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November 21st, 2014

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The Collaborative Connection: What Are You MO-st Thankful For?

By: Greg Michlig, President/CEO

November is traditionally a month where we give thanks; reflecting on the past year and counting our blessings. Many of us, myself included, can say, "I'm thankful for my health"—a true blessing not to be taken for granted.



Over the past ten years, this month of thanks has also become a month focused on building awareness for just that: health. Well, men's health in particular, that is, with the [Movember Movement](#).

Haven't heard of it? Like many movements nowadays, this one lives—and spreads—mostly through social media through the use of hashtags (#Movember, #Movember2014) and photos of men growing

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Information Session

FREE
Creative You
Information Session
December 10th

We know you have innovative ideas, just like our five teams that took part in the [first year](#) of Creative You!

Wanna know what it takes to be a Creative You team? Want more information on the program? Want to network with other innovative NJ CU folks? Join us for a [FREE Information Session](#) on

[Movember](#) (November, November 2017) and photo of men growing out their facial hair (mostly moustaches, thus the "Mo" in November) in the month of November to raise awareness for men's health issues...[More](#)

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McWatters Outlines Budget Transparency Enhancements, Among Likely Discussion Topics at Dec. 9 Meeting with League

ALEXANDRIA, Va. – In casting his "no" vote against NCUA's 2015 budget at the agency's meeting Thursday, board member J. Mark McWatters outlined 11 items he said would "enhance the transparency of the budgetary process."

This is the first year NCUA will supply additional budget documents, which include several fact sheets, as well as a FAQ document scheduled to be released in the coming weeks.

However, McWatters said he would like to see opportunities for credit union stakeholders to have a seat at the table while the agency is putting the budget together, rather than simply reading documents about a budget that has already been approved.

"Next year, I strongly encourage the board to deliver the proposed budget and calculation of the proposed overhead transfer rate (OTR) to the credit union community and general public at least two weeks prior to a formal budget hearing," he said in remarks at the agency's Thursday open board meeting.

"At that hearing NCUA staff should formally present the proposed budget and OTR to the public in a detailed, understandable and transparent manner supported by written analysis posted on the NCUA Web site."

He added that the board should not formally act on the proposed budget until it has reflected on the comments.

"This approach, while somewhat cumbersome, will materially enhance the transparency and inclusiveness of the budgetary process," McWatters said. "Unless there's a legal or proprietary reason not to disclose something, the default should be to disclose it. I don't understand why it should be otherwise."

Despite McWatters dissenting vote, the agency approved a 2015 spending plan that is 4.2% higher than the 2014 budget.

For future budgets, McWatters said he would like to see:

- Additional detail regarding employee pay and benefits travel, rent/communications/utilities administrative and contracted services expenditures;
- A detailed analysis of how NCUA may reduce those expenditures;
- Submission of the NCUA's methodology in calculating the OTR for public comment, and a detailed description of the

**[Information Session](#) on
December 10th.**

The session will feature members of last year's teams as well as NJCUL staff involved. It is being held "live" at the League and also via video conference to Atlantic FCU and Members 1st of NJ FCU. Register by sending an email to Mary Zelinsky at mzelinsky@njcul.org.

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

Upcoming Events:

December 9, 2014
South-Central Chapter Meeting:
Networking/Christmas/Holiday Gathering
Location: Tommy's Inn in Millstone Township, NJ
12:00 pm to 3:00 pm
[More Information Click Here](#)

December 9, 2014
VirtualCorps Webinar: Enhancing Leadership Skills for Boards of Directors
3:00 pm to 4:00 pm
[More Information Click Here](#)

December 11, 2014
North-Central Chapter Meeting: Allowance for Loan Losses
Location: Luciano's in Rahway, NJ
12:00 pm to 2:30 pm
[More Information Click Here](#)

- methodology adopted by NCUA following an analysis of the comments received;
- A detailed analysis of expenditures among NCUA, the National Credit Union Share Insurance Fund, the Temporary Corporate Credit Union Stabilization Fund and the Central Liquidity Facility;
 - A detailed analysis of why NCUA's budget has increased by more than 50% in the past five years, as well as a year-by-year analysis of all such increases;
 - Analysis of all cost savings programs implemented by NCUA over the past five years;
 - Analysis of all expenditures incurred by NCUA to support the Financial Stability Oversight Council;
 - A detailed analysis of all expenditures incurred by NCUA in implementing the Sensitive Compartmented Information Facility;
 - A detailed analysis of all expenditures that NCUA anticipates to incur with respect to the proposed risk-based net worth rule, as well as all other proposed rules;
 - A formal cost-benefit analysis with respect to each rule or regulation proposed by NCUA, as well as a detailed description of the methodology employed by NCUA in conducting such analysis; and
 - A detailed reconciliation of how NCUA plans to allocate budget expenditures to achieve its strategic goals.

"The board's job, in my view, is not merely to follow the script set by other financial regulators, but to lead and to set the standard of transparency and accountability for all such regulators," McWatters said.

CUNA's summary of the board meeting is available [here](#).

NJCUL's annual NJ Day at Credit Union House scheduled for December 9 will kick-off with a morning meeting with McWatters at NCUA headquarters in Alexandria. The group will then reconvene at Credit Union House for a luncheon meeting with CUNA's new President/CEO Jim Nussle followed by meetings with two or three members of the state's Congressional delegation.

Carpooling from the League's offices in Hightstown will be available.

Additional information is available from the League's Vice President of Corporate & Governmental Affairs Chris Abeel at cabeel@njcul.org.

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No Stabilization Assessment Seen for 2015

ALEXANDRIA, Va. – NCUA staff told the board Thursday that no assessment is likely to be needed next year for the Temporary Corporate Credit Union Stabilization Fund and that any share insurance premium would likely be in the range of 0 to 5 basis points

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insurance premium would likely be in the range of 0 to 5 basis points.

NCUA Chairman Debbie Matz said if current trends continue and legacy assets perform well, “we should be able to avoid any more assessments” for corporate stabilization. Since the stabilization process began, insured credit unions have paid \$4.8 billion in stabilization [assessments](#). The last share insurance premium, which is paid to the NCUSIF, was assessed in 2010. Staff said factors in calculating the estimated 2015 NCUSIF premium range will be provided in a Letter to Credit Unions.

CUNA’s summary of the board meeting is available [here](#).

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Mid-Atlantic Corporate's Family of Companies and Central Pa. CUs Donate Time and Money for the 2014 Pay 4 Play Event

MIDDLETOWN, PA – How much is your favorite song worth? \$50, \$100, \$500? It might be worth more than you think. In fact, it might be invaluable for the children whose lives depend on donations to Children’ Miracle Network (CMN) Hospitals. That’s why Mid-Atlantic Corporate’s family of companies and credit unions from the central Pennsylvania area offered their support for the 2014 Pay 4 Play, an annual fundraising event to benefit the Corporate’s local CMN Hospital, Penn State Hershey Children’s Hospital.



Pay 4 Play, which was held Nov. 6-7, 2014, is a radio-thon that raises money for life-saving equipment, advanced research opportunities, and innovative treatment programs for CMN Hospitals. The event runs for 28 hours straight and allows listeners the opportunity to request a song of their choice in exchange for a donation to CMN Hospitals. Some songs require higher donations, depending on how far the song deviates from the host station’s alternative rock genre.

Like last year, 105.7 The X Rocks’ *People’s Morning Show with Nipsey, Earl and Jen Shade*, hosted the Pay 4 Play event. From 5 a.m. on Nov. 6th to 9 a.m. on Nov. 7th, the morning show

personalities and volunteers from 12 central Pennsylvania credit unions, including Mid-Atlantic Corporate and its family of companies, took requests and donations from callers.

By the end of the 28 hours, the 2014 Pay 4 Play had raised over \$150,000. In total, the Pay 4 Play fundraiser has brought in \$794,148 for Penn State Hershey Children's Hospital within the last eight years.

"Every year, we look forward to participating in the Pay 4 Play fundraiser," said Erin Doan, administration and community relations director for Mid-Atlantic Corporate. "It's an amazing experience to see credit unions and the community come together to raise money for kids in need."

Mid-Atlantic Corporate thanks the following central Pennsylvania credit unions that contributed a \$250 sponsorship for this year's Pay 4 Play: Belco Community CU, First Capital FCU, Glatco CU, Heritage Valley FCU, Hershey FCU, Lancaster Red Rose CU, LANCO FCU, Lebanon FCU, Patriot FCU, PSECU, and Wheatland FCU.

In addition, the Corporate thanks everyone who donated and 105.7 The X, Nipsey, Earl David Reed and Jen Shade for hosting the Pay 4 Play event.

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Financial Services Subcommittee Chair Announced, Garrett Continues Chairmanship

WASHINGTON – Subcommittee chairs for the House Financial Service Committee were announced yesterday by committee chair Rep. Jeb Hensarling (R-Texas). This will be Hensarling's second term as committee chair after taking the position in January 2013.

Rep. Scott Garrett (R-5) will continue as chairman of the capital markets and government-sponsored enterprises (GSEs) subcommittee, which has jurisdiction over housing finance reform.

Other Financial Services subcommittee chairmen for the new Congress will be:

- Rep. Randy Neugebauer (R-Texas), financial institutions and consumer credit subcommittee;
- Rep. Blaine Luetkemeyer (R-Mo.), housing and insurance subcommittee;
- Rep. Bill Huizenga (R-Mich.), monetary policy and trade subcommittee; and
- Rep. Sean Duffy (R-Wis.), oversight and investigations subcommittee.

Hensarling said in a statement that he looks forward to passing laws to help grow the economy while "promoting sensible solutions that help create jobs and hold both Washington and Wall Street accountable to the American people."

The remainder of the committee leadership team will be announced at a later date.

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December 4th Webinar will Cover Traditional & Roth IRA Reporting Responsibilities

**Thursday, December 4, 2014
3:00 pm - 4:30 pm ET**

Understanding and complying with IRA reporting requirements can be a daunting, complex task. Join us for a simple explanation of the reporting rules, regulations, and responsibilities facing IRA custodians in 2014 and beyond on Thursday December 4th.



From 1099-R and 5498 reporting, to member and beneficiary statement/notice requirements, this Webinar will cover this maze of rules and provide a clear, concise path. You will learn there are choices on how to handle certain reporting requirements depending on your financial institution's philosophy and operational capabilities.

This session will provide back-office IRA support or operations staff with valuable, current information. Member contact staff will be able to confidently answer IRA questions that arise throughout the year when members receive one of the many IRS reporting forms or IRA account statements and notices.

HIGHLIGHTS

- 1099-R and 5498 reporting requirements and deadlines
- Summary of required IRA holder statements and notices, including account, fair market value, and required minimum distribution statements and notices
- Review of beneficiary reporting and notice requirements
- Deadlines and penalties for missing reporting and notice deadlines
- How to handle reporting mistakes and make corrections
- Effectively addressing common questions

TAKEAWAY TOOLKIT

- Employee training log
- Quiz you can administer to measure staff learning and a separate answer key

Click [here](#) for more information, pricing options, and to register

Click [here](#) for more information, pricing options, and to register.

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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Experts: Expect More Breaches During Holiday Season

It's probably the last thing credit unions, which have been saddled with millions of dollars in costs as a result of recent mega-retailer data breaches, want to hear, but many experts are forecasting a new round of cyberattacks on payment data held by merchants this holiday season.

"It's just a matter of when they're going to get hacked, not if," Robert Twitchell, president/CEO of the cybersecurity firm Dispersive Technologies, which serves as a consultant to the U.S. Department of Defense in its war against cybercrime, told the *International Business Times* (Nov. 18).

Unwelcome news compounded by the fact that merchants continue to operate under payment data security standards that don't match the strict standards financial institutions are required to meet. Twitchell said that merchants may spend more on safeguarding payment data than in the past, but it still may not be enough to ward off cybercriminals.

Retailer security performance continues to decline as well, according to the security benchmarking firm BitSight (*TechWorld.com* Nov. 18), especially for those who have yet to come under attack. While a number of retailers that have been hit with breaches have seen improvements in security performance, BitSight found that 58% of the 300 merchants it polled recently had experienced a 90-point decline in performance over the first three quarters of 2014 on a scale that runs from 250 points to 900.

Credit unions nationwide suffered \$57 million in costs related to the recent Home Depot data breach, including card reissuances and other fraud-related costs, after getting hit with \$30 million in costs from the breach that occurred at Target stores last holiday season.

Meanwhile, the stakes for those that hold sensitive consumer payment data continue to rise. So far this year, 644 breaches have been reported, a 25.3% increase from last year, according to Theft Resource Center (*Pymnts.com* Nov. 19).

Further, Federal agencies have warned businesses in the United States that hackers are becoming more sophisticated and organized, and even the Chinese government has been sponsoring cyberattacks

in search of patented technologies, according to the *International Business Times*. The attacks will also continue to evolve, it appears, as Trend Micro predicts that data breaches will migrate to mobile devices carrying personal payment data next year, according to *Pymnts.com*.

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Register Now for 2015 Development Education (DE) Trainings

Spots are Going Fast for NCUF's CU Philosophy Training

MADISON, Wis. – There are now only a few spots left for credit union professionals as registration winds down for the Winter 2015 Credit Union Development Education (DE) training class taking place January 14-21, 2015 in Dallas, Texas. The Spring class, April 29-May 6, 2015 in Madison, Wis., is also about half full. Attendees of the National Credit Union Foundation's (NCUF) six-day total immersion experience will learn about credit unions' social responsibility and domestic and international development through interactive education and professional networking.



"Registration for each training is limited to just 42 attendees and we only have about 10 spots left for credit union professionals who would like to attend the January training," said Lois Kitsch, NCUF National Program Director. "You won't want to miss either of the 2015 programs as DE Training is one of the most transformative and unique credit union training events offered."

After attending the most recent training in September, Frances Tiger, Administrator-Business Development at American Airlines FCU, said, "DE training is by far, a life changing event. I had no idea about the depth of what I was a part of in the credit union movement and would recommend this training for all employees of credit unions." ([View more testimonials here](#))

NCUF also released a new video recently about DE Training highlighting the value of the training for attendees. The video is available on NCUF's YouTube channel at www.youtube.com/ncuf. Click [here](#) for the direct link to the video.

DE Training Locations & Registration– Room & Meals Included

The first two DE Trainings of 2015 will place January 14-21, 2015 at the American Airlines Training & Conference Center in Dallas, Texas and April 29-May 6, 2015 at The Lowell Center, which is part of the University of Wisconsin campus in Madison, Wis. The registration fee includes seven nights of single-room lodging, as well as all training materials and meals.

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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Daniel Dunn Hired as Manager at First Financial FCU

WALL, N.J. – Daniel Dunn, of Shrewsbury, was recently hired as Branch Manager at First Financial Federal Credit Union.

Dunn brings over 8 years of banking experience to First Financial.



Prior to his employment with the credit union, he worked for Valley National Bank for seven years, and was most recently Branch Sales Manager at their Red Bank, N.J. branch. Other positions in his banking career include Head Teller/Customer Service Representative for Commerce Bank (now TD Bank) in Tinton Falls, N.J.

Dunn will be responsible for managing the day-to-day activities at First Financial's branch, as well as business development, attending community events, increasing the loan and deposit base, and the

general overall success of the branch.

Dunn graduated from Brookdale Community College in Lincroft with an Associates Degree in Criminal Justice. He is an avid year-round fly-fisher, enjoys camping and being out in the wilderness. He is also on the Executive Board for the Monmouth Council Boy Scouts of America, and an Emergency Management Coordinator for Shrewsbury Township. Dunn currently resides in Shrewsbury with his wife.

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Expanded Foreclosure Protections Being Considered by CFPB

WASHINGTON – A government plan announced Thursday would make sure that if a mortgage borrower dies, surviving family members and others who inherit or receive property have the same foreclosure protections as the original loan holder.

The Consumer Financial Protection Bureau's [plan](#) could end up requiring mortgage servicers to provide certain borrowers with foreclosure protections more than once over the life of a loan, to put in place additional servicing transfer protections, and to take steps to protect borrowers from a wrongful foreclosure sale.

In effect, the CFPB proposal extends the reach of bureau mortgage servicing rules that went into effect Jan. 10 this year and which require servicers to maintain accurate records, give troubled borrowers direct and ongoing access to servicing personnel, promptly credit payments, and correct errors on request.

The CFPB said in a release its proposal also would:

- • Require servicers to notify borrowers when loss mitigation applications are complete;
- • Do more to protect struggling borrowers during servicing transfers;
- • Clarify servicers' obligations to avoid dual-tracking and prevent wrongful foreclosures;
- • Clarify when a borrower becomes delinquent; and
- • Provide more information to borrowers in bankruptcy by requiring periodic mortgage statements.

The proposed rule and disclosures will be open for public comment for 90 days after their publication in the *Federal Register*.

The CFPB has provided a [summary](#) of the rule.

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Daily Movember Men's Health Tip

KNOW YOUR NUMBERS

No matter your age, one of the most important things you can do to stay healthy is to know and track your key health numbers.

Tracking these and keeping them in the healthy range will lower your risk of heart disease, stroke, diabetes and many types of cancer.

THE HEALTH NUMBERS YOU SHOULD WATCH

Body Mass Index/Weight
Waistline
Blood pressure
HDL Cholesterol (healthy cholesterol)
LDL Cholesterol (unhealthy cholesterol)
Blood Glucose (sugar)

support movember



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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

December 2 -- [VirtualCorps Webinar: Expanding Your CU into Non-Conventional Financial Services](#)

December 9 -- [VirtualCorps Webinar: Enhancing Leadership Skills For Boards Of Directors](#)

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

Industry Events

December 9 -- [South-Central Chapter Meeting: Networking/Christmas/Holiday Gathering](#)

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](#)

September 28th -- Picatinny Federal Credit Union 17th Annual Golf Outing

October 4-6 -- NJCUL's 81st Annual Meeting & Convention

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