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### Home Depot Breach Cost CUs Nearly \$60M

WASHINGTON – The September data security breach at Home Depot stores has cost credit unions nearly \$60 million to reissue cards, deal with fraud, and cover other costs, according to the results of a new survey of credit unions, released today by CUNA.

The Home Depot breach was reported on Sept. 18.

The CUNA survey, which asked credit unions to report the effects of the Home Depot breach, found that 7.2 million credit union debit and credit cards were affected. The survey shows that the cost per card reissued by credit unions was \$8.02, which included costs for reissuing, as well as fraud and other costs, such as additional staffing, member notification, account monitoring and others].

Conducted from Oct. 1 to Oct. 24, the CUNA survey is the second this year by the nation's largest trade group for credit unions to gauge the impact of data breaches on credit unions.

In January, CUNA conducted a similar survey in the wake of the massive information leak at Target stores in December. That survey found that the Target breach cost credit unions nearly \$30 million. The Home Depot breach costs—at \$57.4 million nearly twice as much as the Target breach—affected more credit union debit and credit cards and the cost per affected card was considerably higher than even in the Target breach.

Further, the most recent CUNA survey found that, to date, credit unions have not been reimbursed for the costs they incurred as a result of the Target breach.

"The cost to credit unions of data breaches—which seem to be occurring with increasing regularity—is rising, as the CUNA surveys

NOVEMBER

› Credit Unions, Mark Your  
Calendars

WE WANT



YOU

Be a Part of  
Creative You 2015!

We know you have innovative ideas, just like our five teams that took part in the **first year** of Creative You!

Get in the game! Creative You is a program designed for credit unions to share their innovative and creative solutions to challenges the system is facing here in New Jersey. It's a collaborative initiative with a competitive element that brings together credit unions and their ideas.

Want more information? Have an idea? Let us know! Fill out the 2015 [Entry Form](#) to submit an idea, sign-up your team, or request to be placed within a team. Please return the form to Barbara Agin at [bagin@njcul.org](mailto:bagin@njcul.org) by December 22, 2014.

All of the details for the 2015 round of Creative You are available [here](#).

clearly demonstrate," said CUNA President/CEO Jim Nussle. "The bottom line is that credit union members end up paying the costs—despite the fact that the credit unions they own had nothing to do with causing the breach in the first place."

Nussle added that all participants in the payment process have a shared responsibility to protect consumer data. "However, the law and the incentive structure today allow merchants to abdicate that responsibility, making consumers vulnerable," Nussle said.

"Congress has a role to play in addressing the issue of merchant data breaches by making sure all of the participants are playing by the same set of data security rules, and that merchants who hold consumer data and allow that data to be breached are responsible for the costs incurred by others.

"Congress must act to protect consumers by taking steps to enhance data security standards for merchants," the credit union leader said.

CUNA Chief Economist Bill Hampel, who conducted the survey, said the results show that more than four in every five (80.1%) credit unions affected by the breach have reissued or will reissue all affected cards. Nearly one in five (18.5%) will reissue or have selectively reissued cards in response to member requests or other factors. The remainder (1.4%) do not plan to reissue any cards.

"Card reissuance is an expensive proposition, representing about a quarter of the total costs to credit unions of these breaches," Hampel, who is also CUNA chief policy officer, said. "But our latest survey found that fraud is the most expensive component of costs, amounting to \$4.89 for each card, or 60% of the total costs."

Credit unions responding to the survey (835) have issued a total of 20.1 million cards outstanding, comprised of 14.9 million debit cards and 5.2 million credit cards. The total represents 28.2% of the 53 million debit cards issued by credit unions, 32.5% of the 16 million credit cards outstanding, and 29.2% of the total of 69 million cards outstanding.

CUNA will post a "Preliminary Results" sheet later today.

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## Move Over November...It's Movember Time! Take Part in the League's Movember Challenge!

HIGHTSTOWN, N.J. – This Saturday is not only the first day of the month of November, it's also the kick-off of Movember, the time to put down the razor and get excited about the hairy month ahead in the fun and quirky Movember movement meant to spark conversation and raise funds for men's health issues.

We at League invite you get hairy...aka involved! The League is challenging its credit unions to grow it all out and keep us updated...



Upcoming Events:

**November 4, 2014**  
**Executive Leadership Series Session: Financing Innovation**  
**Location: NJCUL**  
**10:00 am to 2:00 pm**  
[More Information Click Here](#)

**November 4, 2014**  
**VirtualCorps Webinar: Mobile Payments: What You Need to Do Next**  
**3:00 pm to 4:00 pm**  
[More Information Click Here](#)

**November 5, 2014**  
**Lending Roundtable: Lending Best Practices**  
**Location: NJCUL and via Video Conference**  
**10:00 am to 12:30 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:

and our very own President/CEO Greg Michlig will be letting it grow, too!



The League will donate \$10 per participant to the cause. Then, for every day each participant goes unshaven, the League will donate \$1 to the Movember Movement. Participants are not limited to beards...moustaches count as well! Any facial hair will be accepted in the League's Movember challenge.

Anyone interested in participating should submit their "Day One" photo (both front and side view) to [news@njcul.org](mailto:news@njcul.org).

We ask that participants please send us periodic photos of your growth progress every Monday throughout the 30 days of Movember. We'll have some fun keeping the NJ credit union community up-to-date on our growth and the contributions of our credit unions.

No challenge would be complete without contests! So, NJCUL will be holding periodic contests through the month and the days following to celebrate the unshaven mess of the New Jersey credit union community. And, ladies, please don't be jealous...we've got some plans for you as well!

For more information on the Movember Movement visit <http://us.movember.com/>.



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**Southern Chapter Meeting Discusses Indirect Lending with CRIF Select**

VINELAND, N.J. – The Southern Chapter held a packed meeting Wednesday evening at Merighi's Savoy Inn in Vineland, N.J.





*Ted Dozier from CRIF Select (right) with meeting attendees.*

Ted Dozier from NJCUL Business Partner CRIF Select, that offers a complete suite of lending services, spoke about indirect lending.

More photos from the meeting can be found on the League's [Facebook page](#).

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## **CUNA Says FHFA Must Strike Balance on Stability, Access**

WASHINGTON – CUNA this week called on the Federal Housing Finance Association (FHFA) to consider Americans' access to credit when setting housing goals for the government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac.

CUNA Deputy General Counsel Mary Dunn encouraged the FHFA "to continue to work to find the right balance between safety and soundness on the one hand, and credit availability for American consumers on the other."

"In the wake of the financial crisis, mortgage credit has become less available for many Americans as underwriting standards have increased and the 'qualified mortgage' (QM) has become the law of the land," she said.

Dunn made the remarks in response to FHFA's proposed 2015-2017 housing goals for the GSEs.

CUNA encouraged FHFA to continue allowing "certain non-QM loans to be sold into the secondary market," noting that they are "often backed by vigorous underwriting."

"As FHFA considers how to meet its statutory obligations related to making housing affordable to Americans, it is important that FHFA's support for the purchase of non-QM loans continues unimpeded," Dunn wrote.

CUNA also urged the FHFA to use a "broad interpretation" of the section of the Safety and Soundness Act which "ensures that none of the housing goals cause financial instability" to Fannie Mae and Freddie Mac.

CUNA's comment letter on FHFA Enterprise Housing Goals is available [here](#).

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## Liberty Savings FCU Holds 'Pink Rally' for Breast Cancer Awareness

JERSEY CITY, N.J. – On Wednesday, October 29th, Liberty Savings FCU held a “PINK Rally” to round out fundraising efforts for the American Cancer Society coordinated during the month of October for Breast Cancer Awareness.



Liberty Savings championed the cause to “Finish The Fight” with Breast Cancer with the Making Strides Organization this year with a PINK bang!

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## Paid Sick-Leave Bill Approved by Assembly Committee

TRENTON, N.J. – Following a hearing earlier this month where no vote was taken, on Monday the Assembly Labor Committee approved, with amendments, legislation (A-2354) that would require employers to provide paid sick leave to their part-time and full-time employees. The amendments approved by the committee were very limited in scope.

Under the bill, all employers will have to provide either five or nine protected paid days out of the office, depending on the size of their businesses. Employees would also be able to carry-over unused leave from one year to the next—up to 40 hours for small companies (defined as fewer than 10 employees) and up to 72 hours for larger companies (defined as 10 employees and above).

The employer would be required to pay the employee for earned sick

leave at the same rate of pay with the same benefits as the employee normally earns, except that the pay rate may not be less than the state minimum wage. Earned sick leave may be used for:

- Time needed for diagnosis, care, or treatment of, or recovery from, an employee's mental or physical illness, injury or other adverse health condition, or for preventive medical care for the employee;
- Time needed for the employee to care for a family member during diagnosis, care, or treatment of, or recovery from, the family member's mental or physical illness, injury or other adverse health condition, or preventive medical care for the family member; or
- Absence needed due to circumstances resulting from the employee or a family member being a victim of sexual or domestic violence, including stalking, if the leave is to obtain medical attention, counseling, relocation, legal or other services.

The bill prohibits retaliatory actions against an employee for the use or requested use of earned sick leave or for filing of a complaint for an employer violation. It sets requirements for record keeping and for notifying workers of their rights and provides for penalties and other remedies for non-compliance.

It specifies that it is intended to set minimum standards for earned sick leave, but not prevent any employer policies, collective bargaining agreements, or other laws or ordinances which set higher standards. Newark and Jersey City have enacted local paid sick leave mandates. The bill will now be considered by the Assembly Budget Committee, which must approve it before a floor vote can be taken.

A companion bill in the upper house (S-785) is pending consideration in the Senate Labor Committee.

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## 2014 Year-End Hot Topic Webinar Sale!

**The Hottest Credit Union Special of the Year!  
ARCHIVED WEBINAR (INCLUDES LINK & FREE CD ROM)  
Buy 2 HOT TOPIC webinars and receive the THIRD ONE  
FREE!**

Don't miss this sale of our best-selling 2014 archived webinars! Each archive includes an on-demand link and a free CD ROM. We have extended the expiration date for the archived webinar links for the following webinars until December 31, 2014. *The CD can be viewed even after the expiration date!*

See [instructions](#) to redeem your free webinar. Click on titles for webinar content.

- [01/14/2014 Real Estate Collections Under the New CFPB Mortgage Servicing Rules](#)

- [01/30/2014 What is That Personal Tax Return Telling Me? Part 1: Form 1040, Schedules B, C & D](#)
- [02/05/2014 ACH Specialist Series: Tax Refunds: ACH Postings, Exceptions & Liability](#)
- [02/12/2014 Imaged Documents: What to Keep, What to Destroy, What Holds Up in Court](#)
- [04/02/2014 ACH Specialist Series: ACH Rules Update 2014](#)
- [04/16/2014 Responding to Official Demands for Member Funds: Subpoenas, Garnishments, Summonses, Levies](#)
- [04/24/2014 BSA Officer Duties & Update](#)
- [05/14/2014 Auditing Your Loan Portfolio: Consumer, Commercial & Real Estate](#)
- [06/03/2014 Head Teller Development: Improving Teller Performance](#)
- [06/17/2014 Processing IRA Rollovers & Transfers](#)
- [06/24/2014 Regulation E & Debit Card Error Resolution: Processing, Disclosure & Investigation](#)
- [07/15/2014 Self-Employed Borrower Tax Implications for Qualified Mortgages Under the New CFPB Income Verification Rules](#)
- [07/30/2014 Real Estate Lending Series: Avoiding HMDA Reporting Mistakes](#)
- [08/19/2014 Consumer Collection Compliance Under the CFPB, UDAAP, FDCPA, FACTA & More](#)
- [08/26/2014 Frontline Series: Business Accounts: Who is Authorized to Open, Close, Transact?](#)

Special limited to the above webinar titles only. Offer expires November 30, 2014. May not be used in connection with other coupons or discount offers.

*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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## CFPB Report Cites Unfair & Deceptive Practices by Student Loan Servicers

WASHINGTON – The Consumer Financial Protection Bureau (CFPB) released a report that says some companies that service the nation's student loans used unfair or deceptive practices to trick borrowers into paying higher fees or other acts that violate lending laws, *Reuters* reported Wednesday.

The CFPB report found such violations by student loan servicers as inflated minimum payments, illegal debt collection calls, or charging unlawful late fees, even after borrowers had made payments during a grace period.

The report did not name companies that were being accused of the shoddy practices. "All borrowers should be treated fairly by loan servicers, and through our supervision program, we intend to hold them accountable for how they treat borrowers," CFPB Director Richard Cordray said in a statement.

The CFPB's media advisory and report are available [here](#).

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## Learn About ComplySight at a FREE Webinar this November



The League InfoSight Web compliance tool, ComplySight, is now available to New Jersey credit unions through the NJ CU League.

What is ComplySight and how can it help your credit union streamline the lengthy compliance process?

Click [here](#) to view an introductory video.

CU Solutions has also scheduled various Webinars to introduce credit unions to this tool. Click on a date and time below to participate.

### Introduction to ComplySight

<a href="#">Introduction to ComplySight</a>	November 4 <sup>th</sup>	3:30 – 4:00 pm (EST)
<a href="#">Introduction to ComplySight</a>	November 11 <sup>th</sup>	3:30 – 4:00 pm (EST)
<a href="#">Introduction to ComplySight</a>	November 18 <sup>th</sup>	3:30 – 4:00 pm (EST)
<a href="#">Introduction to ComplySight</a>	November 25 <sup>th</sup>	3:30 – 4:00 pm (EST)



NOVEMBER 25<sup>TH</sup>

3:30 – 4:00 pm (EST)

### **ComplySight Training 1.01**

[ComplySight Training 1.01](#)

November 5<sup>th</sup>

3:30 – 4:30 pm (EST)

[ComplySight Training 1.01](#)

November 19<sup>th</sup>

3:30 – 4:30 pm (EST)

### **ComplySight Training & Tips**

[ComplySight Training & Tips](#)

November 10<sup>th</sup>

3:30 – 4:30 pm (EST)

[ComplySight Training & Tips](#)

November 17<sup>th</sup>

3:30 – 4:30 pm (EST)

For more information, visit [www.nicul.org/complights.aspx](http://www.nicul.org/complights.aspx) or contact League Director of Compliance Nicola Foggie at [nfoggie@nicul.org](mailto:nfoggie@nicul.org) or 800-792-8861 ext. 112.

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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**

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"](#)

November 18 -- [BSA Training for Frontline Staff \(PM Session\)](#)

November 18 -- [BSA Training for Frontline Staff \(PM Session\)](#)

### **Industry Events**

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

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

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

November 18 -- [Free CUSolutions Webinar: Work in the Future - Google Apps for Credit Unions](#)

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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