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**Conversation:** The Daily Exchange -- November 11, 2014

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November 11th, 2014

Today's News:

- › Reality Fair Program Makes Second Stop at OCC Southern Education Center
- › Starting Tonight: Catch NJ CU Professionals on 'One-on-One with Steve Aduato'
- › Prize-Linked Savings Bill Introduced in State Assembly
- › Movember is Getting Hairy!
- › 53M Email Addresses Stolen in Home Depot Breach, Impact on CUs Mounts
- › Don't Miss the Opportunity to Get Required BSA Training Next Tuesday
- › CFPB's Next TILA-RESPA Webinar November 18th
- › Post Office IG Seeks Ideas for Postal Banking
- › Fannie Exec Discusses Low Down-Payment Mortgage Details

### Reality Fair Program Makes Second Stop at OCC Southern Education Center

MANAHAWKIN, N.J. – On Monday, around 90 students at the Ocean County College Southern Education Center (SEC) took part in the second Reality Fair held at that campus.



Details

- › CFPB Updated Small Entity Compliance Guides Available
- › Daily Movember Men's Health Tip
- › Credit Unions, Mark Your Calendars



**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.

*The first round of students makes life choices at the various booths set-up in the OCC SEC lobby.*

Students from Math, Sociology, and Student Success classes used their personalized budget worksheets that included some students' real-life credit scores and anticipated account and student loan balances to make financial choices while visiting the booths set-up in the lobby.

With a little help (and some sales pitches) from credit union volunteers, including those from First Financial FCU, the sponsoring credit union, students made life choices, filling out their budget worksheets, then sitting down with financial counselors to go over the experience.

This was the second Reality Fair held at the OCC SEC campus and the third held at OCC.

For more photos, visit the NJ Credit Unions Reality Fairs [Facebook page](#).

[\[ BACK TO TOP \]](#)

**Starting Tonight: Catch NJ CU Professionals on 'One-on-One with Steve Aduato'**

HIGHTSTOWN, N.J. – Be sure to tune in to the popular public television show "One-on-One with Steve Aduato" this month to catch New Jersey Credit Union professionals and a New Jersey Coalition for Financial Education (NJCFE) leader!

It all starts tonight at 7 p.m. on NJTV where Healthcare Employees FCU President/CEO John Dawidowski talks about serving hospital and healthcare workers.



The dates, times, and channels are listed below. Tune in!

**Healthcare Employees FCU President/CEO John Dawidowski**  
 Tuesday, Nov. 11  
 7 p.m. on NJTV

December 22, 2014.

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

### 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](#)

### Contact Us:

#### Address

299 Ward Street  
Hightstown, NJ 08520  
Driving directions

#### Phone

800.792.8861  
609.448.2426

### Atlantic FCU Chief Operating Officer Daniel Czerniawski

Tuesday, Nov. 18

7 p.m. on NJTV

12:30 a.m. on WNET

### NJCFC Executive Director Michael Drulis

Wednesday, Nov. 19

7 p.m. on NJTV

12:30 a.m. on WNET

[\[ BACK TO TOP \]](#)

## Prize-Linked Savings Bill Introduced in State Assembly

TRENTON, N.J. – NJCUL-supported legislation (A3868) to enable New Jersey state-chartered banks and credit unions to provide incentives to open and maintain savings accounts has been introduced in the state Assembly by Assemblymen Herb Conaway (D-7), Troy Singleton (D-7), Timothy Eustace (D-38), and Craig Coughlin (D-19). Coughlin chairs the Assembly Financial Institutions & Insurance Committee, which will consider the bill before it can be voted on by the Assembly as a whole. The measure mirrors a Senate bill introduced in mid-October by Senators Richard Codey (D-27) and Ronald Rice (D-28).

The legislation would authorize the offering of savings promotions, also known as "prize-linked savings accounts," which treat every deposit as a ticket in a prize-winning raffle.

The legislation would authorize state-chartered banks, savings banks, and credit unions to conduct savings promotions in which a minimum deposit qualifies for a chance at winning a designated prize. The idea has been put into practice in a number of states by non-profits and credit unions. With each deposit in an amount predetermined by the institution, a participant qualifies for a raffle that can win financial prizes while at the same time they build up their savings.

The bill would require all participants to be at least 18 years of age, that everyone has an equal chance to win, that all the rules and conditions are spelled out, and that interest rates and fees are approximately the same as other accounts.

Several states have modified their state banking laws to allow for these programs.

According to CUNA, NCUA currently authorizes federally chartered credit unions to offer raffle-based activities such as prize-linked accounts. FCUs should consult legal counsel before establishing such a program to determine if any other state or federal restrictions apply.

[\[ BACK TO TOP \]](#)

## Movember is Getting Hairy!

Our Movember Challenge participants are looking great as they let it all grow for the good of the cause!

**Fax**

609.448.3499

**E-mail**

info@njcul.org

Connect with Us:



*NJCUL President/CEO Greg Michlig (top) and Rutgers FCU Board Chair Gordon Stankavage (bottom) show off their Day 11 progress.*

We've been receiving great photo updates from the teams and individuals who signed up to be counted in the League's Movember Challenge, which 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.





*The men of Team Aspire are looking good!*

Thank you to all of our participants! You all look great!

[ [BACK TO TOP](#) ]

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## 53M Email Addresses Stolen in Home Depot Breach, Impact on CUs Mounts

WASHINGTON – It wasn't only payment data that cybercriminals ripped off during the Home Depot breach in September. The home improvement mega retailer announced last week that hackers also stole 53 million consumers' email addresses when they broke into its payments system.

Home Depot said the criminals used a third-party vendor's username and password to "enter the perimeter" of the retailer's payment network, according to Housingwire.com, allowing them to navigate sensitive portions of the network and deploy "unique, custom-built malware" on Home Depot's self-checkout systems.

"The company is notifying affected customers in the U.S. and Canada," Home Depot said in a press release. "Customers should be on guard against phishing scams, which are designed to trick customers into providing personal information in response to phony emails."

The breach led to more than 56 million credit and debit cards being compromised nationwide, including about 7.2 million cards issued by credit unions. Last week, CUNA released the results of a survey it completed on the effects of the Home Depot breach and found that credit unions, so far, are on the hook for nearly \$60 million in costs as a direct result of the incident.

That total includes the cost of reissuing cards, which CUNA estimates costs credit unions \$8.02 a piece, and accounts for fraud and additional staff time to notify members and monitor accounts.

CUNA and the NJCUL continues to lobby federal lawmakers to pass legislation that would require merchants to adhere to the same strict payment data security standards that financial institutions are required to meet. The League is also supporting similar legislation in Trenton.

CUNA recently launched the Web site [www.StopTheDataBreaches.com](http://www.StopTheDataBreaches.com) as part of its campaign to raise awareness about this issue. Participation in the nationwide Stop the Data Breaches Call-to-Action is available at CUNA's Grassroots Action Center [here](#).

[ [BACK TO TOP](#) ]

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## Don't Miss the Opportunity to Get Required BSA Training Next Tuesday

*Two Sessions Available on November 18th at Convenient Locations via Video Conference*

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 \$69.00 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](mailto: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.*



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[\[ BACK TO TOP \]](#)

## CFPB's Next TILA-RESPA Webinar November 18th

WASHINGTON – The fourth in a series of Consumer Financial Protection Bureau (CFPB) hosted discussions about the new Truth in Lending Act-Real Estate Settlement Procedures Act (TILA-RESPA) integrated disclosures rule has been scheduled for Nov. 18. The bureau, which proposed the rule, has hosted Webinars throughout the implementation period.

The rule, which becomes effective Aug. 1 next year, consolidates

existing mortgage disclosures required under TILA and RESPA into two forms designed to make it easier for consumers to understand and locate key information. It is also meant to integrate the requirements for providing these disclosures to consumers.

The session will focus on issues related to how to complete the closing disclosure by addressing specific questions related to rule interpretation, as well as implementation challenges raised by creditors, mortgage brokers, settlement agents, software developers, and other stakeholders.

According to the CFPB, it anticipates a "substantial volume of compliance and interpretive questions during implementation, and plans to use these Webinars to consolidate and address these questions in a way that promotes consistent understanding of the rules and provides a resource that stakeholders may reference."

The event is scheduled to run from 2 to 3 p.m. (ET) Nov. 18

Additional information and registration as well as recordings of the previous Webinars are available [here](#).

[\[ BACK TO TOP \]](#)

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## Post Office IG Seeks Ideas for Postal Banking

WASHINGTON – The U.S Postal Service's Office of the Inspector General is seeking stakeholder comment on a proposal to offer financial services at post offices. The office plans to release a paper assessing a number of approaches to these services.

CUNA has scheduled a meeting with the USPS, in part to discuss additional avenues to promote credit union services.

According to the USPS OIG, each approach "should include a discussion of the types of products, partnerships, and delivery channels involved, as well as analysis of its viability and efficacy."

The products involved include alternative financial services such as check cashing, money transfers, money orders, bill pay, prepaid cards, and mobile payment solutions.

"If post offices teamed up with their closest credit unions or community banks, they could provide a pathway for millions of people into the traditional banking system," said Sen. Elizabeth Warren (D-Mass.), speaking at a Pew Charitable Trusts forum on the topic in July.

CUNA General Counsel, Eric Richard, said the association will be meeting with USPS to see if there could be partnering opportunities for credit unions. He did note that the field of financial services is already extremely crowded and competitive, and credit unions already provide a cooperative, not-for-profit alternative that benefits consumers, including many who would otherwise be unbanked.

"Nonetheless, we are always willing to pursue opportunities that will promote credit unions and the services they provide to their members and communities," he said.

## Fannie Exec Discusses Low Down-Payment Mortgage Details

WASHINGTON – A proposed Fannie Mae program offering low down-payment mortgages could cost borrowers less but could be limited by a private mortgage insurance requirement, said Fannie Mae's president/CEO. In an interview with *The New York Times*, Timothy J. Mayopoulos said the proposed program could cost borrowers less than similar loans at other government programs.

Currently, Fannie borrowers have to put 20% down due to the enterprise's charter preventing it from backing loan amounts exceeding 80% of the house's value. If private mortgage insurance is used to make up the portion of the 20% not covered by the down payment, Fannie will, however, guarantee a loan.

Federal Housing Administration (FHA) loans were approximately 14% of all mortgages made this year, but those loans cost consumers more than the proposed Fannie Mae low down-payment loans in many cases, Mayopoulos said.

Both Fannie Mae and Freddie Mac previously had low down-payment programs, but Freddie canceled it in 2011, and Fannie followed suit last year after the FHA increased the fees it charged for its guarantee. According to *The New York Times*, the fear was that the market would direct lower quality, low down-payment loans mainly to Fannie.

Mayopoulos said he didn't think that would happen with this proposed program, given that Fannie "won't be the only provider in the marketplace, and we will be able to monitor what's going on."

[\[ BACK TO TOP \]](#)

## CFPB Updated Small Entity Compliance Guides Available

WASHINGTON – The CFPB has updated the Small Entity Compliance Guides for the Ability-to-Repay and Qualified Mortgage (ATR/QM) Rule and the RESPA and TILA Mortgage Servicing Rules. These updates incorporate adjustments to the rules that became **effective on November 3, 2014**. Check out the updated guides and other resources [here](#).

The adjustments include two changes that will help certain nonprofit organizations continue to provide mortgage credit and servicing to underserved populations. Other changes lay out limited circumstances where lenders that exceed the points and fees cap can pay a refund of the excess amount plus interest to consumers and still have the loan be considered a Qualified Mortgage.

[\[ BACK TO TOP \]](#)

## Daily Movember Men's Health Tip

**DON'T SMOKE**



If you do smoke, take steps to stop. Compared to non-smokers, smokers are about 20 times more likely to develop lung cancer. Smoking causes about 90% of lung cancer deaths in males and doubles your risk of heart disease. Get advice about how to quit smoking, as there are many options available.

support movember



[\[ BACK TO TOP \]](#)

## 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 \(PM Session\)](#)

November 19 -- [Decedent Accounts: Handling Deposit Accounts and Loans When a Member Dies](#)

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

### Industry Events

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](#)

[\[ BACK TO TOP \]](#)

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