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November 5th, 2014

Today's News:

- › Clean Sweep for CU-Supported Candidates in NJ, Including Three Newcomers with Solid CU IQs
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### Clean Sweep for CU-Supported Candidates in NJ, Including Three Newcomers with Solid CU IQs

HIGHTSTOWN, N.J. – It was a clean sweep yesterday for credit union-supported candidates for New Jersey's 14-member congressional delegation. Each of the 10 candidates whose campaign received Credit Union Legislative Action Council (CULAC) support was elected or re-elected, including three newcomers to the Congress.



*XCEL FCU President/CEO and NJCUL Board Chair Linda McFadden together with NJCUL Vice President of Corporate & Governmental Affairs Chris Abeel at a recent Cory Booker for Senate fundraiser. The event provided the opportunity to help an outspoken supporter of credit unions in*

CUNA, NAFCU  
) Credit Unions, Mark Your  
Calendars

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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](#).

provided the opportunity to help an experienced supporter of credit unions in his bid for a full six-year term, as well as the chance to discuss credit union concerns with Sen. Menendez, a senior member of the Committee on Banking, Housing & Urban Affairs.

State Sen. Donald Norcross (D-1) was elected to complete the term of Rob Andrews who resigned earlier this year, as well as to a full term in the 114th Congress, which organizes in January. He is expected to take office as soon as the vote is officially certified. Norcross has been a voice for credit unions while serving in the state legislature.



*NJCUL President/CEO Greg Michlig and Vice President of Corporate & Governmental Affairs Chris Abeel at recent fundraisers for State Senator and 1st District congressional candidate, now Congressman-elect Donald Norcross (D). The events provided the opportunity to help elect to Congress a credit union-supporter currently serving in the NJ State Senate and share credit union messages with the Democrat leaders of the U.S. Senate and U.S House of Representatives. Norcross was elected to complete the term left vacant when Rep. Rob Andrews resigned earlier this year and to a full term in the 114th Congress which convenes in January. Norcross is expected to be sworn-in in the days ahead.*

Congressman-elect Tom MacArthur (R-3), a businessman and former mayor, demonstrated a strong understanding of, and appreciation for, credit union values when interviewed by the League. He was elected to the seat currently held by retiring Rep. Jon Runyan (R-3).

Assemblywoman Bonnie Watson Coleman (D-12) was elected to succeed retiring Rep. Rush Holt (D), a long-time credit union supporter. While serving in the state Assembly, Watson Coleman voted in favor of legislation to enable credit unions to become eligible municipal depositories and to expand the Credit Union Advisory Council to provide for representation of federally chartered credit unions.



*Credit Union of New Jersey President/CEO, NJCUL Board Treasurer, and CULAC Trustee Andy Jaeger together with NJCUL President/CEO Greg Michlig at a recent Tom MacArthur for Congress fundraiser with Gov. Chris Christie, NJ Assembly Republican Leader Jon Bramnick (R-21), and other state lawmakers which, in addition to supporting MacArthur's campaign, afforded Jaeger and Michlig the opportunity to thank Christie for signing into law two key credit union bills, including legislation that enables credit unions to become eligible municipal depositories, as well as his support on a*

## Upcoming Events:

**November 18, 2014**  
**BSA Training for Frontline Staff**

**Location: NJCUL and via Video Conference**  
**9:30 am to 11:30 am (AM Session)**  
**1:30 pm to 3:30 pm (PM Session)**  
[More Information Click Here](#)

**November 18, 2014**  
**VirtualCorps Webinar: Th Affordable Care Act -- Gifts and "WRAPS"**

**3:00 pm to 4:00 pm**  
[More Information Click Here](#)

**November 20, 2014**  
**Southern Chapter Meeting: Holiday Gathering**

**Location: Crab Trap, Somers Point, NJ**  
**6:00 pm to 8:30 pm**  
[More Information Click Here](#)

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to become eligible municipal depositors, as well as his support on a number of other key issues.

Delegation members re-elected with the help of CULAC include Sen. Cory Booker, and Reps. Frank LoBiondo (D-2), Scott Garrett (R-5), Frank Pallone (D-6), Leonard Lance (R-7), Bill Pascrell (D-9), and Donald Payne, Jr. (D-10).

Candidate committees in New Jersey this election cycle received CULAC support totaling \$65,000 for their 2014 primary and/or general election campaigns, an all-time for the Garden State.



*NJCUL President/CEO Greg Michlig, NJCUL Vice President of Corporate & Governmental Affairs Chris Abeel, Credit Union NJCUL Political & Legislative Action Network (PLAN) Chairman and XCEL FCU Director of Marketing Tom Quigley, and Proponent FCU Senior Vice President/COO and PLAN Member Terry Ball at recent Pascrell for Congress fundraisers. A senior House Ways & Means Committee member, Pascrell has been an outspoken supporter of the credit union tax exemption. One of the events afforded the opportunity to bring the Don't Tax My Credit Union message to another House Ways & Means Committee, Rep. Mike Kelly (R-PA).*

CULAC is a federal political action committee (PAC) through which eligible credit union professionals, volunteers, and members can voluntarily pool personal contributions to help elect candidates for federal office who understand and share credit union values.

Attendance at campaign fundraisers provides the opportunity to not only support credit union-friendly candidates but to also share credit union messages with numerous state and federal lawmakers, and other leaders, which this season included former President Bill Clinton, Governor Chris Christie (R), U.S. Senate Majority Leader Harry Reid (D-NV), and U.S. House Minority Leader Nancy Pelosi to name a few.

Additional information on CULAC is available from NJCUL Vice President of Corporate & Governmental Affairs Chris Abeel or CULAC Trustee Andy Jaeger.

Additional 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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## 'Financing Innovation' ELS Session Covers Technology Landscape and Future Trends

HIGHTSTOWN, N.J. – The facilitator for Tuesday's Executive Leadership Series (ELS) held at the League, John Best, President of Best Innovation Group (BIG), provided an in-depth look at the current technology landscape and future trends.

During the session, titled "Financing Innovation", Best stated that the good companies right now are asking how to use current technologies with today's platforms. The time to think about the future is now: evolution versus revolution. Best reminded attendees how most FIs started offering bill pay (evolution), but then people changed financial institutions because of remote capture when it first came out (revolution). Many financials missed the boat on the initial release.



*John Best gives an overview of the current technology landscape and future trends.*

He stated that the future role of technology will be focused on integration rather than innovation. The technology platforms are out there; the challenge is how to use it.

Best said that the future is also video; it is how our kids learn and how we learn. If you want information, you search YouTube for a video. He sees digital engagement as the biggest credit union opportunity.

Best posed thought-provoking questions for attendees to ask themselves, such as what problems are we trying to solve at the credit union? What are our obstacles? Time to market, security, or cost? A critical question he posed to the audience was, "Are you a technology company offering financial products or an FI delivering technology?" We need to not blur these lines, we need to know who we are.

After an energizing break, Best went on to talk about how credit unions can win in the mobile payments game.

The session went on to preview some early innovations such as the Apple Watch, Google Glass, ROKU, Uber as well as competitor apps and prototypes. Opportunities for Skype were discussed as well as the prospect of merging financial fitness with personal fitness—leveraging technology.

Many ideas were shared prior to lunch and Best shared some insight into what he feels is coming in the near future: pros, cons, and the obstacles.

After lunch, Best shared some highly technical insights, including the increasing use of the cloud, Bit Coin, the deployment of Apple Pay, and other payment players. He touched on the relevance of Big Data, gaining outside useful information of member behavior.

This session was energetic and filled with timely, relevant information.

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## CU-Friendly Candidates See Mostly Success on Election Day

WASHINGTON – Election Day brought good news for a number of credit union-friendly candidates around the country, in both Senate and House races.

CUNA, Credit Union Legislative Action Council (CULAC), state leagues, and other members of the credit union community were involved in 397 races around the country.

Sen. Mitch McConnell (R) was one of the first races of the evening to be called. He defeated Democrat challenger Alison Lundergan Grimes 56.19% to 40.73%. McConnell is expected to take over as Senate majority leader in January.

In South Dakota, Mike Rounds (R) was elected to the state's vacant Senate seat with 51.6% of the vote defeating Democrat Rick Weiland and Independent Larry Pressler.

In Illinois's 13th District, Rep. Rodney Davis (R) defeated his opponent, Democrat Ann Callis, 58.75% to 41.25%. In the state's 17th District, Rep. Cheri Bustos (D) won re-election over Republican opponent Bobby Schilling 55.15% to 44.85%.

Rep. Rick Nolan (D-Minn.) defeated his Democratic opponent Stewart Mills in a close race, 48.54% to 47.14%.

Rep. Joe Heck (R-Nev.) easily defeated Democrat Erin Bilbray in the state's 3rd District, 60.76% to 36.12%.

In New York, Rep. Tom Reed (R) won re-election to a third term representing the state's 23rd District, defeating Democrat Martha Robinson 62.55% to 37.45%.

In Oregon, Rep. Kurt Schrader (D) was re-elected 54.35% to 39.17% over Republican challenger Tootie Smith.

Several races were too close to call this morning. In California's 31st District, Democrat Pete Aguilar, a former credit union vice president

District, Democrat Pete Aguilar, a former credit union vice president, held a 51.04% lead to opponent Paul Chabot's 48.96% as of 6:30 a.m. (ET).

Polls show Rep. Ami Bera (D-Calif.), a former credit union board member, is trailing his opponent, Republican Doug Ose 51.37% to 48.63%. In Alaska, Sen. Mark Begich (D) is trailing his opponent, Republican challenger Dan Sullivan 48.96% to 45.34%.

Several credit union-supported candidates did not win most notably Sen. Mark Udall (D) who lost to Republican challenger Rep. Cory Gardner 49.7% to 44.9% in Colorado. Udall has been a longtime supporter of raising the member business cap and has introduced multiple pieces of MBL reform legislation throughout the years.

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## New Foundation Video Shows Value of DE Training

### *Registration Open for 2015 CU Philosophy Programs*

MADISON, Wis. – The National Credit Union Foundation (NCUF) has released a new video about the Credit Union Development Education (DE) program highlighting the value of the training for attendees. The short video is comprised of attendee testimonials, staff insights and onsite footage of training activities.

The video is available on NCUF's YouTube channel at [www.youtube.com/ncuf](http://www.youtube.com/ncuf). The direct video link is available [here](#).



DE Training provides critical lessons in cooperative principles, credit union philosophy, and international development issues while incorporating challenges credit unions face today. During the week-long program, participants are involved in group exercises, field trips, discussions with speakers from around the credit union system, and are required to complete team projects proposing solutions for credit unions to help alleviate or eliminate challenging situations in any given area. Graduates then earn certification as Credit Union Development

Educators (CUDEs).

“This new video shows the true power and value of DE Training,” said Lois Kitsch, NCUF National Program Manager. “It’s clear that the unique program leaves credit union professionals with many takeaways, both practical ones for their organization and also transforms them personally. I encourage you to watch the video, share it and become a CUDE!”

NCUF contracted with Andy Janning, CEO of [NO NET Solutions](#), to create the new video. Janning chronicled the most recent DE Training for the video and was the [resident photographer](#) as well. He also [wrote an article](#) for *CU Insight* following the experience.

### **2015 Winter & Spring DE Training Registrations Still Open**

Registration is still open for the first two DE training programs of 2015, which will take place January 14-21, 2015 at the American Airlines Training & Conference Center in Dallas, Texas and April 29-May 6, 2015 in Madison, Wis.

Registration for the trainings can be found on the NCUF website by clicking the [“Register for DE Training”](#) button on the homepage or anywhere on the website under “Foundation Programs>Development Education>[Register for 2015 DE Trainings](#)” at the top of every page.

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## **Correction to Yesterday's BSA Training Article**

HIGHTSTOWN, N.J. – Yesterday’s article “Two BSA Training Sessions Available on November 18th at Multiple Locations via Video Conference” included a mistake regarding the price of the sessions. It stated that the sessions cost “469 per person”. That was a typo; the actual cost is \$69.00 per person.

We apologize for any confusion.

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## **Get a Handle on Proper Procedures for Deposit Accounts and Loans When a Member Dies**

***Decedent Accounts Session  
November 19, 2014  
10 a.m. to 3 p.m.***

HIGHTSTOWN, N.J. – NJCUL’s Decedent Accounts seminar on November 19th will review the basics of handling various types of accounts and ownership after the death of the member, including special rules that apply in N.J. The class, being offered “live” at the League and via video conference at Atlantic FCU and Members 1st of NJ FCU, will also answer the question of who pays a decedent’s loans, how to make a claim against the estate, how to sue the estate when necessary, as well as cover other pertinent areas, such as right of set-off, secured loans, and insurance.

Attendees are asked to email, in advance, specific scenarios they may have encountered that they would like to discuss during the session. Drew Edwards, a partner at the law firm of Edwards & Edwards, will be on hand to answer these questions and more.

Join us from 10 a.m. to 3 p.m. for this full-day session. The cost to attend is based on assets as follows: \$209 per person for credit unions above \$150 million, \$149 per person for credit unions \$50-\$150 million, and \$69 per person for credit unions under \$50 million. Please note: A 50% discount is available for all member CUs under \$10 million in assets. Please contact Mary Zelinsky at [mzelinsky@njcul.org](mailto:mzelinsky@njcul.org) for more details.

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 purchase and register 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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## Fannie, Freddie Create Company, Stage Set for Single Security

WASHINGTON – A new secondary mortgage market infrastructure, Common Securitization Solutions (CSS), has been created by Fannie Mae and Freddie Mac to operate a new platform to deal a single mortgage-backed security.

The Federal Housing Finance Agency (FHFA) proposed the single security in August in order to meet a goal in this year's strategic plan to develop the single security. The single security would be mutually interchangeable with legacy Fannie Mae and Freddie Mac mortgage-backed securities.

Fannie and Freddie will serve as joint owners of CSS, which will design, develop, build, and operate a common security platform (CSP) that will serve as the seller of the single security. The intention of the CSP is to replace certain elements of the Fannie Mae and Freddie Mac proprietary systems for securitizing mortgages and performing associated back-office and administrative functions, according to a statement from Fannie Mae.

FHFA Director Mel Watt said the goal is for the agency to build a new securitization infrastructure that would "meet the current securitization needs of the enterprises that could be adaptable for other users in the future."

Fannie and Freddie have announced that David Applegate will serve



as CEO of CSS. Applegate previously served as president/CEO of Homeward Residential Inc., a Dallas-based mortgage lender and servicer. He also served as president of GMAC Mortgage and chair of GMAC Bank from 2000 to 2007.

"David has the skills and experience needed at this important juncture in the development of the CSP to move it to launch," Watt said.

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## Data Breach Vulnerability at Feet of Merchants, Say CUNA, NAFCU

WASHINGTON – Credit unions are willing to join collaborative efforts to improve payment security, but only if merchants agree to meet the same security standards required of financial institutions.

That's the message in a letter to six retail trade organizations sent jointly by CUNA and the National Association of Federal Credit Unions (NAFCU).

With two major data breaches at Home Depot and Target costing credit unions at least \$90 million, CUNA and NAFCU are reiterating the need for merchant security standards in order to find solutions that "will minimize such breaches and the costs credit unions must incur in their wake."

Credit unions and other financial institutions are bound under the Gramm-Leach-Bliley Act to adhere to strict federal data security standards, while merchants are not.

"Merchants and financial institutions both play critical roles in the payments system and they should be held to similar standards with respect to protecting consumer data. The weak link in the system today is on the merchant end," reads the letter, signed by CUNA President/CEO Jim Nussle and NAFCU President/CEO Dan Berger. "We continue to work with our members to deploy new technology, but as long as the security standards on the merchant side of the system are weaker than those on the financial institution side of the system, the vulnerability for consumers and financial institutions will be at your feet."

The two organizations agree with the merchants' notion that improved technology can reduce fraud and strengthen data security, but believe more measures are needed.

"In order for consumers to be more reasonably protected, advances in technology must be accompanied by merchants' compliance with federal standards for the safe keeping of financial data, cost liabilities, and breach notifications in the event of an attack," the letter reads. "This is reasonable and the right thing to do."

The letter was sent in response to one sent last week by the heads of the Retail Industry Leaders Association, National Association of Convenience Stores, National Retail Federation, National Grocers Association, Food Marketing Institute, and Merchant Advisory group.

In that letter, merchants claimed credit unions were the only holdout to a merchant-financial services cybersecurity partnership

a merchant-financial services cybersecurity partnership.

According to CUNA and NAFCU, both organizations considered joining the partnership several months ago, but "concluded that discussions simply would not be productive as long as merchants are not willing to do their part to safeguard financial data.

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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 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 \(AM Session\)](#)

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

December 10th -- [Creative You Information Session](#)

### **Industry Events**

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](#)

November 20 -- [Southern Chapter Meeting: Holiday Gathering](#)

December 9 -- South-Central Chapter Meeting -- More Information Coming Soon

December 11 -- [North-Central Chapter Meeting: Allowance for Loan Losses](#)

### **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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