

**Subject:** The Daily Exchange -- October 21, 2014  
**Date:** Tuesday, October 21, 2014 1:39 PM  
**From:** New Jersey Credit Union League <news@njcul.org>  
**Reply-To:** news@njcul.org  
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October 21st, 2014

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### N.J. CUs Represented at Pascrell for Congress Fundraiser, DTMCU Message Shared with House Ways & Means Committee Members

PATERSON, N.J. – New Jersey credit unions were represented last evening at a Pascrell for Congress fundraiser at the Brownstone House in Paterson. Pascrell's annual "pre-election gala" provided the opportunity for the Credit Union Legislative Action Council (CULAC) to support re-election of Congressman Bill Pascrell, Jr., a House Ways & Means Committee Member and outspoken supporter of the credit union tax exemption and member business lending reform.



*Left to right: House Ways & Means Committee member Rep. Mike Kelly (R-PA), NJCUL Vice President of Corporate & Governmental Affairs Chris Abeel, Ways & Means Committee member Rep. Bill Pascrell, Jr. (D-9,) and NJCUL Political & Legislative Action Network Chairman and XCEL FCU Director of Marketing Tom Quigley.*

NJCUL Vice President of Corporate & Governmental Affairs Chris Abeel and NJCUL Political & Legislative Action Network Chairman

› Latest CUNA Regulatory  
Advocacy Report Available  
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Calendars

## 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:

Abeel and NJCUL Political & Legislative Action Network (PLAN) Chairman and XCEL FCU Director of Marketing Tom Quigley attended the event which also afforded the opportunity to share credit union messages with another Ways & Means Committee member, Rep. George J. "Mike" Kelly (R-PA), as well as Rep. Rodney Frelinghuysen (R-11) and numerous state lawmakers.

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 Abeel](#) at the League.

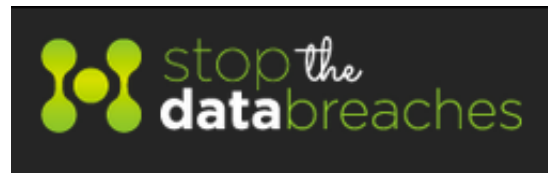
Information on CUNA's and the NJCUL's legislative and regulatory advocacy efforts is available through CUNA's weekly [The President's Report](#), [Legislative Update](#), [Regulatory Advocacy Reports](#), and monthly [Legislative Affairs Webcast](#), as well as reported in various NJCUL publications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

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### TSYS Report: Debit Card Usage Wanes Due to Security Fears

COLUMBUS, Ga. – Consumer fears about security are leading to a drop in debit-card use, according to a new report from TSYS.

Despite the drop, debit cards remain the most popular form of payment, according to the study. Forty-three percent of respondents preferred debit as their overall payment type, while 35% indicated their preferred payment type was credit. There are roughly 51 million debit cards and 15 million credit cards issued by credit unions.



Those percentages represent a decrease in respondents who preferred debit from TSYS' 2013 study, in which 49% indicated they preferred debit.

"Consumers, concerned about the security of their cards and payments, are both demanding and accepting of market changes," the study said. "Consumers have a heightened awareness of security, due to both the media and their own experiences. We found that consumers are interested in tools such as transaction authorization controls, instantly viewable transactions and text message alerts to help them protect their accounts."

Consumers are interested in new card security features, but are familiar with some features more than others, according to the study. About 48% of respondents said they have heard of chip cards, and 14% indicated that they have already received a card with a chip.

UPCOMING EVENTS.

October 16, 2014  
International Credit Union  
Day & 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](#)

October 22, 2014  
Business Development  
Roundtable: Business  
Development that Works  
Location: NJCUL and via  
Video Conference  
10:00 am to 12:30 pm  
[More Information Click Here](#)

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Tokenization is also gaining interest as a fraud- and risk-protection tool. CUNA fully backs advancements in card data security technology, but until these take hold nationwide, CUNA's leaders say, credit unions and other financial institutions will still be at risk to suffer significant losses as a result of data breaches.

Meanwhile, only 47% of businesses expect to have their payment terminals updated with EMV chip technology by the end of next year, according to the Payments Security Task Force.

CUNA continues to press national lawmakers to pass legislation that would require merchants to meet the same strict payment data security standards imposed upon financial institutions. Credit unions nationwide saw 4.6 million of their cards compromised as a result of the Target breach, leading to about \$30.6 million in breach-related costs.

CUNA also is collecting information on the financial and operational impact the Home Depot breach has had on credit unions. Completed [surveys](#) from credit unions affected by that breach are due Friday.

For more information on the comprehensive campaign CUNA has put together to fight for tougher regulations on data security for merchants, visit [StopTheDataBreaches.com](#).

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## Catch Lourdes Cortez on the 'Caucus Up Close' Series this Weekend

North Jersey FCU President/CEO Lourdes Cortez will appear on "Caucus: New Jersey" as part of the program's Caucus Up Close series. The program will air this weekend...tune in!



Here is this weekend's schedule:

**Saturday, October 25th**  
FiOS1 9:00 a.m.  
NITV 12:00 p.m.

NJTV 12:00 p.m.  
Thirteen 12:20 p.m.

**Sunday, October 26th**

NJTV 8:30 a.m.  
FiOS1 9:00 a.m.  
NJTV 11:30 a.m.

**Tuesday, October 28th**

NJTV 5:30 a.m.  
WHYY 5:30 p.m.

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## Hamilton Horizons FCU Hosts Homebuyer's Seminar with Symbionce

EAST HANOVER & HAMILTON, N.J. – On Thursday, October 9th, Hamilton Horizons Federal Credit Union hosted a homebuyer's education seminar with their mortgage CUSO, Symbionce Financial Solutions, LLC at the credit union's branch.



*Stephen DiGioia, Symbionce's VP of Mortgage Operations, gives an overview of purchasing a new home.*

Stephen DiGioia, Symbionce's VP of Mortgage Operations, covered various topics about purchasing a new home. Other industry professionals were present—an insurance agent, home inspector, title agent and realtor—to provide information on the home-buying process.

"All the attendees expressed their thanks for the valuable information provided," stated Cindy Rein-Zima, President/CEO of Hamilton Horizons FCU. "It was a small investment of our time to help our members through a complicated and important process. We are so appreciative of the work Symbionce Financial Solutions, LLC provides on our behalf and for the experts who attended and provided guidance."

Stephen DiGioia, Symbionce's VP of Mortgage Operations, covered various topics about purchasing a new home.

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## Sen. Crapo Writes Reg-Reforms Could Help Small FIs Survive

WASHINGTON – Small financial institutions are disappearing from America's financial landscape due to "an ever-increasing regulatory burden," says Sen. Mike Crapo (R-Idaho). In a letter published in *American Banker*, Crapo, the ranking member of the Senate Banking Committee, lamented that small financial institutions are not failing, but voluntarily closing due to increased compliance costs.

"We have lost more than 3,000 small banks and more than one-half of credit unions since 1990," he wrote.

In a September Senate Banking Committee hearing, lawmakers expressed concern with the effects of over-regulation. CUNA Board Chair Dennis Pierce testified that credit unions were under "regulatory assault."

"Congress and regulators ask a lot of small, not-for-profit, financial institutions when they tell them to comply with the same rules as JPMorgan, Bank of America and Citibank, because the cost of compliance is proportionately higher for smaller-sized credit unions than these behemoth institutions," Pierce said.

At the same hearing, NJCUL Board Chair and XCEL FCU President/CEO Linda McFadden testified that many credit unions are afraid to bring their regulatory concerns to NCUA.

"They came out with a [risk-based capital] proposal that was so off the wall that they knew it was going to cause a stir within the credit union movement," McFadden said. Instead of getting credit unions involved in the process, making adjustments and re-proposing the rule, McFadden said the agency is doing everything alone.

She also questioned why the agency has not used its waiver authority for member business lending.

In his letter, Crapo called for "a frank discussion about what regulatory burdens mean for financial institutions and the communities they serve."

CUNA has expressed support for numerous regulatory relief bills in both houses of Congress in the past few months. These bills would do everything from simplifying privacy notifications to removing a limit on automated transfers from savings accounts.

From a regulatory perspective, CUNA has written to NCUA, the CFPB, and the Federal Housing Finance Agency to urge proposed rules take into account the burdens that might be placed on small financial institutions.

"In light of the imperative need to reduce credit unions' regulatory obligations, we urge NCUA to add new or expand existing rules only if required to do so by law, or doing so is clearly warranted based on a compelling safety and soundness reason that can be satisfactorily addressed in no other manner," wrote CUNA Senior Vice President and Deputy General Counsel Mary Dunn in an August letter to NCUA.

NCUA.

Compliance burdens and costs are a growing concern for financial institutions. Last week one survey indicated that compliance costs were up 30% in the past year, and since January 2013, more U.S. financial institutions are reporting compliance concerns.

These concerns include transferring staff from revenue-generating roles to managing increased risk and compliance requirements.

Sen. Crapo's letter is available [here](#).

The Regulatory & Risk Management Indicator survey is available [here](#).

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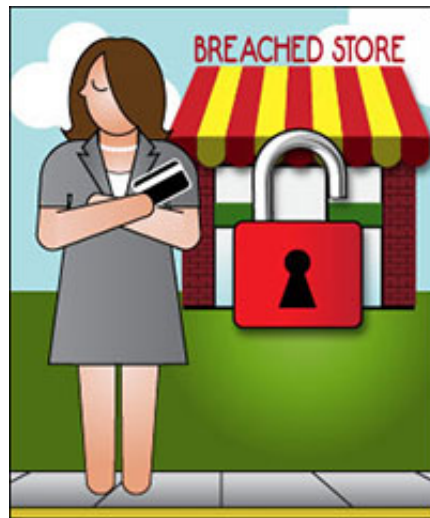
## **CreditCards.com Survey Polls Consumers on Breaches' Affect on Holiday Shopping**

AUSTIN, Texas – Nervous over recent data breaches that have compromised tens of millions of pieces of personal and personal payment data in recent months, a poll has found that nearly half of credit and debit card users will be leery to shop this holiday season at those stores where attacks have occurred.

About 45% of respondents to the [CreditCards.com](#) survey, released Sunday, said they would either definitely or probably avoid one of their go-to stores when holiday shopping if that store was recently hacked.

Broken down, 16% said they definitely would not shop at a store that had been breached, and 29% said they would probably not shop there.

Only one in eight respondents said they are actually more likely to shop with cards this year. The study, which randomly selected 865 U.S. consumers, was conducted in early October by Princeton Survey Research Associates International for the Austin, Texas-based [CreditCards.com](#).



Consumers first react to a data breach with fear, but then they may become numb, David Just, professor of applied economics management and director of graduate studies at Cornell University in Ithaca, N.Y., told [CreditCards.com](#). "I'm guessing a lot of people have the initial emotional reaction of, 'Wow, I don't want to shop there anymore if they're going to be that loose with the data.'"

The question then becomes, what does it take for a consumer to return?

That may hinge on what other options are available, according to Jeff Foresman, information security compliance lead at Rook Security in Indianapolis ([CreditCards.com](http://CreditCards.com)).

For retailers such as Target, where customers have other options for shopping, it may lead to the long-term loss of that consumer, Foresman said. However, if a building contractor has a business account with a retailer such as Home Depot, for example, he or she may not look somewhere else.

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## It's Budget Season! How Do You Prepare 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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## CUNA *CompBlog*: CFPB Finalizes Changes to Annual Privacy Notice

Earlier today, the CFPB announced the release of a final rule amending Regulation P. This new rule means that certain financial institutions no longer have to send their annual Gramm-Leach-Bliley privacy notices in a separate mailer. For institutions that meet certain criteria, this notice can now be included with other mailers or posted online.

Under the new rule, if an institution qualifies for and wants to rely on the online disclosure method, it will have to inform consumers annually about the availability of the disclosures. Previously, institutions were required to send consumers a separate communication about privacy disclosures. The new rule allows institutions to include a notice on a regular consumer communication, such as a monthly billing statement for a credit card, letting consumers know that the annual privacy notice is available online and in paper by request at a provided telephone number. If an institution chooses not to use the new disclosure method, it will need to continue to deliver annual privacy notices to its customers using other delivery methods.

The CFPB anticipates that the rule will reduce the cost for companies to provide annual privacy notices. The Bureau estimates that about \$17 million could be saved by the industry annually if institutions choose the new online disclosure method. The Bureau is finalizing the rule largely as it was proposed in May, with a number of technical, clarifying, and minor revisions. The rule will be effective immediately upon publication in the Federal Register. The rule is [available here](#). CUNA will publish a full analysis of this rule soon.

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## Latest CUNA Regulatory Advocacy Report Available

This week's Regulatory Advocacy Report will bring you up to speed on the following issues CUNA is working for on your behalf:

- President Obama Signs Executive Order to Promote Data Security
- CUNA Seeks at Least 60 days for Comments When Revised RBC Proposal is Issued
- CUNA Continues to Participate on Payment Security Task Force to Focus on EMV Implementation
- NCUA Issues Accounting Bulletin on TDR Loans



- CFPB Issues Proposed Policy on No-Action Letters
- CUNA Continues to Seek Comments on HMDA Proposed Rule
- CFPB Releases Annual Report on Student Loans
- Corporate CU Proposed Rule on October NCUA Meeting Agenda

Read the full [Regulatory Advocacy Report](#).

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

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

November 4 -- [VirtualCorps Webinar: Why Credit Unions are Pursuing Affiliate Structures](#)

November 4 -- [Executive Leadership Series Session: Financing Innovation](#)

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](#)

November 18 -- [VirtualCorps Webinar: The Affordable Care Act-Gifts and "WRAPS"](#)

### Industry Events

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

November 5 -- [Northern Chapter Meeting](#)

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](#)

April 28 -- NJCUL's 27th Annual Golf Tournament

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