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To: staff@njcul.org
Conversation: The Daily Exchange -- October 31, 2014

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October 31st, 2014

Today's News:

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Free Ongoing Operations Event November 6th at XCEL FCU will Focus on Improving Cybersecurity

BLOOMFIELD, N.J. – Ongoing Operations, a CUNA Strategic Services alliance provider, is facilitating a disaster recovery and business continuity [tabletop exercise](#) that focuses on improving a credit union's cyber-response/data threat mitigation strategies.



This event is being held at XCEL Federal Credit Union, located in Bloomfield, New Jersey on Thursday, November 6th from 11 a.m. to 2 p.m.

As we head into the last month of hurricane season and look ahead to the winter season, our thoughts as credit union leaders turns to readiness and preparation for unexpected events that disrupt our ability to service our members. We've practiced our evacuation drills and refreshed our emergency supply kits. But we also face an equally devastating risk from cyber-related crime and/or data breaches.



By attending the Ongoing Operations event you will:

THEIR BREACH RESPONSIBILITY
› CUs Consistently
Trustworthy, Harris Poll
Reinforces
› 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 by December 22, 2014.

All of the details for the

- Have hands-on experience in responding to an event
- Learn what other credit unions are doing to protect against cyber-crime/data theft
- Hear from industry experts on best practices and solutions
- There is no charge to attend this important collaborative opportunity, and lunch will be provided by Ongoing Operations.

Please feel free to invite other colleagues from your credit union.

When: November 6, 2014

Times: 11 a.m. – 2 p.m.

Cost: Free

Note: Lunch will be provided

Where: XCEL Federal Credit Union
1460 Broad Street
Bloomfield, NJ 07003

Registration is required. [Reserve your place today!](#)

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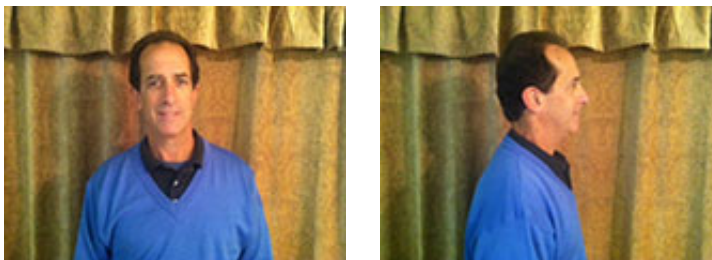
We Have Our First Movember Challenger!

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

We have our first challenger, who already sent in his first-day photos...Lou Vetere, President/CEO of Garden Savings FCU!



The League will donate \$10 per participant to the cause. Then, for every day each participant goes unshaven, the League will donate \$1

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

Upcoming Events:

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](#)

November 5, 2014
Collections Roundtable:
Collections Best Practices
(Afternoon Session)
Location: NJCUL and via
Video Conference
1:00 pm to 3:30 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

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.

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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NCUA to Consider Separate Interest Rate Risk Proposal in Response to RBC Comments

ALEXANDRIA, Va. – Responding to comments from credit unions, credit union leagues, and CUNA that interest-rate risk (IRR) should not be addressed in risk weightings in the risk-based capital (RBC) proposal, several officials at the NCUA are seriously considering a separate IRR proposal. This approach would remove IRR from certain risk weights in the upcoming RBC proposal the agency is developing.



The AACUL Regulatory Advocacy and Compliance Advisory Committee, including NJCUL President/CEO Greg Michlig, met with NCUA officials Thursday to discuss credit union issues, including the RBC proposal.

The IRR rule would supplement current supervisory IRR efforts and is intended to target credit unions with the heaviest exposure to IRR that might, under economic duress, become undercapitalized.

The agency received a record 2,056 comment letters on the RBC

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proposal, and many, including CUNA, disagreed with its approach to IRR. The proposal would have accounted for IRR through investment risk weights.

"By focusing exclusively on concentrations of longer-term assets, the proposal fails to account for how the maturity structure of liabilities can mitigate interest-rate risk. Further, it does not follow the general approach of Basel with respect to interest-rate risk," CUNA's May 28 comment letter pointed out.

The agency has preliminarily consulted with asset and liability management practitioners, registered investment advisers, credit union derivatives practitioners, and others prior to beginning the design of such a rule.

According to the NCUA, its staff is now in the process of producing a proposed RBC rule for eventual board review and potential action, which may be issued in the coming months.

The American Association of Credit Union Leagues' (AACUL) Regulatory Advocacy and Compliance Advisory Committee met with NCUA officials Thursday to discuss credit union issues, including the RBC proposal. They also discussed examination concerns, NCUA's budget, NCUA's mission and concerns regarding the CFPB.

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Extra, Extra! October Edition of The Exchange Now Available!

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



Read about the [2014 Creative You](#) program in a nutshell (and get pumped for [2015!](#)), discover the true threat of data breaches and what we can do about it, see how we've supported N.J. congressional campaigns leading up to Election Day next week, and more!

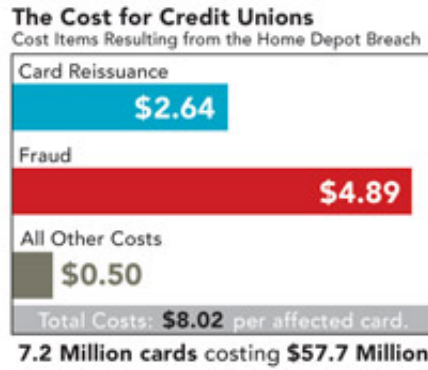
Click [here](#) to get your copy!

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CUNA Releases Preliminary Results Sheet on Home Depot breach Survey Findings

WASHINGTON – The data security breach at Home Depot stores in September cost credit

September 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 Thursday by CUNA. [Click here](#) to view a "Preliminary Results" sheet for additional information.



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.

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Get Required BSA Training at a Convenient Location and Time

Two Sessions Available on November 18th at Three Locations

HIGHTSTOWN, N.J. – Get your NCUA-required Bank Secrecy Act (BSA) training on Tuesday, November 18th. Train your tellers, teller supervisors, member service representatives, and new account managers at one of three locations: “live” at the League office in Hightstown or via video conference at Atlantic FCU in Kenilworth or Members 1st of NJ FCU in Vineland. The League will hold two sessions: morning from 9:30 a.m. to 11:30 a.m. and afternoon from 1:30 p.m. to 3:30 p.m. Please note: for the PM session, video conferencing at Atlantic FCU will NOT be available. It will be available live at the League and via video conference at Members 1st of NJ FCU only.

The cost is just 469.00 per person.

This session will focus on:

- When a CTR needs to be completed and how to correctly complete a CTR
- When a SAR is required and what is required to correctly complete a SAR
- Identifying money laundering and suspicious activity
- CIP and OFAC compliance; and
- Customer due diligence requirements.

To register for either session at any of the three locations, email Mary Zelinsky at mzelinsky@njcul.org and your credit union will be invoiced.

To purchase and register online please 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.

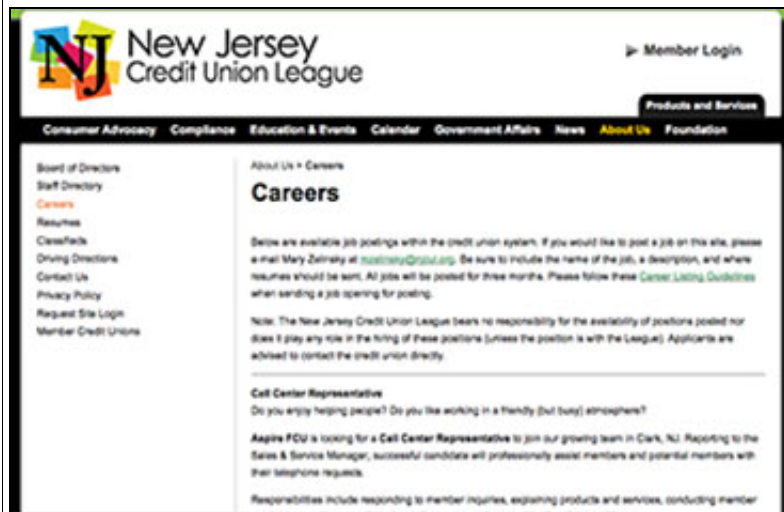


• Education • Development • Growth • Essentials •

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Use the NJCUL's 'Careers' Page to Post Job Openings and Find CU Candidates

HIGHTSTOWN, N.J. – Did you know that as a member of the New Jersey Credit Union League you can post your open positions on our “Careers” page? Member credit unions can send job postings to [Mary Zelinsky](#) and they will be posted on the site for three months. Check out these [Career Posting Guidelines](#) for details on how to submit a posting.



This page is a great place for our credit unions to get the word out about job openings and opportunities and can be viewed by potential candidates.

Many credit unions have had success filling positions through their postings on the NJCUL site, including Garden Savings FCU. “Thank you for posting these job openings; we got both candidates directly from your web site,” said Garden Savings FCU Chief Sales Officer Mike Powers, who recently posted two job openings. “It’s a great resource for us.”

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Nussle: We'll Back Off When Retailers

Accept Their Breach Responsibility

WASHINGTON – CUNA President/CEO Jim Nussle strongly took issue Thursday with merchants' attempt to shirk the responsibility that is theirs in the serious and growing problem of exposure of customer data through information breaches at retailers.

Nussle was responding to a letter from the CEOs and presidents of the Retail Industry Leaders Association, the National Association of Convenience Stores, the National Retail Federation, the National Grocers Association, the Food Marketing Institute, and the Merchant Advisory Group. That letter maintains, in part, that costs in breaches are borne roughly equally by financial institutions and retailers.

"As we have documented in two surveys this year, data breaches at retailers have cost credit unions and their members a minimum of \$90 million—and those are the costs only for breaches at Target, for \$30 million, and Home Depot, at nearly \$60 million," Nussle declared Thursday.

"With the many other breaches that have also occurred—at Staples, Neiman-Marcus and others—certainly credit unions have incurred millions more in costs this year.

"In our most recent survey, released just yesterday, credit unions told us that—to date—they have received no reimbursements for the Target breach, now more than 10 months after the breach occurred.

"In short, we'll back off highlighting the costs of data breaches on credit unions when merchants step up and take responsibility, adopt the same data standards, and stop making consumers vulnerable."

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CUs Consistently Trustworthy, Harris Poll Reinforces

NEW YORK – Credit unions as a whole continue to be held in high regard by consumers when it comes to trustworthiness, according to a Harris Poll released Thursday.

Nearly half of respondents said their trust in credit unions has remained consistent over the past few years, and 25% said they trusted credit unions more. Meanwhile, 50% reported having less trust in banks, and 57% had less trust in Wall Street.

The Harris Poll surveyed 2,537 U.S. adults online between Aug. 13 and 18.

Credit unions, which keep money and services local, appear to benefit from location as more than three-quarters of respondents had some or a great deal of trust in local credit unions.

Local credit unions are most trusted by the 69-and-over demographic and baby boomers at 85% and 83%, respectively. However, all age ranges—from 18 to 69-plus—put credit unions above regional banks, local branches of big national banks, big national banks, and online-only banks.

Two-thirds say that personal experience drives the level of trust with financial institutions, which aligns with the member-focused service that credit unions pride themselves on.

Credit unions come in with a solid 33% of respondents as members. Similar numbers were seen this summer as CUNA tracked the movement's 100-millionth membership, a number equating to a third of the U.S. population.

Big national banks, despite being among the least trustworthy, still hang on to 45% of respondents as customers. Only 1 in 10 report using an online-only bank.

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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 6 -- [Free Ongoing Operations Disaster Recovery and Business Continuity Tabletop Exercise at XCEL FCU](#)

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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