sponsorship recipient."

To qualify, the applicant must be a representative of a New Jersey credit union with \$20 million or less in assets. One certificate will be awarded per chapter meeting, for each of the four chapters in New Jersey. Chapter council members will award the certificates prior to each meeting and they will cover the cost of the meal for the recipient.

For more information please contact Sandra Albertson, senior business consultant, at [800-253-0053 ext. 4701](tel:800-253-0053) or [sandra.albertson@alloyacorp.org](mailto:sandra.albertson@alloyacorp.org).

Click the links below to check out the details on upcoming Chapter Meetings:

- [October 7 -- Northern Chapter Meeting -- More Information Coming Soon](#)
- [October 29 -- Southern Chapter Meeting: Indirect Lending](#)
- [December 9 -- South-Central Chapter Meeting -- More Information Coming Soon](#)

All Chapter Meetings are listed on the League's [NJ CU Chapter System page](#) of its Web site.

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## A Credit Union is Only as Healthy as its Members

It is now the law for most individuals to carry health insurance and credit union members will be seeking health insurance coverage through public or private exchanges during the upcoming enrollment period.

It is now the law for most individuals to carry health insurance and credit union members will be seeking health insurance coverage through public or private exchanges during the upcoming enrollment period.

While exchanges are in place for members to research and access health insurance options, the process and appropriate options can be confusing to navigate. In fact, according to a recent study, 56% of consumers were unsure about their eligibility when purchasing insurance on an exchange<sup>1</sup>. This indicates that your members may be confused by their health insurance options and are looking for a

trusted source to guide them. Addressing this key member need will add to your credit union's value while helping your members build upon their financial security.

Credit unions have until November 14, 2014 to sign up to participate in TruStage Health Insurance Program from CUNA Mutual Group this year. TruStage will be offering Open Enrollment Readiness Webinars in October.

**To learn more** visit [www.cunamutual.com/health](http://www.cunamutual.com/health).

**Contact your CUNA Mutual Group Representative at 1-800-356-2644 for more information.**

1 Source: Prophet's 2014 US Healthcare Exchange Consumer Survey Report: Lessons From Year One & Opportunities for Year Two



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## **Bank ATM Fees Continue to Climb, *Bankrate.com* Reports**

MADISON, Wis. – While credit unions continue to charge small or no fees for ATM transactions, banks have pumped up their fees to record highs, according to a [recent survey](#) from *Bankrate.com*.

Among the big banks polled, the average surcharge for non-customers who use their ATMs jumped 6.5% this year up to a record of \$2.77.

Banks also charge their customers who get cash from ATMs outside of their networks an average of \$1.58 per transaction, also a new high. That means consumers could have to fork over an average of \$4.35 per transaction every time they use a bank ATM outside of their bank's system.

Meanwhile, of those credit unions who charge fees for using ATMs outside of the institution's network, the median fee charged sits much lower at about \$1, according to CUNA's 2013-14 fees report.

Further, only about 6.5% of all credit unions charge transaction fees on ATMs they own. Credit unions charge a median fee of \$1 for non-owned ATMs as well.

"Data from every market research firm tracking financial institution pricing reflects the same fact: Credit unions generally charge their members lower fees, lower rates on loans, and higher yields on deposits than those available at banking institutions," Mike Schenk, CUNA vice president of economics and statistics, told *CUNA News Now*.

"Any consumer shopping for financial products and services would do well to include credit unions in that process," Schenk added. "That's one of the many reasons an increasing number of consumers are recognizing credit unions as their best financial partner."

Many credit unions allow free transactions before assessing a fee for using an owned or non-owned ATM. The majority provide about five or six free transactions before assessing a fee, according to CUNA numbers.

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## CFOs...Share Your Strategies for Preparing a Stellar Budget

### CFO Roundtable: Managing Effectively Through the Budget Process

**October 28, 2014**  
**10 a.m. to 12: 30 p.m.**

HIGHTSTOWN, N.J. – It is that time of year again when all companies large and small begin the process of putting together a budget that the board of directors will approve. Perhaps you have already started your



planning or are in the midst of procrastination. Does your credit union have a planning process that works well? Do you feel that there must be a better way?

Come join your peers to talk about the good, the bad and the ugly process of preparing and submitting a stellar budget during NJCUL's CFO Roundtable on October 28th from 10 a.m. to 12:30 p.m.

Come network and be prepared to bring ideas back to your credit union!

Join facilitator Barbara Agin, Director of Education and Training for the League, and your CFO/accounting peers either "live" at the League office or via video conferencing at Atlantic FCU in Kenilworth or Members 1st of NJ FCU in Vineland. Be a part of the discussion without driving all the way to Hightstown!

This session will take place in the morning from 10 a.m. to 12:30 p.m. The cost to attend is \$25 per person, which includes lunch.

To register, send an email to Mary Zelinsky at [mzelinsky@njcul.org](mailto:mzelinsky@njcul.org) or register online [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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## Celebrate the Credit Union Difference this Month!

On October 16, credit unions around the world will embrace the notion of “Local Service. Global Good.™” for [International Credit Union \(ICU\) Day®](#). Take part in this powerful credit union message and celebrate the important part that your credit union – and your members – play in your community.

- **Connect** with your local community by hosting a financial literacy event
- **Participate** in [Credit Unions for Kids' Shop for Miracles](#) fundraiser for the Children's Miracle Network Hospitals
- **Celebrate** using CUNA's ICU Day [online resources](#) to show appreciation for your loyal members

Find the free resources to get your celebration started at [cuna.org/icuday](http://cuna.org/icuday).



**International Credit Union Day®**  
**OCTOBER 16, 2014**  
 Local Service. **GLOBAL GOOD.™**

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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

October 7 -- [VirtualCorps Webinar: Why Your CU Needs CBSV to Prevent Fraud and ID Theft](#)

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

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

October 22 -- [Business Development Roundtable: Business Development that Works](#)

October 28 -- [CFO Roundtable: Managing Effectively through the Budget Process](#)

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

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

November 12 -- [NJ DNA Meeting at the League Office](#)

## **Industry Events**

October 7 -- [3rd Annual Affinity Federal Credit Union Foundation Casino Night](#)

October 7 -- [Northern Chapter Meeting](#)

October 9 -- [Reality Fair at Ocean County College \(main campus\)](#)

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

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

October 29 -- [Southern Chapter Meeting: Indirect Lending](#)

November 7-9 -- [DCUL's 2014 Volunteer Leadership Conference](#)

November 10 -- [Reality Fair at Ocean County College Southern Education \(SEC\)](#)

December 9 -- [South-Central Chapter Meeting -- More Information Coming Soon](#)

## **2015**

March 8-12 -- [CUNA's 2015 GAC](#)

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

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